



From: Christi Grab [REDACTED]
Subject: CC on the latest FTB letter to Mr. Calhoun. Worthwhile read.
Date: December 14, 2017 at 12:11 AM
To: Maples, Susan@FTB [REDACTED] askgovops@govops.ca.gov

Christine Grab

[REDACTED]
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December 13, 2017

Christopher Calhoun
 Franchise Tax Board
 Via Fax

Dear Mr. Calhoun,

First of all, I would like to apologize for the delay in responding to your letter dated July 28, 2017. As you know, I needed to get my BOE appeal filed, get my 2016 tax returns filed, get my suggestions in for the FTB Bill of Rights Hearing, get my requests to my assembly people for law changes, and my request to remove Mr. Cohen from the FTB Board all done by certain deadlines, so this letter had to wait.

I am only writing the first half of my response letter today. I'll complete the second half soon. And once these letters are completed, my next FTB project will be to try to find the \$[REDACTED] of my money that the FTB seems to have misplaced. I am sure that will be a nightmare.

Before I get into the letter itself, I want to share with you that I have spent the last two days calling assorted government agencies to try to get a criminal investigation launched. **What I have learned is that I could request a Special Grand Jury Inquisition of a county or city government agency, but Special Grand Jury Inquisitions (or any kind of equivalent) do not exist for State level agencies. It seems that there is only administrative oversight for the FTB, with no legal oversight at all.**

I am frustrated by this revelation, but not surprised. It certainly explains the content and tone of the letters that you sent me dated July 10, 2017 and July 28, 2017. **The FTB can commit as many crimes as they want, and can lie and deceive to try to cover up those crimes as much as they want, and can violate my taxpayer rights as much as they want because there will be never be any criminal repercussions.** Yeah, thanks to the attention that I have brought to the "suspense" issue, maybe the FTB will stop the crime of not applying rollover money to the estimated taxes collected, but I have no doubt that the matter will be swept under the rug and no one will get in any kind of trouble.

Of course, a private attorney is always an option – for the wealthy. Marty Dakessian would love to take my case, however, I don't have an extra few hundred of thousands of dollars lying around to hire him. You know exactly how much money my husband and I make, and you know that we can't afford an attorney. So with no oversight agency and private lawyers not an option, you know that you can say anything you want with no repercussions. **I am 100% certain that if you had the threat of jail time for collusion to commit a crime hanging over your head, your letters would have been quite different.**

Now on to your letter... thank you for sending a letter that confirms that my allegations are true:

1. You have confirmed that there is no valid legal code that orders the practice of holding rollover money in suspense instead of applying it to the taxpayer's account as indicated by line 95 of the 540. By providing irrelevant codes instead of valid codes, you have in essence admitted that the FTB has been committing several crimes:
 - A. Breaching fiduciary duty by not applying the taxpayer's money as directed.
 - B. Covering up this crime by falsely claiming that holding money in suspense is "required by law."
 - C. Demanding payments of money that were never owed because the previously made payment had been illegally misapplied. The FTB then charged late fees, penalties and interest on this money that was never owed. This is racketeering.

2. In this letter, you have attempted to deliberately deceive me with shady wording and partial quotes of law. This attempt to deceive me is a crime in and of itself – you have colluded to cover up the crimes listed above.

The letter that you sent me dated July 28, 2017 was a response to a letter that I had sent into the FTB dated July 20, 2017. In my letter, I wrote: “Ms. Goff claims that it is California law that rollover money be held in suspense instead of being applied to the designated tax years. Exactly which law is this, and could you quote me the relevant verbage?”

You replied with “R&TC Sections 19363 and 19304 addresses credit of overpayment of estimated tax to a succeeding tax year. R&TC Section 19363 requires the FTB to give credit for overpayments of estimated taxes on the last day prescribed for filing the tax return for the taxable year, without regard to any extension for filing the return.’

“For example, if a taxpayer files a 2010 tax return with a refundable credit, and instructs the FTB to apply the refundable credit to the 2011 tax year, that credit is held in suspense until the 2011 tax year is filed. Once this return is filed, the FTB will apply this payment effective as of the original due date of the 2011 tax return, or in this case, 4-15-12.”

Mr. Calhoun, you just attempted to deceive me. You quoted the code correctly, but in the example, you inserted the part about holding money in suspense as if it was addressed in the code that you quoted above when it wasn't. As you pointed out, the money is to be applied on April 15 regardless of the date the return was filed, and there is not a word in the code about suspense. You made the suspense part up!

Your letter continues on: “R&TC Section 19304 requires the FTB to apply overpayments of estimated tax to a succeeding year. It states, in part, that the effective date of overpayment claimed as a credit against estimated tax on a timely filed return will be credited to the first estimated tax installment due for the taxable year following the original due date of the return. A similar credit claimed on a delinquent filed return will be credited to estimated tax for the year designated by the taxpayers in the delinquent return.”

Once again, you just tried to deceive me. In this one, you were even more blatant than the first one. You carefully chose the part of the excerpt that would make it appear as if the law was on your side, and chose to leave out the part about how this section applies to a scholarship fund, not to rollover money. This code section is completely and totally irrelevant, yet you tried to pass it off as valid.

You may be able to tap dance around your deceitful wording re: 19363, but there is no way to tap dance around the wording of 19304. This was a blatant falsehood.

I know for a fact that the FTB's legal department reviewed and approved this letter. If you recall, that week I called you at least once a day, sometimes as much as six times a day. You never returned any of my calls. By day two, the people in your department all told me the same thing: “He wrote you a response. Legal is reviewing it. It'll be sent out in a few days.”

The FTB has been consistently telling me that holding rollover money in suspense is required by law. At least a dozen people in the Taxpayer Advocate and Executive Services department have all told me the same thing. The fact that you were unable to provide the valid legal code proves that the FTB has been deliberately deceiving the public by claiming that “putting money in suspense is required by law.” With no extraordinary law in place, that means that the normal rules apply. The normal rules are that you have a fiduciary duty to apply the money as the taxpayer intended. Withholding the taxpayer's money from their account, then demanding payments of money that was already paid but illegally withheld, then collecting fees, penalties and interest is straight up racketeering.

Your deceitful letter proves beyond a shadow of a doubt that you, the FTB's legal department, and Ms. Stanislaus knew full well that the FTB was indeed committing multiple crimes with this “suspense” policy. Yet, instead of being forthright and admitting the criminal activity, you all instead chose to actively collude to try to cover up these crimes. It is frustrating to me that none of you will be going to jail.

My next letter will address the rest of my racketeering complaints -- that the FTB uses “gross incompetence” as a cover for further racketeering. But that letter will have to wait for another day.

Again, thank you for incriminating yourself. It was a blessing to me.

Regards,

Christine Grab

CC: Governor Brown
Michael Cohen
Diane Harkey
Betty Yee
Stelvi Stanislaus
Susan Maples
GovOps

