

CLAIMANT INFORMATION

LAST NAME Grab		FIRST NAME Christine		MIDDLE INITIAL N
INMATE OR PATIENT IDENTIFICATION NUMBER (if applicable)		BUSINESS NAME (if applicable)		
TELEPHONE NUMBER		EMAIL ADDRESS		
MAILING ADDRESS		CITY San Diego	STATE CA	ZIP
IS THE CLAIMANT UNDER 18 YEARS OF AGE? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		INSURED NAME (Insurance Company Subrogation)		
IS THIS AN AMENDMENT TO A PREVIOUSLY EXISTING CLAIM? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		EXISTING CLAIM NUMBER (if applicable)	EXISTING CLAIMANT NAME (if applicable)	

ATTORNEY OR REPRESENTATIVE INFORMATION

LAST NAME		FIRST NAME		MIDDLE INITIAL
TELEPHONE NUMBER		EMAIL ADDRESS		
MAILING ADDRESS		CITY	STATE	ZIP

CLAIM INFORMATION

STATE AGENCIES OR EMPLOYEES AGAINST WHOM THE CLAIM IS FILED Multiple Agencies -- See Attached	DATE OF INCIDENT 1-31-23 and 2-27-23
LATE CLAIM EXPLANATION (Required, if incident was more than six months ago)	

DOLLAR AMOUNT OF CLAIM 150,000	CIVIL CASE TYPE (Required, if amount is more than \$10,000) <input type="checkbox"/> Limited (\$25,000 or less) <input checked="" type="checkbox"/> Non-Limited (over \$25,000)
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DOLLAR AMOUNT EXPLANATION
see attached

INCIDENT LOCATION
Sacramento, CA

SPECIFIC DAMAGE OR INJURY DESCRIPTION
see attached

CIRCUMSTANCES THAT LED TO DAMAGE OR INJURY
see attached

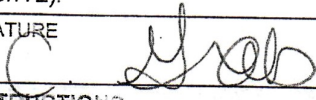
EXPLAIN WHY YOU BELIEVE THE STATE IS RESPONSIBLE FOR THE DAMAGE OR INJURY
All Accused were working in their official government roles on behalf of the State of California

AUTOMOBILE CLAIM INFORMATION

DOES THE CLAIM INVOLVE A STATE VEHICLE? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	VEHICLE LICENSE NUMBER (if known)	STATE DRIVER NAME (if known)
HAS A CLAIM BEEN FILED WITH YOUR INSURANCE CARRIER? <input type="checkbox"/> Yes <input type="checkbox"/> No	INSURANCE CARRIER NAME	INSURANCE CLAIM NUMBER
HAVE YOU RECEIVED AN INSURANCE PAYMENT FOR THIS DAMAGE OR INJURY? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	AMOUNT RECEIVED (if any)	AMOUNT OF DEDUCTIBLE (if any)

NOTICE AND SIGNATURE

I declare under penalty of perjury under the laws of the State of California that all the information I have provided is true and correct to the best of my information and belief. I further understand that if I have provided information that is false, intentionally incomplete, or misleading I may be charged with a felony punishable by up to four years in state prison and/or a fine of up to \$10,000 (Penal Code section 72).

SIGNATURE 	PRINTED NAME Christine Grab	DATE July 19, 2007
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INSTRUCTIONS

- Include a check or money order for \$25, payable to the State of California.
 - \$25 filing fee is not required for amendments to existing claims.
- Confirm all sections relating to this claim are complete and the form is signed.
- Attach copies of any documentation that supports your claim. Do not submit originals.

Mail the claim form and all attachments to:
 Office of Risk and Insurance Management
 Government Claims Program
 P.O. Box 989052, MS414
 West Sacramento, CA 95798-9052

Claim forms can also be delivered to:
 Office of Risk and Insurance Management
 Government Claims Program
 707 3rd Street, 1st Floor
 West Sacramento, CA 95605
 1-800-955-0045

Department of General Services Privacy Notice on Information Collection

This notice is provided pursuant to the Information Practices Act of 1977, California Civil Code Sections 1798.17 & 1798.24 and the Federal Privacy Act (Public Law 93-579).

The Department of General Services (DGS), Office of Risk and Insurance Management (ORIM), is requesting the information specified on this form pursuant to Government Code Section 905.2(c).

The principal purpose for requesting this data is to process claims against the state. The information provided will/may be disclosed to a person, or to another agency where the transfer is necessary for the transferee-agency to perform its constitutional or statutory duties, and the use is compatible with a purpose for which the information was collected and the use or transfer is accounted for in accordance with California Civil Code Section 1798.25.

Individuals should not provide personal information that is not requested.

The submission of all information requested is mandatory unless otherwise noted. If you fail to provide the information requested to DGS, or if the information provided is deemed incomplete or unreadable, this may result in a delay in processing.

Department Privacy Policy

The information collected by DGS is subject to the limitations in the Information Practices Act of 1977 and state policy (see State Administrative Manual 5310-5310.7). For more information on how we care for your personal information, please read the [DGS Privacy Policy](#).

Access to Your Information

ORIM is responsible for maintaining collected records and retaining them for 5 years. You have a right to access records containing personal information maintained by the state entity. To request access, contact:

DGSORIM
 Public Records Officer
 707 3rd St., West Sacramento, CA 95605
 (916) 376-5300

**Department of General Services
Office of Risk and Insurance Management
Government Claims Program**

Claimant:
Christine N. Grab,



Accused 1:
Malia Cohen
State Controller
State Controller's Office
300 Capitol Mall, Suite 1850
Sacramento, California 95814

Accused 2:
Hasib Emran
Deputy State Controller for Taxation
300 Capitol Mall, Suite 1850
Sacramento, California 95814

Accused 3:
Joe Stephenshaw
Director
California Department of Finance
915 L Street, Suite 1235 Sacramento, CA
95814

Accused 4:
Gayle Miller
Chief Deputy Director, Policy
California Department of Finance
915 L Street, Suite 1235 Sacramento, CA
95814

Accused 5:
Antonio Vazquez
Board of Equalization
621 Capitol Mall, #2160
Sacramento, CA 95814

Accused 6:
Brenda Voet
Taxpayer Advocate (at the time of incident)
Franchise Tax Board
9646 Butterfield Way, Sacramento,
California 95827

Accused 7:
Shalini Nanda (Shelly)
Advocate Trend & Issue Specialist
Taxpayers' Rights Advocate Office
Franchise Tax Board
9646 Butterfield Way, Sacramento,
California 95827

Accused 8:
Ann Wilson, Supervisor
Taxpayers' Rights Advocate Office
Franchise Tax Board
9646 Butterfield Way, Sacramento,
California 95827

Accused 9:
Angela Jones (Trade Media Liaison at the
time of the incident)
Taxpayers' Rights Advocate Office
Franchise Tax Board
9646 Butterfield Way, Sacramento,
California 95827

Accused 10:
Williams, Carol D.
Chief of the Administrative Services
Division
Franchise Tax Board
9646 Butterfield Way, Sacramento,
California 95827

Accused 11:

Selvi Stanislaus
Executive Officer
Franchise Tax Board
9646 Butterfield Way, Sacramento,
California 95827

Accused 12:

Jozel Brunet
Chief, Legal Officer
Franchise Tax Board
9646 Butterfield Way, Sacramento,
California 95827

Accused 13:

Shane Hofeling
Deputy Chief Counsel
Franchise Tax Board
9646 Butterfield Way, Sacramento,
California 95827

Accused 14:

Roger J. Lackey, Jr.
Chief, Filing Services
Franchise Tax Board
9646 Butterfield Way, Sacramento,
California 95827

Accused 15

Jennifer Fowler
Chief; Accounts Receivable Management
Division
Franchise Tax Board
9646 Butterfield Way, Sacramento,
California 95827

Overview of Claim

The California Franchise Tax Board (FTB) has a business practice in which some types of payments that have been designated to be immediately applied to a taxpayer's account are not applied upon receipt of the funds by FTB; the payments are instead "withheld," which means they are not applied to the taxpayer's account for months or sometimes even years.

For several years now, I have been asking FTB to provide full disclosure regarding which types of payments are withheld and exactly when these payments are applied to the taxpayer's account. I have also been asking FTB to disclose the legal codes which justify not timely applying the funds received.

FTB has disclosed their guidelines for the withholding of and eventual application of estimated tax payments made via credit elect (when the taxpayer applies the refund from one tax year as a payment towards the next year's tax liability) and estimated tax payments made via check/credit card/ACH from bank account by married couples (exhibit 1). In both cases, FTB's standard operating procedure is to withhold these types of payments until the taxpayer(s) actually files that year's tax return.

FTB has consistently been evasive about their policies and procedures surrounding many of the other types of payments that FTB routinely withholds. I believe that if this practice of not timely applying monies designated to the taxpayer's account were lawful, FTB would have disclosed the appropriate statutes and guidelines. Thanks to FTB's evasion, it is clear that some of these withholding practices are unlawful.

Many people in multiple agencies are currently participating in this evasion in order to cover up FTB's unlawful business practices. In the latest instance of cover-up that this claim is

based upon (exhibits 2 and 3 -- detailed in Specific Damage/Injury and Circumstances Which Led to Damage/Injury sections below), co-conspirators include:

- FTB Board of Directors: State Controller Malia Cohen and her Deputy, Hasib Emran. Mr. Emran currently represents Ms. Cohen for Franchise Tax board matters (exhibit 4).
- FTB Board of Directors: Director of the California Department of Finance Joe Stephenshaw and his Chief Deputy Director, Policy, Gayle Miller (exhibit 5). Ms. Miller has consistently represented the Department of Finance on Franchise Tax Board matters for many years, even prior to Mr. Stephenshaw's appointment.
- FTB Board of Director: Board of Equalization Chairman Antonio Vasquez (exhibit 6).
- FTB's Taxpayer Rights Advocate Staff: At the time, the Taxpayer Advocate was Brenda Voet. However, Ms. Voet was in the process of retiring. While Ms. Voet signed both of the letters that are the focal point of this claim, her email auto-responder indicated that she was no longer working when the letters were issued (exhibit 7).
- FTB's Taxpayer Rights Advocate Staff: Because the incriminating emails from FTB were sent by Shalini Nanda (Shelly) and Ann Wilson was copied on them, it appears that these two people were helping to fill in for Ms. Voet (exhibits 2, 3 and 8).
- FTB's Taxpayer Rights Advocate Staff: Per FTB's website, FTB appointed Angela Jones as the new Taxpayer Rights Advocate, effective May 2, 2023 (exhibit 8). Per FTB's website, Angela Jones had been part of the Taxpayer's Rights Advocate staff since at least October 2021, so she was a part of the staff -- and possibly had already taken over Ms. Voet's role -- when the incriminating emails were sent (exhibit 8).
- FTB's Taxpayer Rights Advocate Staff and FTB Executive Staff: Carol D. Williams is the Chief of the Administrative Services Division. Ms. Williams oversees

communications, executive and advocate services, and taxpayers' rights advocate. Ms. Williams would have personally approved these two correspondences prior to the Advocate's office remitting them (exhibit 9).

- FTB Executive Staff: Selvi Stanislaus, Executive Officer; Jozel Brunet, Chief, Legal Counsel and Shane Hofeling, Deputy Chief Counsel. All three of these people would also have approved these two correspondences prior to remitting them (exhibit 10). Neither Jozel Brunett nor Shane Hofeling have fully executed Oath of Allegiances (STD 689) as is required per Government Code sections 1360, 1362-1369 and Section 3 of Article XX of the Constitution of California. Without a fully executed Oath, both Ms. Brunett and Mr. Hofeling are working for FTB illegally and are considered foreign agents posing as government officials. Under Title 18 U.S.C.A. § 912, this is a felony punishable with up to three years in federal prison (exhibit 10). Per the California Department of General Services, Ms. Brunett also does not have an insurance policy, which is required to be issued under California Government Codes 1450 – 1463. I believe the lack of an insurance policy confirms that Ms. Brunett's unexecuted Oath was not merely an "administrative error" and instead intentional fraud to unlawfully pose as a government agent.
- FTB Executive Staff: Roger Lackey, Chief of Filing Services and Jennifer Fowler, Chief of the Accounts Receivable Management Division. Mr. Lackey heads up the department which processes individual and business entity payments and administers the withholding program. Mr. Lackey is the one who is responsible for making sure all payments are applied appropriately according to the laws. Ms. Fowler oversees the collections department. As is explained in detail below, Mr. Lackey and Ms. Fowler appear to be a

working as a team (exhibit 11) to commit fraud to falsely overcharge taxpayers. Ms. Fowler also does not have a fully executed Oath of Allegiances (STD 689) as is required per Government Code sections 1360, 1362-1369 and Section 3 of Article XX of the Constitution of California. Without a fully executed Oath, Ms. Fowler is working for FTB illegally and is considered foreign agents posing as government official. Under Title 18 U.S.C.A. § 912, this is a felony punishable with up to three years in federal prison.

Details of Claim:

Background Information:

On 08-04-2014, claimant filed an Abatement Request (which means a request for refund of penalties, fees and interest) with the California Franchise Tax Board (FTB) for tax year 2011. FTB denied claimant's Abatement Request, not just for 2011, but also for 2013 and 2014, even though no Abatement Request was filed for either of those years. I filed an appeal with the Board of Equalization (BOE) on 08-21-2017, which at the time was the administrative court that handled FTB Appeals. While my case was pending, the administration of FTB Appeals was moved from the BOE to the newly created Office of Tax Appeals (OTA). In November 2019, the OTA upheld FTB on the matter. On 01-29-2020, claimant filed a new appeal with San Diego Superior Court (SDSC) in accordance with A.B. 102 section 13, A.B. 131 section 14 and Cal Government Code section 15677. The SDSC case was concluded in March 2022.

While I was auditing the records submitted by FTB during discovery in the OTA/SDSC cases, I found many instances where FTB records indicated that funds paid by my husband and I,

or paid by other parties and designated to be applied to my or my husband's account (i.e. taxes collected by an employer), were not applied at the time the funds were remitted.

As I documented on pages 8 – 19 of the *Plaintiff's Statements of Undisputed Facts and Supporting Evidence in Opposition to Motion for Summary Judgment* that I filed in my SDSC court case against FTB (exhibit 12), most of the payments made by my husband and I were not applied until one or more years after receipt. In the interim until application, the payments seemed to “vanish” from FTB's records. When the payment finally “appeared” on the books, the payment would be backdated to hide that they had previously “vanished.” I also documented several incidents where a payment vanished from FTB's records, appeared, then disappeared again.

The application of payments did not seem to follow any rhyme or reason. I attempted to get clarification of FTB's policies and procedures regarding the application of payments in the SDSC case, but FTB was evasive and would not disclose their policies/procedures regarding when certain types payments are applied to the taxpayer's account. I went as far as to file a *Motion For Order Compelling Further Response to Specially Prepared Interrogatories* in order to try to get this information. Sadly, the judge denied the motion.

I did not enclose a copy of the *Motion For Order Compelling Further Response to Specially Prepared Interrogatories* because the issues addressed in that document are beyond the scope of this Claim. However, if you would like to see a copy, it can be procured directly from the court's website at: <https://roa.sdscourt.ca.gov/roa/faces/CaseSearch.xhtml>. The case number is year 2020, number 00005100. The *Declaration of Christine N. Grab in support of the Motion for Compelling Further Response* is item #39 on the court's website. The proof submitted to substantiate my request are Exhibit 49, titled *Accounting Irregularities*, and Exhibit 52,

titled *Plaintiff's Request for Admissions*, which are both part of item #39. The enclosed exhibit 12, *Plaintiff's Statements of Undisputed Facts and Supporting Evidence in Opposition to Motion for Summary Judgment*, is item #86 on the court's website.

Defendant FTB never denied the accuracy of my findings regarding accounting irregularities involving delayed application of funds; in FTB's *Response to Plaintiff's SUF* (item #92 on the court website), FTB merely stated that the records were immaterial to the case. In fact, FTB never denied any of the allegations of accounting fraud in any of the documents that FTB filed with the court. In most of the documents FTB filed, FTB simply pretended that I had not made the allegations and responded as if I had made entirely different arguments. 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 submitted to the court are now legally deemed to be accurate. You can confirm for yourself that FTB never denied these allegations by downloading all of the documents from the court's website that FTB filed.

Specific Damage/Injury and Circumstances Which Led to Damage/Injury

As is required under Revenue and Taxation Code (RTC) 21006(a)(2), every year, the Franchise Tax Board allows the general public to make requests for changes to laws, policies and/or procedures that pertain to FTB. I participated in the December 2022 meeting by submitting a set of requests in writing on November 29, 2022 (exhibit 13) and an oral request of the same items at the meeting held on December 8, 2022. The video of the meeting can be found here: <https://www.youtube.com/watch?v=18F6cXHJZwM>. I speak from 14:35 – 19:45. The

minutes can be found here: <https://www.ftb.ca.gov/about-ftb/meetings/board-meetings/2022/december-2022/2022-12-08-text.pdf>).

At the meeting, Joe Stephenshaw was not present. He was represented by his deputy, Gayle Miller. Gayle Miller usually attends the FTB Board Meetings in lieu of Mr. Stephenshaw.

One of the items that I requested was full disclosure regarding exactly when each type of payment is applied to the taxpayer's account. I wrote:

4. Disclosure of Protocols Regarding Withheld Payments

One of FTB's Foundational Principals is "Operate with transparency to maintain public trust and confidence." As such, I request that FTB provide full public disclosure of FTB's policies, procedures and protocols surrounding withheld payments. Information should include:

- FTB has already disclosed that credit elect payments and estimated tax payments made by married couples are withheld until that year's return is filed. From the records submitted by FTB in the Grab vs. FTB court case, it appears that many other payments are withheld, too. Please provide an exhaustive list of every type of payment that is not applied to the taxpayers account immediately upon receipt by FTB, how long that type of payment is withheld, and the Revenue and Tax Code that is used to justify each of the types of payments withheld.
- Please provide FTB's official definition of the word "timely."
- If a payment is made in full by the prescribed due date but withheld by FTB per FTB's above withholding practices, is that payment considered "timely" by FTB? If this payment is not considered timely, please provide the Revenue and Tax Code that is used to justify this practice.
- Please disclose the procedures for moving the withheld funds into the taxpayers account at the appropriate time. For example, FTB received the hard copy of my 2011 tax returns on 03-06-2014. Per FTB's policy of withholding estimated tax payments made via credit elect and by married couples until the day that year's return is filed, our two withheld payments that had been made for tax year 2011 should have been removed from suspense and applied to our account on 03-06-2014. Who is the person responsible for moving the funds? Is it the person who opens the mail? If not, is there a system in place to ensure that the person who opens the mail gets the return to the person whose job it is to move the funds?

- Please specify exactly when these withheld estimated tax payments are counted in the revenue totals for the State of California for that year. Are they counted as revenue as soon as FTB receives the funds? Or are they counted as revenue when the payments have been applied to the taxpayer's account? Or are they counted as revenue at another point in time? If it is a different point in time, please provide the calculation for which date that type of payment is classified as revenue. If different types of payments are counted as revenue on different dates, please clarify which types of payments are applied on which dates.
- Who is the custodian of the suspense accounts in which the withheld payments are placed for the interim? Is it a department within FTB, or are the funds held by another agency, such as the Department of Finance or the State Controller?
- Are there provisions in the protocols which allow for any type of spending, borrowing or other utilization of the funds held in the suspense account for any purpose, whether routinely or sporadically?
- If spending, borrowing or other utilization of the funds is authorized by the protocols, whether routinely or sporadically, what are the guidelines under which the monies can be utilized? Who is authorized to make these expenditures?

Last year, I made this same Request. In FTB's Response, Brenda Voet stated that she was not required to address this Request since I had litigation pending against FTB. I believe that not addressing my Request was a violation of R&TC Section 21006(b)(2).

I believe that alluding that pending litigation voided my right to be a violation of Federal Criminal Code 18 USC §242; Color of Law.

Furthermore, how, when and where payments are applied are material facts, and refusing to disclose this information is a violation of 18 USC §1001 (a)(1), which states in part:

it is a federal crime, in a matter within the jurisdiction of a government agency, to (1) falsify, conceal or cover up a material fact.

5. Disclosure of All Payments Which Are Immediately Applied

In accordance with FTB's Foundational Principal to "Operate with transparency to maintain public trust and confidence," please provide an exhaustive list of all types of payments that are applied to the taxpayers account immediately upon receipt of the funds from the taxpayer/on behalf of the taxpayer.

Last year, I made this same Request. In FTB's Response, Brenda Voet stated that she was not required to address this Request since I had litigation pending against FTB. I believe that not addressing my Request was a violation of R&TC Section 21006(b)(2). I believe that alluding that pending litigation voided my right to be a violation of Federal Criminal Code 18 USC §242; Color of Law. Furthermore, how, when and where

payments are applied are material facts, and refusing to disclose this information is a violation of 18 USC §1001 (a)(1).

On January 31, 2023, FTB provided a written response to my request (exhibit 2). For Item #4, FTB stated “FTB will provide you with a supplemental response by February 28, 2023, or sooner.” For Item #5, FTB wrote:

5. Disclosure of all payments which are immediately applied

The following is a list of Personal and/or Business Entities payment types that are applied to the accounts of taxpayers:

- Estimate Payments
- Return Payments
- Bill Payments
- Proposed Assessment Payments
- Extension Payments
- Suspense Payments
- Amended Return Payments
- Prior Year Estimate Payments
- Prior Year Miscellaneous Payments
- Tax Deposits
- Fiscal Payments
- Accounts Receivable Payments
- Federal and State Offset Payments
- Collection Payments
- Limited Liability Company (LLC) Tax Voucher
- LLC Estimated Fee
- Automatic Extension Payments
- Pass-Through Entity Elective Tax Payment

(Please note the above list is in no specific order)

The timing of when the payments are applied may vary based on how the payments are made, the number of taxpayers the payment is made on behalf of, the method of payment, and whether additional information is needed to apply to the correct amount to the taxpayer's account.

As you read for yourself in the bottom paragraph, FTB clearly stated that payments that are allegedly “applied immediately upon receipt” aren’t actually applied right away. FTB did not disclose *exactly* when these payments are applied as I had requested; instead FTB gave a vague and evasive answer that provided no insight into how long each of these types of payments may

be withheld before applying the funds to the taxpayer's account. I believe that failing to fully disclose FTB's operating policies and procedures is a violation of California Taxpayer Right R&TC Section 21006(b)(2) and 18 USC §1001 (a)(1).

On February 2, 2023, I sent a response to FTB's written response (exhibit 14). Included in the response were thirteen of the fifteen people accused in this claim. The two people not copied that email were Angela Jones and Shane Hofeling. I wrote:

For the items that FTB has failed to address (items #4, #5, #6), I will await FTB's supplemental response that FTB stated will be provided on or before February 28, 2023. In that response, I expect:

- Clarification of FTB's statement for item #5: "The timing of when the payments are applied may vary based on how the payments are made, the number of taxpayers the payment is made on behalf of, the method of payment, and whether additional information is needed to apply to the correct amount to the taxpayer's account." This clarification should include the policies and procedures for each and every one of those situations listed and clarify *exactly when* the payments are applied in each of those scenarios.
- Also for item #5, please clarify FTB's exact definition of "immediately applied." In layman vernacular, "immediately applied" means that the funds are applied upon receipt. Since FTB states under the section titled "immediately applied" that "the timing of when the payments are applied varies," clearly, FTB's definition of "immediately applied" is not the same as layman's terms.
- I expect an answer to every question that I posed in item #4, particularly regarding who controls the suspense funds and whether spending is allowed on the suspense account.

As FTB had promised, on February 27, 2023, FTB sent a supplemental response with more information (exhibit 3). However, no further information was provided regarding exactly when payments that were allegedly supposed to be "immediately applied" were actually applied to the taxpayer's account. FTB included Angela Jones on this email. Since Brenda Voet's auto-responder still indicated that she was out of the office (exhibit 7), I believe Ms. Jones inclusion

indicates that she had already transitioned into the role of Advocate. FTB also copied Shane Hofeling on the email, indicating that he was the person from Legal who approved the content of the letter (or possibly even wrote the letter).

I believe that failing to disclose how FTB applies payments received by them, especially when the payments seem to vanish from FTB's records (and sometimes reappear and vanish again), is a violation of FTB's Principals of (exhibit 15):

- Carry out our fiduciary responsibilities to taxpayers by managing their accounts with accuracy and financial integrity.
- Operate with transparency to maintain public trust and confidence.
- Conduct our business in accordance with the Statement of Principles of Tax Administration, Taxpayers' Bill of Rights, and our organizational values.

FTB has previously disclosed that (exhibit 1), in the cases of credit elect payments and payments made by married couples (which is a type of "estimated tax payment" identified above by FTB as being "immediately applied"), FTB puts the monies into suspense – which is another word for the general slush fund – until the funds are eventually moved 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 by Mr. Lackey's department, 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 have 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*, 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 I 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 liabilities and needed to 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. It is Mr. Lackey’s department that is doing the embezzling by not timely applying payments. While all of the withheld funds are eventually applied to the taxpayers account, the 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.” 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.

I am not asking ORIM to take a stance on the legality of these withholding practices. I intend to file a petition with the Office of Administrative Law (OAL) to determine whether it is lawful for FTB to not immediately apply funds to the taxpayers' account when it is a type of payments that FTB claims are "immediately applied."

My purpose for filing this ORIM claim is to penalize FTB for not providing full disclosure regarding what, exactly, these withholding practices are so that an OAL petition can be initiated. OAL cannot determine if these business practices are lawful if the details of said policies, procedures and protocols are not disclosed.

I believe that FTB evading disclosure of *exactly when* payments are applied to the taxpayer's account in the initial Response confirms that FTB's Board of Directors, Executives and the Taxpayer Advocate staff are all aware that not timely applying funds is unlawful. Had the lack of clarification been a result of a misunderstanding of what I had asked, FTB would have clarified in their Supplemental Response. I believe that FTB staff and their co-conspirators in other agencies have not disclosed the details because they are conspiring to prevent an investigation from being launched. This is the federal crime of *Obstruction of Justice*.

All fifteen of the Accused were aware of the facts stated above. Taxpayer Advocate Brenda Voet signed the letter per the approval of the Board of Directors and their Deputies, as well as the approval of the above-named FTB Executives and their Deputies. Since it appears that the Advocate had already retired, it seems the above-named staff in the Advocate's Office were involved in the criminal cover-up, using Ms. Voet as a shield to hide their own involvement.

Dollar Amount of Claim and Explanation

I seek restitution of \$10,000 per person Accused for FTB's violation of my rights under California Right R&TC Section 21006(b)(2) and for violating 18 USC §1001 (a)(1) by refusing to disclose FTB's policies and procedures regarding exactly when payments deemed to be "immediately applied upon receipt of funds" are actually applied.

The fifteen Accused have also violated 18 US Code 242 by not allowing me full and free access of information in accordance with my rights, which is a Class A misdemeanor. Since it appears that the purpose of this lack of candor is to prevent an OAL investigation, the fifteen accused have also committed the federal crime of *Obstruction of Justice*. In all, I seek restitution of \$150,000.

Furthermore, I demand that ORIM immediately revoke the insurance policy of the Accused individuals who are still employed by the State of California (Ms. Voet has retired) for violating the above laws. My understanding is that the revocation of their insurance policies will result in immediate termination.

I also demand that Jozel Brunett, Shane Hofeling and Jennifer Fowler all be immediately arrested for the felony crime of illegally posing as government officials. *Prima fascia* indicates that all three knowingly committed this felony.

As described above, Ms. Fowler oversees several criminal schemes. As discussed above, Ms. Fowler instructs her staff to demand payments of monies which FTB knows are not actually owed and to falsely impose late penalties, fees and interest. As I documented in the *Grab vs. FTB* court documents previously referenced, in addition to falsely imposing interest, her department then overcharges even more interest by not crediting all the payments the taxpayer made for the

purposes of calculating interest and 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*, 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 was knowingly committing such heinous crimes against the very people who pay her salary never took an Oath to uphold federal and state laws.

Likewise, 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. 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 authorize policies, procedures, and communications that violate said laws. Quite frankly, I believe that Ms. Brunett and/or Mr. Hofeling authored the two letters at the center of this ORIM claim. I believe that they evaded personal responsibility for the contents of the letters by having Ms. Voet sign the letters. If you download the records from *Grab vs. FTB* mentioned above, you will see that FTB has an established track record of setting up employees as patsies to protect people higher up in the organization.

Furthermore, I demand that FTB immediately publicly disclose *exactly when* these "immediately applied" payments are applied to the taxpayer's account. Once full disclosure is made regarding FTB's policies and procedures regarding the application of payments, an

investigation should be conducted by OAL to determine if these practices of withholding payments that are supposed to be “applied immediately” are lawful.

If these business practices are determined to be unlawful, I demand that FTB immediately cease and desist these practices and that the fifteen Accused should be criminally prosecuted for *Conspiring to Cover up Criminal Activities, Obstruction of Justice* and, for the employees with properly executed oaths, *Treason of Oath*.

Verification

I declare under penalty of perjury under the State of California that all of the information that I have provided is true and correct to the best of my information and belief. I further understand that if I have provided information that is false, intentionally incomplete, or misleading, I may be charged with a felony punishable by up to four years in state prison and/or a fine of up to \$10,000 (Penal Code Section 72).

C. Grab

Christine N. Grab

July 19, 2023