

**From:** Christi Grab [REDACTED]

**Subject:** This is one of the letters that addresses the racketeering scheme mentioned in letter to governor.

**Date:** December 12, 2017 at 2:01 PM

**To:** askgovops@govops.ca.gov



Christine Grab

[REDACTED]

[REDACTED]

[REDACTED]

July 20, 2017

Christopher Calhoun

Franchise Tax Board

Dr. Mr. Calhoun,

While I appreciate the lengthy letter that you sent, I am incredibly frustrated that you did not address any of my concerns or complaints. I will certainly file an appeal of your decision to the BOE. But that doesn't change the fact that I still want answers from the FTB as to exactly how the FTB operates. I feel that the answers to these questions are imperative to the appeal that I plan to write to the BOE, as well as to any possible litigation.

I was complaining to a friend about the gross incompetence of the FTB when I was hit with an epiphany. This isn't incompetence at all; this is a racketeering scheme!!!!!!

- Set up ludicrous and unfair policies (i.e. putting money in suspense rather than applying it to the tax year the money was designated for)
- Charge penalties, fees and interest on said unfair policies
- Make it impossible to fight these unfair fees (disregard all written correspondence, give incorrect phone numbers out for customer service, bad automated phone systems, long hold times, frequent hang-ups upon transfer to agent, poorly trained agents that are unable to help or give misinformation).
- People get frustrated with the system, give up, pay unfair fees and go away.
- For the few that don't get frustrated and go away, the FTB just stonewalls them until the deadline passes, then they have no choice but to go away.

Now that I am looking at it in a new light, I realize the FTB is highly competent at what it does: preying on the vulnerable to get extra funds to fill its coffers.

Let's look at my specific case.

Starting with 2008: At no point have I ever disputed that we filed late or that we owed penalties. I simply wanted to understand how those penalties were calculated. The reason I wanted this explained to me was because the FTB lost one of our estimated tax payments for 2008. It was a time consuming hassle for me to prove that you had lost a payment, but I did. I wanted to know how the penalties were calculated so I could figure out if the FTB had back-dated the payment that they had lost, or if I was being charged penalties and interest on money the FTB had had the entire time.

Ms. Goff kindly explained to me how it was calculated. I still have to go and check to make sure that I wasn't charged extra money that I shouldn't have been. It should not have taken nine years, asking at least a dozen people, then complaining to all my legislators to get someone to answer this very basic question. Why didn't anyone explain this to me? In my opinion, refusing transparency in calculating penalties and fees is deeply disturbing.

As a side note, I find the fact that the FTB "loses" so many estimated tax payments to also be troubling. Why isn't FTB staff trained to apply payments properly? Each estimated tax payment of mine that the FTB "lost" was clearly marked. For example, the \$10,000 check we sent as an estimated payment for 2010 said "2010 estimated payment" in the notes section, but FTB staff chose to apply the money to four previous years that were already closed out and paid. That makes absolutely no sense. Why would FTB staff do this?

For the tax years 2011, 2012, 2013 and 2014, we paid in many thousands of dollars more in estimated taxes than what the FTB claimed we owed, in the form of overpayments rolling over from one year to the next.

In your letter to me, you cited that per R&TC Section 19131, "a penalty is assessed when the taxpayer fails to pay the amount of tax due by the original due date of the return." But from 2011 and on, we had not only paid before it was due (via money collected in previous years), but also paid in excess of what was due.

You went on to explain why it is FTB policy to assume that I was single with no children, and why you believed that I was getting income, and thus you assessed a penalty because I had not paid any estimated taxes. But you completely ignored the part about my rollover money, sitting in suspense instead of being applied to the designated tax years. This is the heart of my dispute, and the fact that you glossed over it as if it were non-existent is maddening.

Ms. Goff claims that it is California law that rollover money be held in suspense instead of applied to the designated tax year. Exactly which law is this, and could you please quote me the relevant verbage? Does the law specifically prohibit money held in suspense from being factored in when calculating estimated taxes due? And why has no one given me this information before? If such a law exists, why wasn't it included in your abatement denial letter?

I believe that the FTB's policy of putting money that rolls over from one year to the next into suspense instead of applying it to the tax year that it was designated for, then charging late fees, penalties and interest on money that was "paid late" is straight up racketeering. The reason I keep writing my legislators – and I have copied all my legislators on this letter, too -- is because I want them to all know about your racketeering scheme and to step in to stop it.

The excuse that the FTB can't apply money to married people because the FTB doesn't know which person to apply the money to is equally ludicrous. Automatically split the rollover money in half, and then allow one spouse to roll all or part of their half to the spouse who is short.

At no point in time did any FTB employee ever explain to me the policy of putting money into suspense instead of applying it to the tax year it was designated for. I called the FTB over and over and over and over trying to find out where in the hell our money had disappeared to. If someone – any of the dozens of people that I talked to -- had bothered to explain this to me, I would have disregarded all of the FTB correspondence and instead spent those dozens of wasted hours working on finishing the tax returns. I want an explanation from you as to why none of the FTB staff ever bothered to explain this policy to me.

In your letter to me, you mentioned that the FTB had mailed out notices about each action step, and you claim that I didn't respond to any of those letters. Yes, I got those letters, and I responded to them all. I'll be honest... the repeated claims in your letter that I didn't respond to the FTB's notices made my blood boil, and I am livid as I type this. I cannot believe that you would tell such a bold-faced lie, especially since I had included 70+ pages of documentation that I had responded to all these notices with my abatement request. And that was just for 2010 and 2011. I have just as much documentation for each of the rest of the years.

Several of the notices the FTB sent me gave the option of mailing back a form with attached documentation. I responded to all of them. Because of my situation, it was often easier for me to write a letter than to call in, so I sometimes mailed in letters in response to notices that didn't specifically ask for a written response. Most of the notices were sent certified mail, so I can prove the FTB got them. From my perspective, everything should have been fine because I did exactly what the FTB asked of me – proved that we didn't owe any money. But all my letters were disregarded by the FTB. I want an explanation about why it is the FTB's policy to disregard all correspondence, including abatement requests, and why the FTB thinks it is acceptable to request written correspondence when they don't even look at it.

Sometimes I called in response to a notice. More often than not, I'd call the number on the notice, go through voicemail hell, sit on hold for an hour or more, get disconnected, call back and do the same thing again... only to find out that the FTB put the wrong phone number on the notice and I needed to call another phone number. Then the next phone number would be busy, and when I finally got through after a dozen tries, I would experience even longer holds and more problems with disconnection... why would the FTB not bother to put the correct phone number on a notice? Why would the FTB waste their staff's time having people calling the wrong department? Why do calls disconnect so often?

I don't know how many calls I can document, but I can document quite a few. Often, I would fax the requested information/documentation into the person that I talked to, and I have fax confirmations for all of these.

If this goes to court, you are going to look like a fool when I pull out the gigantic pile of letters that I sent to the FTB to refute your letter in which you claim that "we refused to furnish information" or that "we failed to respond to your notices." The FTB's policy of choosing to ignore

all written replies to notices, and then claim that the taxpayer never sent in the requested correspondence may be the most flagrant part of the FTB's racketeering scheme.

You and I both know the truth. The FTB only considers filing a tax return as an "acceptable response" to the notices, but the FTB leads taxpayers to think that that other options could be granted... it's a deliberate ploy to get taxpayers to file even later by wasting their time sending letters/making calls, and thus brings in more fees into the FTB coffers.

As to my 2011 abatement request... when I originally wrote and sent that letter, at no point in time had anyone explained to me what the FTB guidelines were as to acceptable reasons for filing late. Had someone bothered to explain this to me, I would have tailored my letter appropriately. I was simply told that I could send a letter and was offered no guidance whatsoever. So I resent all the stuff that I had previously sent – proof that I was too sick to file and *proof that we never owed any money to start with by the FTB's own records.* According to Ms. Goff, had I also documented the fact that my husband traveled every single week and worked 60 – 100+ hour weeks, the abatement request may be approved. But I didn't know that I needed to do that because no one ever explained it to me.

In fact, in my last conversation with Ms. Goff, I asked her to get back to me with what documentation would be considered acceptable in order to prove that my husband was constantly on the road. She never got back to me. Then I got your denial letter. Which goes to show, once again, that the FTB isn't particularly interested in helping people understand how the system operates so that people can effectively maneuver within the system.

So, can I send you documentation of my husband's work schedule? If so, what documentation will you accept? If not, why not? What are other acceptable reasons for filing late? Maybe there is another category I qualify for? Why are the guidelines so opaque?

As to my 2014 and 2015 abatement denial... I believe that you have violated my taxpayer rights by denying my requests before I even submitted them. The reality is that now that I have a better comprehension of FTB guidelines, I may actually be able to put together a package that fits the criteria for refund. But you have denied me the opportunity to even try. This only reinforces my belief that this is a racketeering scheme, not a legitimate appeal service.

I can usually can navigate government bureaucracy and red tape pretty well. The fact that someone as thorough and tenacious as I am couldn't get through your system proves that the system was designed to ensure that no one can or will ever be able to get bogus fees removed/returned.

Thank you for your attention to this matter. I expect a response to this letter within 15 days. As you are well aware, the clock is ticking for my BOE appeal, and your response is a critical part of my appeal. If I do not get a response within 15 days, I will view it as yet another obstruction game in the FTB racketeering scheme.

Regards,

Christine Grab

PS: Please note that on  we will be moving. I have put our new address at the top of this letter. Our cell phone numbers will remain the same. We have no home phone.



