



STATE OF CALIFORNIA  
Taxpayers' Rights Advocate Office MS F385  
**FRANCHISE TAX BOARD**  
PO BOX 157  
SACRAMENTO CA 95741-0157

02.03.2026

Dear Christine Grab:

Thank you for submitting your concerns at the December 2025 Taxpayers' Bill of Rights Hearing. As the Taxpayers' Rights Advocate, your concerns are important to me.

Below are the eight concerns you presented, followed by responses from the appropriate program areas within the department:

### **Concern #1: Require Staff to cite all statutes/regulations verbatim**

Currently, FTB staff are routinely violating TITLE 18, U.S.C., SECTION 242, Color of Law as a part of FTB's standard operating procedures. For example, I have had numerous staff tell me that withholding estimated tax payments from married couples was required by law. However, the authority cited to justify this practice, Treas. Reg. § 1.6654-2(e)(5)(ii)(A) (**note: not a law**) actually says "the payment made on account of the estimated tax for that taxable year may be treated as a payment on account of the tax liability of either the husband or wife for the taxable year, or may be divided between them in such manner as they may agree." I believe that the Trump administration would view the claim that "withholding payments from married couples is required by law" as a false claim made Under the Color of Law and would prosecute anyone who makes this false claim.

My request is that FTB protect their employees from prosecution by implementing a policy that requires that all staff are trained on the statutes and regulations that are pertinent to their particular job duties. The staff should always cite the text verbatim and not paraphrase. No more saying something is a law and not being able to cite the statute number because no such statute exists. No more misrepresenting what is written in the statutes by cherry picking words out of context, omitting words, or adding words that aren't there.

Failure to implement this policy will be interpreted by the constituents – the people who pay your salaries -- as FTB intentionally setting its employees up to be the patsies for unlawful policies and procedures imposed by FTB's executives and legal department.

### **FTB's Response to Concern #1**

FTB administers California's tax laws under the authority granted by the California Constitution and the California Revenue and Taxation Code. FTB's policies,

procedures, and staff guidance are developed in accordance with applicable state statutes, regulations, and established legal precedent. FTB is committed to lawful administration of California's tax system and denies any suggestions that its standard operating procedures violate state or federal law. FTB maintains ongoing training programs and procedure manuals to ensure staff provide accurate information to taxpayers.

## **Concern #2: Full disclosure of information regarding FTB's "no payment suspense account"**

In previous ATBOR Responses, FTB has stated that the estimated tax payments that FTB collects are immediately identified as revenue and turned over to the State Controller: <https://www.ftb.ca.gov/about-ftb/meetings/taxpayer-bill-of-rights/2023-Supplemental-response-Grab-Reply.pdf>

FTB has also stated that some types of estimated tax payments are not immediately applied to the taxpayer's account; these payments are held in a suspense account until the taxpayer files that year's tax return. When I log into MyFTB estimated payments page, it states "Funds listed below can only be claimed when you file a tax return for the corresponding tax year." I believe this indicates that all estimated tax payments that I may make are withheld from my account and placed into the suspense account.

In the San Diego Superior Court case *Grab v FTB*, FTB propounded documents that stated that the estimated tax payments which are held in suspense are identified as "no payments." Two years ago, FTB stated "It is unclear to what indicators you are referring to as 'no payments' indicators." So to clarify, here is one of the documents that FTB propounded under penalty of perjury: <https://qwsandiego.net/blog/wp-content/uploads/2021/09/22no-payment22.pdf>.

The only purpose I can think of to identify payments as "no payments" is to not include these funds into the revenue collected totals.

In 2022, I had asked "Please specify exactly when these withheld payments are counted in the revenue totals for the State of California for that year." FTB's deceptive reply was "Yes, estimated tax payments are recorded as revenue when the funds are remitted." I hadn't asked about payments that FTB had identified as estimated tax payments. I had asked about payments FTB had identified as "no payments": <https://www.ftb.ca.gov/about-ftb/meetings/taxpayer-bill-of-rights/2022-bor-final-responses-grab.pdf>

In 2022, I had also asked "Who is the custodian of the suspense accounts in which the withheld payments are placed for the interim?" FTB's deceptive reply was "All funds are deposited into accounts within the Centralized State Treasury System (CTS) and remitted to the State Controller's Office (SCO)." Again, I hadn't asked about payments that FTB had identified as funds. I had asked about payments that FTB had identified as "no payments," which obviously weren't yet identified as funds.

When I asked about the "no payment suspense account" again in 2023, FTB falsely stated that it had already addressed the issue in the 2022 supplemental response:

<https://www.ftb.ca.gov/about-ftb/meetings/taxpayer-bill-of-rights/2024-Grab-FTB-TBOR-Reply.pdf>

In *Grab v FTB*, I used the records that FTB propounded to show numerous egregious accounting irregularities associated with these withheld payments. When I asked FTB about these irregularities during Discovery, Chelsea Hubbard stated under penalty of perjury that FTB does not keep accurate accounting records. I was so curious to know where my estimated tax payments had vanished to that I filed a Motion to Compel to obtain the omitted and redacted documents that contained the information about what had happened to my money: <https://gwsandiego.net/blog/wp-content/uploads/2021/02/motion-to-compel-redacted-pages-1-21.pdf> (you can get an unredacted copy and the attached supporting evidence from the court's website: <https://roa.sdcourt.ca.gov/roa/faces/CaseSearch.xhtml>). The case number is year 2020, case number 00005100.

The strange accounting irregularities makes it appear that these funds are somehow utilized in the interim between being received by FTB and being applied to the taxpayer's account. The complete details can be found in the *Statements of Undisputed Facts and Supporting Evidence in Opposition to Motion for Summary Judgment* (68 - 129 exposes the accounting fraud), which can be downloaded from the court's website.

In my 2023 and 2024 ATBOR Requests, I alleged that in the 2022 response, FTB tried to deceive me by conflating payments that FTB had identified as estimated tax payment with payments that had been identified as "no payments." If my allegations were incorrect, FTB would have denied them. FTB has made no such denial. Failure to deny constitutes admission of truth. At this point, it appears that the funds withheld in suspense are placed into an off-the-books spending account. I request that ***FTB provide full disclosure about this "no payment suspense account" that the withheld estimated tax payments are held in:***

- Is this account a "borrowable funds" account?
- If so, please provide complete details about the terms of when these funds can be utilized, including who can utilize them and for what purposes.
- If not, please explain the nature of how these funds are utilized in the interim between FTB receiving the funds and applying the funds to the taxpayer's account.
- Who controls the funds within the "no payment suspense account" account? Is it FTB, the State Controller, or another agency?
- Are there records from this account available to the public to scrutinize, or is this an "off-the books" or a "secret" account?

Furthermore, **Ms. Cohen**: Back in 2017, Yvette Stowers told me that she had opened an audit into FTB's accounting irregularities involving "misapplied" payments. I have made multiple Public Records Requests from the State Controller's Office for the results of this audit. All of my requests have gone unacknowledged. As the head of the California Auditor's Office, **will you please publicly release the results of the audit?**

## FTB's Response to Concern #2

Your request that “FTB provide full disclosure about this ‘no payment suspense account,’” was raised at previous Taxpayers’ Bill of Rights Hearings, including December 2024, December 2023, and December 2022.

FTB responded to this concern by letters dated February 3, 2025 [[2025-Grab-FTB-TBOR-Reply.pdf](#)], February 1, 2024 [[2024-Grab-FTB-TBOR-Reply.pdf](#)], and February 15, 2023 [[2023-Supplemental-response-Grab-Reply.pdf](#)].

As conveyed in our previous responses regarding withheld payments in suspense, the payment is received by FTB, notated as paid by the taxpayer on the taxpayer’s account but not applied to a particular tax year until a corresponding liability is identified. Funds received accounts: all funds received by FTB are deposited into accounts within the Centralized State Treasury System (CTS) and remitted to the State Controller’s Office (SCO).

## Concern #3: Disclose exactly when tax payments are applied to the taxpayer’s account

In the SDSC court case *Grab v FTB*, I documented that, year in and year, out the Taxpayer’s Advocate office told me that withholding some types of estimated tax payments from the taxpayer’s account until the tax return for that year was filed was FTB’s standard business practice. However, the Disclosure Department repeatedly denied the existence of these same withholding practices.

In the court case, FTB never confirmed nor denied the existence of these withholding practices. If these practices were lawful, FTB would have stated so in court. This failure to admit to these practices in court indicates that these practices are extralegal (also referred to as “underground regulations.”)

In the SDSC case, I alleged that the practice of temporarily withholding estimated tax payments instead of immediately applying the funds to the taxpayer’s account was an embezzlement scheme. I also alleged that the practice of imposing late fees, penalties and interest for “paying late” when the funds had been received by the due was a racketeering scheme. FTB never denied these allegations. Failure to deny constitutes admission of truth.

Since the case ended, I have tried multiple times to get FTB to provide full disclosure regarding **exactly when** all tax payments are **actually applied** to the taxpayer’s accounts. FTB has repeatedly evaded disclosure of this information.

In 2022, FTB gave a vague response “The timing of when the payments are applied may vary based on how the payments are made, the number of taxpayers the payment is made on behalf of, the method of payment, and whether additional information is needed to apply to the correct amount to the taxpayer’s account”:

<https://www.ftb.ca.gov/about-ftb/meetings/taxpayer-bill-of-rights/2023-Supplemental-response-Grab-Reply.pdf>

In my 2023 request, I wrote:

“The following is a list of Personal and/or Business Entities payment types that are applied to the accounts of taxpayers:

Estimate Payments

Return Payments

Bill Payments

Proposed Assessment Payments Extension Payments

Suspense Payments

Amended Return Payments

Prior Year Estimate Payments

Prior Year Miscellaneous Payments

Tax Deposits

Fiscal Payments

Accounts Receivable Payments

Federal and State Offset Payments Collection Payments

Limited Liability Company (LLC) Tax Voucher LLC Estimated Fee

Automatic Extension Payments Pass-Through Entity Elective Tax Payment

I request that FTB clarify **exactly when** the payments are applied in each of the above listed scenarios, along with the specific **California** Revenue and Tax Codes utilized to justify the delay in application of funds. I believe that how, when and where payments are applied are material facts, and refusing to disclose this information is a violation of 18 USC §1001 (a)(1), which states in part:

it is a federal crime, in a matter within the jurisdiction of a government agency, to (1) falsify, conceal or cover up a material fact.”

FTB’s response was: “FTB applies bill payments on the date they are received”:

<https://www.ftb.ca.gov/about-ftb/meetings/taxpayer-bill-of-rights/2024-Grab-FTB-TBOR-Reply.pdf>

I’d requested disclosure of FTB’s standard operating procedures on fourteen types of payments. FTB only addressed one of the fourteen types of payments. Last year, I made the same request. In the response that she signed, Angela Jones stated “FTB...has previously addressed this issue in its response to you for the 2022 Taxpayers’ Bill of Rights dated February 15, 2023.” I believe the federal government would identify that sentence as fraud since the issues were not fully addressed. If FTB was performing its duties as a public servant lawfully and ethically, FTB would disclose exactly when the payments are applied to the taxpayers account since how, when and where payments are applied are material facts, and refusing to disclose this information is a violation of 18 USC §1001 (a)(1). At this point, it appears that FTB is

temporarily embezzling these taxpayer funds to run the off-the-books spending account addressed in item #2 above.

This year, I expect FTB to comply with the above referenced federal law and fully disclose ***exactly when each type of the rest of the tax payments are actually applied to the taxpayer's account.***

The improper application of payments in accordance with the assorted laws is a violation public policy. The deceptive wording used to evade disclosing these practices are clearly intentional schemes of deceit.

### FTB's Response to Concern #3

Your request that FTB disclose when each type of tax payment is applied to a taxpayer's account was raised at previous Taxpayers' Bill of Rights Hearings, including December 2024, December 2023, and December 2022.

As you note, FTB responded to this concern by letters dated February 3, 2025 [[2025-Grab-FTB-TBOR-Reply.pdf](#)], February 1, 2024 [[2024-Grab-FTB-TBOR-Reply.pdf](#)], February 15, 2023 [[2023-Supplemental-response-Grab-Reply.pdf](#)], and February 1, 2023 [[2023-Grab-FTB-TBOR-Reply.pdf](#)].

As conveyed in our previous responses: the timing of when the payments are applied may vary based on how the payments are made, the number of taxpayers the payment is made on behalf of, the method of payment, and whether additional information is needed to apply to the correct amount to the taxpayer's account.

As there are many factors that impact when payments are applied to the taxpayers account, FTB is unable to provide exact timing of when payments are applied based on the question presented.

### Concern #4: Disclosure of which payments/portions of payments are recognized for interest calculation purposes

In the SDSC court case *Grab v FTB*, it was disclosed that, for the purpose of calculating interest, FTB only recognized some of the payments that had been made and only portions of other payments that had been made. Thus, my husband and I paid interest when we should not have because it falsely appeared that we had an outstanding balance when we did not – all monies owed had been paid prior to the due date and no funds had been due for any of the tax years in dispute: <https://gwsandiego.net/blog/wp-content/uploads/2021/02/proof-of-4-schemes-to-overcharge-interest.pdf>

In 2022, 2023, and 2024 I asked FTB to provide the criteria and guidelines utilized for ***determining which payments and portions of payments are withheld from/applied to the totals*** of payments collected by FTB for the purpose of calculating interest.



In 2022, FTB fraudulently responded as if I had asked a different question altogether. In FTB's response, FTB addressed situations in which FTB may pay interest to the taxpayers.

In 2023, FTB responded:

"FTB does not intend for taxpayers to pay more interest than what is required by law. However, should a taxpayer overpay interest, FTB will take the appropriate actions to correct any overpayment of interest."

As a side note, I still haven't gotten my refund for the interest that I overpaid, which was documented in the link above. Since FTB stated this overage would be refunded, I'm waiting for my check.

In 2024, FTB responded:

"FTB accounts for all payments received from the time the payment is received for each tax liability for the purpose of calculating interest on liabilities unpaid after the due date for payment of taxes."

It is good to know that FTB credits all payments made on liabilities unpaid after the due date of the tax payments. But my payments were made on or before the due date. Please **disclose the criteria and guidelines utilized for *determining which payments and portions of payments are withheld from/applied to the totals* of payments collected by FTB for the purpose of calculating interest *for payments that were made on or prior to the due date of the tax liability.***

The improper application of payments in accordance with the assorted laws is a violation public policy. Furthermore, I believe that how, when and where payments are applied are material facts, and refusing to disclose this information is a violation of 18 USC §1001 (a)(1).

## FTB's Response to Concern #4

Your request that FTB disclose the criteria and guidelines utilized for determining which payments and portions of payments are withheld from/applied to totals of payments collected by FTB for the purpose of calculating interest was raised at previous Taxpayers' Bill of Rights Hearings, including December 2024, December 2023, and December 2022.

FTB responded to this concern by letters dated February 3, 2025 [[2025-Grab-FTB-TBOR-Reply.pdf](#)], February 1, 2024 [[2024-Grab-FTB-TBOR-Reply.pdf](#)], February 15, 2023 [[2023-Supplemental-response-Grab-Reply.pdf](#)], and February 1, 2023 [[2023-Grab-FTB-TBOR-Reply.pdf](#)].

As previously stated: FTB accounts for all payments received from the time the payment is received for each tax liability for the purpose of calculating interest on liabilities unpaid after the due date for payment of taxes.

This concern also provides personal information. To the extent that you seek a response that is specific to you, including how, when and where payments are applied to your account, FTB declines to provide such information in this public response. You may contact our office to obtain information regarding payments and interest, that is specific to you.

**Concern #5: Disclose tax codes which justify not including all payments into NPA totals and the codes to justify denying the right to Protests on the grounds that FTB underreported the payments received.**

Last year, I made the following request:

Here is an excerpt from the *Declaration of Christine N. Grab in Support of Motion to Compel Further Response to Specially Prepared Interrogatories, Set #1: Clarification of Policies and Procedures*,

**SPECIAL INTERROGATORY NO. 3C:** It appears there are many categories for protesting the amount of income FTB assessed in calculating the tax liability (please see the examples attached as pages 2 - 5); however, it appears there is no category to Protest the amount of money that FTB has collected in payments towards that year's liability. Is it possible for a taxpayer to file a Protest to a NPA on the basis that FTB has underreported the amount of payments FTB has collected?

**FTB RESPONSE TO SPECIAL INTERROGATORY NO. 3C:** ...Therefore, any protest on the ground that FTB did not include the prepayments or credits is not supported by legal authority. As has been established by Revenue and Tax Code 19087, a Notice of Proposed Assessment can only be issued on accounts that have an outstanding tax liability due for the year as assessed by FTB using a status of single, filing 0 exemptions.

My husband and I filed Protests to the NPAs that FTB issued. FTB "misclassified" all of our Protests and thus denied us our right to Protest under R&TCs 21010 and 20102 (please see the above referenced court document. SUF 29 - 67 expose FTB's violations of the Right to Protest).

However, as FTB employee Keith Swank stated under penalty of perjury, even if our Protests had not been "misclassified," the Protests would have been denied on the grounds that FTB does not legally have to include all prepayments and credits received into the calculations. I believe that the denial of the right to Protest on these grounds is a violation of the Taxpayer Bill of Rights Sections 21010 and 20102.

Mr. Swank failed to provide any legal codes to substantiate this claim that FTB is not required to include all prepayments and credits, which is one of the reasons that I filed the *Motion to Compel*. While the judge did not order Mr. Swank to provide the legal codes, I believe that FTB has a responsibility to disclose these legal codes in order to comply with its own Foundational Principals:



- Operate with transparency to maintain public trust and confidence.
- Conduct our business in accordance with the Statement of Principles of Tax Administration, Taxpayers' Bill of Rights, and our organizational values.

As such, I request that FTB provide all of the relevant legal codes which justify not applying all prepayments and credits that have been collected by FTB into the taxpayer's NPA totals.

I also request all legal codes that justify not allowing Protests on the grounds that FTB had underreported the totals collected.

If FTB again fails to provide codes to justify these nefarious and malicious business practices, the Taxpayer Advocate has a legal obligation to immediately halt these extralegal business practices accordance with our constitutional protections.

I am sure that you will want to review the full context of the quote above for your response. Please download the *Declaration* from the court: <https://roa.sdcourt.ca.gov/roa/faces/CaseSearch.xhtml>. The case year is 2020 and the case number is 00005100. The Declaration is Item #39. Item #3C, the quote referenced above, encompasses pages 10 – 16.

FTB's Response to my 2024 request was:

“Pursuant to California Revenue and Taxation Code section 19307 and FTB Notice 20056, voluntary payments remitted before a return is filed or before a final liability is established are held in suspense until the liability is final.”

California Revenue and Taxation Code section 19307 states:

“For purposes of Section 19306, a return filed within four years from the last day prescribed for filing the return showing a credit allowable by Section 19002 or estimated tax paid pursuant to Section 19023, 19024, or 19136 in excess of the tax due, shall be considered a claim for refund of the excess if the amount thereof is more than one dollar (\$1). No refund of tax withheld or estimated tax paid shall be allowed to an employee or taxpayer who fails to file a return for the taxable year in respect of which the tax withheld or estimated tax was allowable as a credit.”

R&TC 19307 is about claiming refunds of overpayments. It does not say anything about payments being held in suspense, nor does it address which payments are to be included in NPA totals. The application of the word “withheld” in this context means payments withheld by employers from the employee’s paycheck and sent to FTB on behalf of the employee. The word “withheld” is not utilized in conjunction with estimated tax payments. It appears whoever framed Ms. Jones used a sleight-of-word manipulation tactic to conflate two separate topics in an effort to deceive me into believing that this tax code referred to payments held in suspense.

FTB Notice 20056 repeals the allowance of "deposit in the nature of a cash bond" and specifies it will only accept "tax deposits," which are estimated tax payments for specific points in time. It states:

“Payments made before a return is filed are estimated tax payments, not deposits...”

Therefore, since specifically I asked about estimated tax payments, this Notice is irrelevant to what I asked to be addressed. Furthermore, the laws cited to justify this policy include:

“Subsection (a) of IRC section 6603 provides authority for taxpayers to make cash deposits that may be used by the IRS to satisfy any tax liability that has not been finally assessed at the time the deposit is made.”

To me, it sounds like the IRS will accept all payments made and immediately apply them – which is the exact opposite of what FTB tried to state. Again, it appears that whoever framed Ms. Jones used a sleight-of-word manipulation tactic to conflate two separate topics in an effort to deceive me.

I believe that Ms. Jones has taken for responsibility for fraud committed in violation of TITLE 18, U.S.C., SECTION 242, Color of Law. I believe this fraud was committed for two reasons. First, FTB was trying to cover up what I believe to be a count of perjury committed by FTB employee Keith Swank. But more importantly, it appears that the fraudulently issued NPAs are the lynchpin of FTB’s racketeering scheme: FTB unlawfully embezzles estimated tax payments (items #2 and #3 above), then fraudulently issues NPAs to people who had paid their tax liability in full (NPAs can only be issued on accounts that have underfunded their estimated tax liability).

Ms. Jones, your job is *literally* to protect the taxpayer. I realize that you probably didn’t write the letter, but I believe that you knew what you were signing. ***I believe it is unconscionable that you have conspired with the FTB executives and Board to knowingly betray the very people who specifically pay you to protect them.***

Furthermore, FTB failed to address the issue of the denial of the Taxpayer Right to Protest NPAs on the basis that all payments were not credited.

## FTB’s Response to Concern #5

Your requests for (1) FTB to provide all of the relevant legal codes which justify not applying all prepayments and credits that have been collected by FTB into the taxpayer’s NPA totals, and (2) all legal codes that justify not allowing Protests on the grounds that FTB had underreported the totals collected was raised at previous Taxpayers’ Bill of Rights Hearings, including December 2024 and December 2022.

FTB responded to this concern by letter dated February 3, 2025 [[2025-Grab-FTB-TBOR-Reply.pdf](#)], and February 1, 2023 [[2023-Grab-FTB-TBOR-Reply.pdf](#)].

As previously stated: pursuant to California Revenue and Taxation Code section 19307 and FTB Notice 2005-6, voluntary payments remitted before a return is filed or before a final liability is established are held in suspense until the liability is final. Such prepayments are treated as estimated tax payments or tax deposits placed on the taxpayers account and are held until the liability becomes final. The payment becomes effective upon the proposed assessment becoming final and is credited the day the payment is received for the purpose of calculating interest. FTB does not deny the right

to protest proposed assessments based on the status of payments for the taxable year at issue. This concern also provides personal information. To the extent that you seek a response that is specific to your situation, including the classification and outcomes of protests you state you and your husband filed, FTB declines to provide such information in this public response. You may contact our office to obtain information regarding protests, prepayments, and credits that is specific to you.

## **Concern #6: Conform to IRS guidelines by considering married couples as one tax entity**

The IRS treats married couples as a single taxpaying entity from the moment the couple notifies them of marriage until the couple notifies them that the marital status has changed. However, FTB considers all individuals as unmarried. Each year, after a married couple files that year's return, FTB updates their records with proper marital status for only that particular year. In the SDSC case *Grab v FTB*, I documented that:

1. FTB utilizes this incorrect marital status in order to falsely impose penalties and fees via policy and procedure violations (please see the above referenced court document, *Statements of Undisputed Facts*. Numbers 29 - 67 expose FTB's violations of the Right to Protest).

2 FTB utilizes this incorrect marital status to temporarily unlawfully enrich themselves by demanding additional tax liability and penalty payments above and beyond what FTB knows — *by its own records* — is actually owed (please see the above referenced court document *Statements of Undisputed Facts*. 68 - 129 exposes the accounting fraud). While the excess funds are eventually refunded, FTB considers the refund to be income, and thus the married couple is required to pay higher income taxes in order to get extorted funds back.

I have been asking FTB since 2017 to provide the legal statutes that it utilizes in order to justify this unlawful imposition of extra tax and penalty liabilities. Various FTB employees have committed fraud numerous times by citing irrelevant statutes and federal guidelines which say the exact opposite of what FTB claimed the guideline said. In *Grab v. FTB*, I alleged these business practices to be an embezzlement and racketeering scheme. If these business practices had been lawful, FTB would have provided the pertinent statutes in court.

FTB never provided any statutes, nor did FTB deny the allegations of running a systematic embezzlement and racketeering scheme specifically targeting married people. Failure to deny constitutes admission of truth. FTB has tacitly admitted that these business practices are extralegal "underground regulations." Marital status is considered a class. Financially penalizing people for being married violates the 14th Amendment of the Constitution. The Taxpayer Advocate must immediately bring FTB's business practices in line with our constitutional protections by halting the extralegal business practices over overcharging married people. I made this request last year. In FTB's response, FTB wrote:

“As you have previously been informed, FTB cannot enact, amend, or repeal laws. You can contact your state legislators regarding any suggested changes to California law regarding conformity.”

FTB has yet to provide a relevant statute to justify this practice. If one existed, FTB would have provided it during *Grab v FTB*. FTB did not. I believe the Trump Administration would view this as a violation of TITLE 18, U.S.C., SECTION 242, Color of Law. I sincerely hope the Trump Administration prosecutes.

## FTB's Response to Concern #6

Your request that FTB conform to particular IRS guidelines was raised at previous Taxpayers' Bill of Rights Hearings, including December 2024 and December 2022.

FTB responded to this concern by letters dated February 3, 2025 [[2025-Grab-FTB-TBOR-Reply.pdf](#)], and February 1, 2023 [[2023-Grab-FTB-TBOR-Reply.pdf](#)].

As previously stated, FTB cannot enact, amend, or repeal laws. You can contact your state legislators regarding any suggested changes to California law.

## Concern #7: Concerns about the CAL-EITC “Education and Outreach Program”

Please address the concerns about FTB's Cal-EITC Education and Outreach Program that I addressed at the September 2025 Board Meeting. The text is in the email below in the email chain. I am frustrated that FTB did not respond within 30-days as is required.

Email from September 2025 Board Meeting:

1. The contract between FTB and CDS says that the NGO recipients are required to help people file ITIN applications. We taxpayers would like more information about this clause. At the June 2024 meeting, Jeanne Harriman said that migrants in California qualify for credits that the federal government doesn't offer. Are migrants legally filing in California when they cannot legally file federally? If so, is FTB issuing its own ITINs separate from the federal government? If FTB is not issuing ITINs, then how are migrants accessing health care and other benefits without any identification number?
2. The biggest recipient of money is Golden State Opportunity Fund. Based on the records I have received from CDS, Golden State's bookkeeping is opaque with questionable entries. I do not believe they would pass an audit. I've tried to contact them many times and have never been able to reach a human. Public tax records indicate that they spend their money mostly on salaries for themselves and tax lobbyists to get more money for this program. It appears they pass token amounts of money on to legitimate NGOs, then take credit for the work done by these other organizations. We taxpayers want more transparency about how the NGOs are vetted and chosen, how it is determined how much money each receives, and to make regular audits a part of the program.
3. United Way receives a lot of money, too. Their bookkeeping is excellent. I have confirmed they have multiple tax filing programs in place, and I commend them for their good work. However, their San Diego subsidiary, Dreams for Change, has had multiple allegations of staff sexually assaulting clients. It concerns me that United Way is

sending vulnerable people to known sexual predators. I asked United Way about their oversight criteria they never responded to me. We taxpayers want transparency about oversight.

Since 2016, I have been accusing FTB of intentionally providing bad service as a cover for *bona fide* criminal schemes to fraudulently impose penalties. In *Grab v FTB* in San Diego Superior Court, FTB never denied the allegations that my penalties were a result of an embezzlement and racketeering scheme – FTB simply stated that was irrelevant to the case. Failure to deny constitutes admission of truth. While I am not low income, these criminal schemes seem to primarily target people of low socio-economic status. Primary targets include people who work more than one job, people who have a business license of some sort that they are not utilizing for income, and married couples.

If FTB truly just wanted low-income people to file tax returns, they would have simply paid tax preparers in low socio-economic areas to file returns for people who qualify under VITA guidelines. In previous speeches, the NGOs have repeatedly stated that the tax preparers charge \$150 for these returns. With the \$10-million dollars allotted, 66,666 tax returns could be filed. I believe that the tax preparers would advertise like crazy so that people were aware that they could get their taxes done for free and get cash in hand – and they'd likely do a better job of advertising than the NGOs currently are.

So why is the money going to NGOs, instead? From my perspective, it appears that FTB is paying NGOs to find them victims. The NGOs send the clients to VITA volunteers at temporary service locations to file the taxes on their behalf or encourage them to file via FTB's online filing system. When FTB later makes "mistakes" on these low-income taxpayers account, the taxpayer finds it is virtually impossible to resolve the matter on their own. Had these people utilized tax professionals, the tax professionals would be their advocates and would help them clear up these alleged "mistakes."

FTB's perpetual inability to improve customer service confirms my belief. I first started having issues with FTB's "mistakes" in 2008. It is now 2025 and the service has gotten no better than it was then for individual taxpayers or small business. But the service has improved for tax professionals, making it clear that people who cannot afford a tax preparer are the primary targets.

At this point, the bad service is clearly a feature, not a bug. If the Board wanted the service to improve, they would have fired the bad leadership and brought in competent people. The Board has failed to do so. Instead, they give Selvi annual bonuses, which have averaged \$42,000 per year over the last 10 years.

In March 2022, when FTB admitted that it was fraudulently imposing penalties as a result of its own customer service failures, its goal was to reduce the failure rate to only 30%. FTB never had any intention of eliminating these schemes to fraudulently impose penalties, they were just trying to make their schemes less obvious.

## FTB's Response to Concern #7

Following are FTB's responses to the questions you present throughout this concern you raised. We address the questions in the order presented.

Regarding migrants filing tax returns: individuals without a Social Security Number can use an Individual Taxpayer Identification Number (ITIN) to file a state tax return when they have a state filing requirement. An ITIN is a tax processing number the Internal Revenue Service (IRS) issues to people who are ineligible for a Social Security Number but need to file a federal tax return or are required to provide an ITIN for other federal tax purposes. Further information regarding ITINs appears on our website: [Personal Credits](#).

Regarding migrants accessing health care and other benefits: FTB declines to comment because we do not administer health care or other benefits you referenced.

Nonprofit and community-based organizations are vetted and chosen to receive money through the CalEITC Education and Outreach program: FTB partners with the California Department of Community Services and Development (CSD) to distribute funds the California Legislature allocates on an annual basis for CalEITC outreach and education.<sup>1</sup> The budget distribution allocation complies with the purposes the California Legislature designates, which includes outreach to create increased awareness of, and participation in, the Earned Income Tax Credit and the Volunteer Income Tax Assistance Program.

The budget allocation is distributed to nonprofit and community-based organizations instead of entirely to tax preparers: while tax preparers may aim to increase participation in CalEITC, budget distribution allocation to nonprofit and community-based organizations also addresses *outreach* to create increased awareness of CalEITC and the Volunteer Income Tax Assistance Program (VITA), as required by the California Legislature.

In general, CSD makes education and outreach grant funds available through its Notice of Funding Availability (NOFA) process. Non-profits and community-based organizations apply for the grants and CSD awards funds to selected grantees. You may contact CSD or go to its website for more information.

## Concern #8: Wait time

Yesterday, I made a public comment explaining to Mr. Gains how FTB systematically denies the right to Protest via slow service. Mr. Hofeling claimed he didn't know what I was referring to. This is an explanation of how FTB's system currently operates and why the timing of mail processing lends itself to denying the Right to Protest.

The above link is to FTB's wait times. As you can see, the current turn time for submissions made to customer service via myFTB is 18-days. The submissions made via mail or fax is 89 days. For personal collections, the turn time via myFTB is 42-days

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<sup>1</sup> For purposes of this response, we interpret your reference to "CDS" to mean the California Department of Community Services and Development (CSD). Also, we interpret your reference to "NGOs" to mean nonprofit and community-based organizations as referenced in various Budget Acts, which receive funds for education and outreach concerning CalEITC and related services.



and via mail or fax is 67-days. For business collections, the turn time is 142 days via myFTB and 241 days via mail or fax.

If I remember correctly, Taxpayers have 60-days from the date on the Notice to file a Protest. I believe the Collections departments processes this correspondence. This means that there is zero chance that a business Protest will be processed before it is moved to involuntary collections and a zero chance for personal collections to be processed if submitted via mail or fax.

But even for personal Protests sent via myFTB, it is unlikely that the Protest will be processed in time to evade involuntary collections. It takes a few days for the letter to arrive to the taxpayer. It takes the taxpayer a few weeks to gather the documentation necessary to file the Protest. If the Protest is submitted too close to the deadline, it will not be proceeded before the account is moved to involuntary Collections.

FTB's slow turn times on processing of correspondence guarantees that the right to Protest is violated. As already stated above, there is a 100% chance that FTB will not open and process a business Protest until months after it was submitted and it is statistically unlikely that a personal Protests will be processed before involuntary Collections.

By the time the Protest is processed, FTB has already destroyed people's lives by stealing every penny out of their bank accounts or attaching crippling wage garnishments that leave them financially destitute. it is too late for FTB to go back and honor the Protest because in doing so, FTB would have to make reparations for people who lost their homes, vehicles, etc as a result of FTB's aggressive collection actions.

In *Grab v FTB* in San Diego Superior Court, it came out that FTB covered up its violation of our right to Protest by "misfiling" every one of our notices. FTB falsely made it appear that we had not responded by hiding our notices in the wrong years. I believe that I am not unique; that this "misfiling" is part of a systematic fraud scheme. Someone's job at FTB is to intentionally misfile notices. I hope that HR immediately steps in to protect this person/people from potential federal prosecution by requiring an response to Notices are properly filed.

I have addressed concerns about the slow mail processing in several previous ATBOR requests. For each of the years that I made this request, FTB disregarded my concerns. Here is one example; I can send all the rest of the written correspondence on the issue upon request: <https://gwsandiego.net/blog/wp-content/uploads/2021/02/rebuttal-2020-ATBOR.RQ.!.>

Even though I did not make a formal request as part of this year's ATBOR, I still would like to see FTB implement a 24-hour response time to all correspondence submitted.

## FTB's Response to Concern #8

Thank you for contacting FTB and for taking the time to share your concerns regarding the wait times for MyFTB, mail, and fax submissions for Personal Income and Business Entity Tax Collections. Your suggestions help us identify opportunities to improve our

service delivery and system processes, and we sincerely value feedback from our customers.

We recognize that extended wait times for various customer services can be challenging and are continually working to improve our accessibility and responsiveness. Additionally, our staff are also available through online chat services, scheduled office appointments, and 24/7 online self-services offered at [FTB.CA.GOV](https://ftb.ca.gov). Taxpayers and their designated representatives (with a Power of Attorney Declaration) may access the MyFTB portal, which provides individuals, business representatives, and tax professionals 24/7 online access to tax account information and online services, such as making payments, checking balances, and responding to notices.

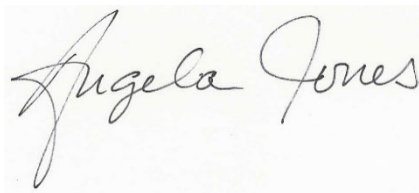
We regret the difficulties you have experienced and understand the importance of timely, secure, and accurate correspondence in managing protests to Notices of Proposed Assessment (NPAs). NPA protests are mailed to a dedicated FTB address or filed online and are not processed by a collection business area, therefore not subject to the wait times referenced in your letter. An acknowledgement letter is generally sent to the taxpayer within 30 days from receipt of the protest.

For more information, please visit [FTB.CA.GOV](https://ftb.ca.gov) and search for [Audit, Protest, or Disagree with an NPA](#).

Franchise Tax Board continues to evaluate enhancements to our digital communication and submission options to support faster, more efficient services that benefit our customers in resolving their tax accounts effectively.

Thank you for taking the time to call in and present your concerns.

Sincerely,

A handwritten signature in black ink that reads "Angela Jones". The signature is written in a cursive, flowing style.

Angela Jones  
Taxpayers' Rights Advocate

cc: Malia M. Cohen

Sally J. Lieber

Joe Stephenshaw

Selvi Stanislaus

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**ftb.ca.gov**