

Christine Grab

September 1, 2023

Office of Foreign Asset Control  
US Department of the Treasury  
Treasury Annex/Freedman's Bank Building  
1500 Pennsylvania Ave, NW  
Washington, DC 20220

Dear Regulators:

My understanding is that every State of California employee must sign STD 689, Oath of Allegiance before beginning the duties of their employment (Government Code sections 1360, 1362-1369 and Section 3 of Article XX of the Constitution of California). My understanding is that people who work unlawfully without an executed Oath are considered to be a *foreign agent posing as a government agent* and subject to prosecution under Title 18 U.S.C. § 912.

Over the past two months, I have sent you six letters notifying you of ten State of California employees who do not have fully executed oaths. The purpose of today's letter is to notify you of two more people who do not have fully executed oaths, both in the California State Controller's Office.

The first letter I sent was to report two former employees of the California Bar Association, Robert A Henderson, Jr. and Cecilia Horton-Billard. In that letter, I had stated that I was currently drafting a Federal Criminal Complaint (FCC) against several people who conspired together in order to cover up criminal activities being perpetrated by employees of the California Franchise Tax Board (FTB) against the peoples of California.

I had procured the Oaths of Allegiance of Mr. Henderson and Ms. Horton-Billard because they had swept a Bar Complaint that I filed against FTB staff attorney Eric Yadao under the rug. Mr. Yadao had omitted documents and improperly redacted other documents that he'd submitted as evidence to the Office of Tax Appeals (OTA) in order to hide egregious accounting irregularities. In effect, he was hiding that his employer was running multiple embezzlement and racketeering schemes, as well as hiding that his employer was overcharging interest. Mr. Yadao also hid that his employer had unlawfully harassed me for monies FTB knew – *by its own records* – was never owed. Furthermore, Mr. Yadao committed perjury by falsely stating the date that we had made a payment in order to hide that a wage garnishment had been falsely imposed. Mr. Yadao had also misrepresented the contents of statutes in order to hide the aforementioned crimes, and as well as to hide that had FTB violated my rights. Mr. Yadao went as far as to

fabricate false stories to try to smear my and my husband's character and credibility. Mr. Yadao also never swore to tell the truth in the oral hearing.

The Bar Association stated that Mr. Yadao claimed that the redactions/omissions were for my own protection, and that was good enough for them. The fact that Mr. Yadao hid critical information in order to misrepresent the true facts of the case were not important to supervising attorneys Mr. Henderson and Ms. Horton-Billard. The fact that Mr. Yadao had committed perjury and fabricated false stories were also irrelevant to them. The fact that the outcome of the case would have been different had Mr. Yadao presented his case in accordance with Bar Association guidelines was also irrelevant to Mr. Henderson and Ms. Horton-Billard.

The next five letters that I sent notified you of eight high-ranking FTB employees who did not have executed oaths. I explained how each individual was involved in either executing and/or covering up the aforementioned embezzlement and racketeering schemes, as well as perpetrating and/or covering up FTB's four schemes to overcharge interest. Interestingly, six of the eight named were lawyers.

On to today's topic... Another agency that has been covering up FTB's criminal schemes is the State Controller's Office (SCO). I intend to include several current and former SCO staff in the FCC that I am currently drafting, so I have started collecting oaths from the SCO.

The Chairman of FTB's Board of Directors is always the person who is elected as State Controller. The SCO has been aware of the criminal allegations since 2016, when Betty Yee was the elected State Controller. Malia Cohen joined FTB's Board of Directors in 2019 while she was an elected member of the Board of Equalization (BOE). Malia Cohen was elected as State Controller in the November 2022 election and took over as Chairman in January of this year (exhibit 1). It has been seven years since then-Controller Betty Yee was first notified of these criminal schemes, and four years since Malia Cohen was first notified of these schemes, yet it appears these schemes are still FTB's standard operating procedure. It appears that Betty Yee and Malia Cohen have both failed to utilize their powers of oversight to stop these unlawful criminal schemes.

Hasib Emran began working for the BOE in 2019. Mr. Emran moved from the BOE to the SCO with Ms. Cohen in January of this year. Hasib Emran's job title is Deputy State Controller for Taxation. He is in charge of overseeing FTB duties on her behalf (exhibit 2). Hasib Emran does not have an executed Oath of Allegiance (exhibit 3). While he has only held this position since the year started, so far it appears that he has done nothing to rein in FTB.

The facts indicate that Mr. Emran's unexecuted oath is neither a mistake nor an oversight. Mr. Emran is a lawyer (exhibit 4). As I stated in several of the previous letters, lawyers understand better than anyone the implications of taking the oath. Malia Cohen is the one who improperly witnessed the document (she omitted the year). Ms. Cohen has been on FTB's Board of Directors for several years now and was aware that Mr. Emran would be "turning a blind eye" to crimes as a part of his new job duties. Since Mr. Emran has been part of the BOE staff since 2019, it is likely he was aware of what he was getting into.

Remember, Mr. Emran's Oath of Allegiance had to have been signed this year because it says the agency administering the oath was the State Controller.

I have collected a lot of oaths from State of California employees. It seems that when a person transfers from one state level agency to another, their Oath of Allegiance follows them. When I asked for the original Oath of Allegiance that Mr. Emran signed back in 2019 when he first began working for the State of California, the SCO stated there was no record of Mr. Emran signing an Oath of Allegiance prior to this year (exhibit 5). It appears that Mr. Emran destroyed his previous oath and signed a new, unexecuted oath upon taking over the role of oversight of FTB.

Quite frankly, I believe that this is what FTB upper management does, as well. I have collected a lot of oaths from FTB staff. Almost all of the regular staff have properly executed oaths, yet a high percentage of upper management staff doesn't have properly executed oaths. I believe that when individuals get promoted into a role that they know violates the oath, they will destroy their old oath and replace it with an unexecuted oath.

Furthermore, Mr. Emran wrote his name in all capital letters (exhibit 3). My understanding is that someone who uses all capital letters on a legal document is considered a fictitious corporate entity and not a human person. I have been told that anyone who takes the oath as a fictitious person is considered an unlawful foreign agent.

The other person without an executed oath is Evan Johnson, who is titled Deputy Controller. I am unaware of exactly what Mr. Johnson's role is at the SCO (exhibit 6).

As I documented in the San Diego Superior Court case *Christine N. Grab v The California Franchise Tax Board*, the money that FTB embezzles temporarily "disappears" from FTB's books. In my court case, it was disclosed that the funds are placed into an account called "no payment." I documented that extensive accounting fraud occurred when these payments were finally moved from "no payment" to my account.

The money was often moved around to different tax years several times before finally landing on the designated tax year. The dates that payments moved were frequently inaccurate (sometimes inaccurate by years). There were several line items that were completely missing from the records. There were several strange line items that FTB refused to explain.

There were several instances where one payment showed up as being simultaneously fully applied to multiple tax years. The double payments would be on the books for weeks or even months before one of the duplicate payments was removed from the books. Two of the double payments were only partially corrected: some of FTB's official records that FTB submitted to SDSC showed that we paid approximately \$12,500 more than we actually did because the two payments were each credited twice, but other records FTB submitted accurately reflected how much money we remitted to FTB. So FTB's records conflict with themselves.

At this point, I believe that the "no payment" account is actually an off-the-books-spending account. I think FTB staff moves the payments around and falsifies dates in order to

hide that money is unlawfully moved out of the account, then when the funds are replenished, the duplicate payment is removed. I suspect the extra \$12,500 was placed on the books in order to hide a permanent shortfall in the books from funds that didn't get replenished.

I have tried to get answers from FTB about this "no payment" account. Unsurprisingly, FTB has evaded disclosure of information. The little that FTB did disclose was that all funds FTB receives go directly to the State Controller's Office (exhibit 7, page 8).

Since the "withheld" monies disappear from FTB's books altogether, I genuinely do not know if FTB is holding the "no payment" money from the SCO for its own use (which would explain why it disappears off the books: so the SCO doesn't know that all funds weren't turned over) or if FTB is turning the "no payment" funds over to the SCO right away (and the money "disappears" to somehow protect the SCO).

If the SCO is the one managing the "no payment" account, then that would mean the SCO is the direct beneficiary of the embezzlement/racketeering schemes. This would explain why the SCO has been unwilling to rein in FTB's criminal schemes.

In 2020, there was a lawsuit filed by Open the Books against then Controller Betty Yee demanding that the Controller's Office all disclose payments that they've made under the Sunshine Laws (exhibit 8). Betty Yee refused to disclose the payment records and the judge did not compel her to do so. The day that I found out about the case, my instincts told me that her failure to disclose payments was somehow tied to this secret off-the-books spending account. As was documented in *Grab v FTB*, almost every payment that I made was placed into "no payment" status for a period of time, including payments that are allegedly "immediately applied" (exhibit 7, page 2). If most payments received go through this off-the-books spending account, that means there are millions of dollars being illicitly moved. Trying to hide millions of dollars in off-the-books spending would certainly explain why Betty Yee refused to disclose the spending records.

All of the allegations made in this letter regarding what I personally experienced can be verified via court documents from the above referenced *Grab v FTB* court case. The documents can be procured 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, improperly redacted documents to hide evidence, and posted my and my husband's social security numbers online in order to retaliate for notifying TIGTA and the FBI of the accounting fraud that was exposed through the court case. Exhibit 53, which is part of item #84, details the crimes made by staff attorney Eric Yadao and how the California Bar Association covered up said crimes. The *Motion to Compel* (item #39) details how FTB evaded disclosure of policies and procedures surrounding the "no payment" account.

The case has now concluded. FTB never denied any of the allegations made in the court case, and 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]. Instead, FTB pretended that the allegations were never made, and the judge refused to acknowledge the allegations throughout the case and in his ruling.

Please, put a stop to the crimes against Californians by arresting and prosecuting all of the people without oaths, including Mr. Emran and Mr. Johnson.

Regards,

Christine Grab