

From: Christi Grab [REDACTED]
Subject: Copying you on a letter to the governor about corruption in FTB
Date: December 12, 2017 at 1:56 PM
To: askgovops@govops.ca.gov

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December 7, 2017

Governor Jerry Brown
c/o State Capitol, Suite 1173
Sacramento, CA 95814

Dear Governor Brown and FTB Board of Directors:

I am writing to request that Michael Cohen be removed from the Board of Directors for the Franchise Tax Board.

As you all know, I have caught the FTB red-handed doing two illegal things: 1. They breached their fiduciary duty by not applying estimated tax payments to the taxpayer's accounts as indicated by the taxpayer on Line Item 95 of the 540. 2. They misrepresented this breach as being required by law.

I have also demonstrated a distinct pattern of racketeering. By combining the above illegal policies with overly-aggressive collection practices for money that was never owed in the first place and "gross incompetence" on the part of FTB staffers (i.e. not explaining where the rollover money had vanished to, wrong numbers on notices, losing payments, etc.), the FTB causes taxpayers to file even later than they normally would have. This ploy causes the taxpayer to pay more in fees, penalties and interest than they would have had the FTB had fair policies, followed the law, and the staff was "competent." I have sent everyone on this list multiple letters over the last year or so about all of these issues.

Diane Harkey's office responded right away to my first letter, letting me know that because the Board of Equalization handles FTB appeals, and I was applying for an appeal, there was a conflict of interest in talking to me. They had to abstain from this matter. (Side note: I am only contacting Diane Harkey's office now because in three weeks my appeal will be turned over to the Office of Taxes and Fees, and the BOE will not be doing any work on my case within the next three weeks).

The person who contacted me, Albert Rosas, was knowledgeable and helped me to the best of his abilities. My impression was that he genuinely was sorry that he couldn't be of more help and that he is interested in doing his job to the best of his ability. Thanks to him, I at least understood better how the whole system works.

Betty Yee's Office responded to my second letter. The person who contacted me, Yvette Stowers, is also knowledgeable and helpful. She said she would investigate the matter. I have been in touch with her about the situation several more times. She is always kind and helpful, and seems genuinely interested in her job. I understand that Betty Yee's office has been a critical part of the BOE re-org, so the fact that Ms. Stowers makes time for me despite the huge re-org project is commendable.

Then there is Michael Cohen's office. I have sent Mr. Cohen's office five letters. As we all know, Mr. Cohen was out for most of this year. The woman who took over his duties is named Irina Ortega. It is my understanding that Ms. Ortega was the liaison for Mr. Cohen's Board duties before Mr. Cohen's medical leave began (just as Mr. Rosas is the liaison for Diane Harkey and Ms. Stowers is the liaison for Betty Yee. Ms. Ortega has never responded to any of my letters or returned any of my phone calls.

I finally managed to get Ms. Ortega on the phone on Monday, November 27. From our conversation, it was clear to me that she had not read any of my letters. When I tried to tell her the situation, she kept saying there was nothing she could do about it. I responded with something to the effect of "The Board Members job is to oversee the FTB. If the FTB is doing something illegal, it is the Board's job to step in and stop them!" She said something to the effect of "The FTB says it is perfectly legal, so therefore it is."

I then tried to explain the illegal activity to her. She repeatedly tried to cut me off, telling me that she is not a tax expert and doesn't understand tax law. I repeatedly told her the situation was quite simple and you don't need to be an expert to understand it. When she finally let me continue on a little further, I said "You know when you file your taxes and are due a refund? You can either have them mail you the

money back or you can apply it to the next year's taxes due. Right?" She said, no she didn't understand this concept, it was much too complicated for her. She then tried to get me off the phone by saying she hadn't gotten the latest letter that I had mailed on Tuesday, November 21, and after she got the letter we could talk again. She has not called me back.

It is disturbing to me that someone tasked with overseeing one of the most powerful agencies in the state does not have the most basic concept of what the agency does, how it works, or what her job duties as a Member of the Board are. It is also clear that Ms. Ortega is not at all interested in fulfilling her duties as a representative for the Board of Directors, possibly because she knows she is unqualified for the position.

On Wednesday, November 29, I left a message for Mr. Cohen, asking him to call me back regarding my concerns about both the FTB's illegal activity and Ms. Ortega's competence. I have not heard back from him or anyone else in his office. At today's FTB Board Meeting, Ms. Ortega was there to represent Mr. Cohen.

Obviously, Mr. Cohen has displayed a gross lack of judgment in choosing Ms. Ortega to be his liaison for his Board seat. I am requesting that he be removed. The FTB needs to be overseen by competent people who care about their jobs. Please find someone who fits this criteria to replace Mr. Cohen.

Also, please launch a criminal investigation into the "suspending rollover money instead of applying it to the taxpayer's account" matter. Someone along the line deliberately set up this illegal fiduciary breach as a policy, and I am sure many people have helped to enable this illegal policy to continue. The entire FTB staff has taken part in the misrepresentation of the policy as law – everyone I talked to swore up and down it was a law even if they didn't know the legal code. The Department of Executive and Advocate Services, in conjunction with the FTB's Legal Department, have gone to great lengths to try to cover this matter up once I brought it up to your attention. In addition to citing inappropriate legal codes in the hopes that none of you would bother to verify them, they also tried to discredit me by sending out intimidating sounding letters that were filled with blatant lies. There needs to be consequences.

Regards,

Christine Grab

