

From: Christi Grab [REDACTED]
Subject: Second Legislative Request: Tax Agencies to Comply with Due Process Laws -- Judge's Order for Collection Tools
Date: December 16, 2024 at 7:58 AM
To: [REDACTED]
Cc: [REDACTED]



Christine Grab
[REDACTED]
[REDACTED]
[REDACTED]

December 16, 2024

Dear Chris Ward's office:

I am writing to request that you enact a legislative change in the 2025 legislative cycle. I made this same request a couple of years ago and you chose not to carry it. I hope you will carry it this time.

In California, a creditor is required to prove to a judge that a debt is owed and get the judge's authorization to implement a wage garnishment, bank levy or lien. The exception is the taxation agencies. I request that this loophole be closed, and that the taxation agencies be required to prove to an independent judge that a debt/penalty is actually owed prior to implementation of collection tools.

The Franchise Tax Board has a proven track record of egregious procedural irregularities, including accounting irregularities and irregularities in the processing of Protests. These irregularities lead to the false imposition of wage garnishments, liens and levies (more details can be found in my other requests re: treating married couples as one tax entity. Here is one example that I personally experienced:

On 11-26-2013, FTB filed a wage garnishment against my husband for tax year 2011, despite the fact that we'd overpaid the 2011 liability. In trying to clarify FTB's "error," we found out that FTB had "misapplied" two payments, one for \$9,000 and one for \$3,500. A third payment made via credit elect for \$4,393 "could not be located." I'll share more of the story via an excerpt from a document that I submitted to the San Diego Superior Court for the lawsuit of *Grab v Franchise Tax Board*:

"Many of these irregularities are so egregious that I believe they qualify as fraudulent. For example, on 01-23-2014, I made a \$9,000 estimated tax payment designated for tax year 2011 (this was a repayment of a previous payment that had been "misapplied" and refunded to us). In Exhibit 49, Accounting Irregularities, I documented in questions 10F, 15C, 16C, 16D, 16F, and 23C that this one payment was applied to four different tax years on overlapping dates.

Per the Taxpayer Advocate's stated policy of withholding estimated tax payments made by married couples until that year's return is filed, the \$9,000 the payment should have been applied to tax year 2011 on 03-06-2014, the day that FTB received our tax year 2011 returns. However, FTB representatives insisted that the \$9,000 payment could not be located no matter how many times I sent in the canceled check. As I documented in Exhibit 52, pages 6 – 7, Qs 20 – 25, FTB filed a new wage garnishment against my husband on 06-27-2014 for \$3,8511.11. Meanwhile, FTB's own accounting ledgers that were submitted to this court by FTB state that on 06-27-2014, that single \$9,000 payment was simultaneously fully applied to both tax years 2011 and 2013. Per FTB's own 2011 ledger, this garnishment was filed despite the fact that our 2011 tax year was paid in full and no money was due.

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This is only one of the fifteen "lost" payments. All of the "lost" payments have accounting irregularities surrounding them, and all of them were difficult and time consuming for me to rectify."

Meanwhile, the \$4,393 still "could not be located." Had either payment been applied, the wage garnishment would not have been imposed. **Both times the garnishment was filed, I should have had the right to go before a judge to prove the debt was not owed. Instead, my rights to due process were violated.**

I would encourage you to read Exhibits 49, entitled *Accounting Irregularities*, Exhibits 52, titled *Plaintiff's Request for Admissions*, and the *Statements of Undisputed Facts and Supporting Evidence in Opposition to Motion for Summary Judgment* (SUF numbers 29 - 67 expose violations of Right to Protest and 68 - 129 expose accounting fraud). It is well worth your time to understand how extensive FTB's accounting fraud is and the mechanisms that FTB utilizes to violate the rights granted under the Taxpayers Bill of Rights. The documents can be downloaded from here: <https://roa.sdcourt.ca.gov/roa/faces/CaseSearch.xhtml>. The case number is year 2020 number 00005100. The Exhibits are attached to item #39, *The Declaration. The Statement of Undisputed Facts* is item #86. If you'd like to read the rest of the *Reply Brief* that I quoted from above, it is item #68.

If FTB had real accountability to a third party, these kind of "mistakes" would quickly cease. If you want to put a stop to the accounting irregularities, being held accountable to a neutral third party is an important first step.

The system was set up to require a judge's authorization to prevent fraud. Fraud is now happening as a result of this loophole. **I am begging you to protect the people of California from fraud by closing this loophole.** Please, do the right thing for your constituents. I look forward to your correcting this issue early in the 2023 legislative cycle.

Regards,

Christine Grab
Psalm 64