

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HEARING
OFFICE OF TAX APPEALS
STATE OF CALIFORNIA

In the Matter of the Franchise
Income Tax Appeals Hearing of:

ZAKRYA RASHED ALAWDI,

OTA Case No. 18032420

Appellant.

_____ /

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, FEBRUARY 27, 2020

10:10 A.M.

OFFICE OF TAX APPEALS
855 M STREET, SUITE 960
FRESNO, CALIFORNIA 93721

Reported by JANA A. GUNTER, CSR No. 7589

1 APPEARANCES

2
3 Panel Lead:

4 TERESA STANLEY, ADMINISTRATIVE LAW JUDGE
5 STATE OF CALIFORNIA
6 OFFICE OF TAX APPEALS
855 M STREET, SUITE 960
FRESNO, CALIFORNIA 93721

7 Panel Members:

8 ANDREW KWEE, ADMINISTRATIVE LAW JUDGE
9 JOSHUA ALDRICH, ADMINISTRATIVE LAW JUDGE

10 For Appellant:

11 ZAKRYA RASHED ALAWDI (NOT PRESENT)

12 For the Department of Tax and Fee Administration:

13 MARIFLOR JIMENEZ, HEARING REPRESENTATIVE
14 JASON PARKER, HEARING REPRESENTATIVE
15 CHRISTOPHER BROOKS, TAX COUNSEL
400 R Street
West Sacramento, California 95798

16 Also Present:

17 DANA HOLMES, OMBUDSWOMAN
18 OFFICE OF TAX APPEALS
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX

EXHIBITS

CDTFA EXHIBITS	PAGE
Exhibits A-L admitted into evidence	5

(Exhibits previously submitted and premarked, described and retained by Administrative Law Judge.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

THURSDAY, FEBRUARY 27, 2020 - 10:10 A.M.

OMBUDSWOMAN HOLMES: I'll call the first case for Zakrya Rashed Alawdi, and the case number is 18032420.

ALJ STANLEY: Okay. And I'm going to go straight on the record in the Appeal of Alawdi, case number 18032420. The place is Fresno, California, and the date is February 27th, 2020, at 10:10 a.m.

I have here with me this morning Judge Josh Aldrich and Judge Andrew Kwee. And I see that there's no appearance for the appellant this morning.

And can CDTFA please state your appearance?

MS. JIMENEZ: Good morning. My name is Mariflor Jimenez, and to my left is Jason Parker and to his left is Christopher Brooks. We're all representing the CDTFA.

ALJ STANLEY: Good morning.

MS. JIMENEZ: Good morning.

ALJ STANLEY: We do not have any exhibits that Appellant has submitted in this matter. I will note for the record that we did give them additional time to submit documents within 10 days of the prehearing conference that was also not attended by appellant.

So, we will accept into evidence CDTFA as Exhibit A through L that have been previously submitted.

1 (CDTFA's Exhibits A-L admitted into evidence.)

2 ALJ STANLEY: Does CDTFA have any additional
3 documents that they intend to submit?

4 MS. JIMENEZ: Judge Stanley, we have no additional
5 documents.

6 ALJ STANLEY: Okay. Thank you.

7 The issue was whether adjustments to the
8 deficiency measure were warranted and whether the
9 negligence penalty was appropriate in this case.

10 We don't need to have any presentations, but I
11 believe that my fellow panel judges may have questions for
12 CDTFA. So, if you don't mind, I'll let Judge Kwee ask.

13 ALJ KWEE: Thank you.

14 Yes. This is a duly noticed hearing, so I did
15 want to have CDTFA address one question that I have, and
16 maybe it's just my not understanding something.

17 So, when you were calculating, basically, the
18 audited taxable sales for his liability, what you started
19 with was audited purchases. And when I looked at Schedule
20 12-E of your Audit Working Papers -- and that's titled
21 "Audited Purchases for Vendor Surveys."

22 And it looks like, on line 13, you exhibit
23 approximately \$30,000 for the Supplemental Nutrition
24 Assistance Programs for Women, Infants & Children. And I'm
25 just wondering why it seems like -- would that be food

1 stamps? I'm not sure why that would be included in these
2 surveys officially.

3 MS. JIMENEZ: I'm sorry, Judge Kwee. Is that
4 Exhibit E?

5 ALJ KWEE: It doesn't list what the exhibit number
6 for your Audit Work Papers were. It's on your Index, which
7 I have to scroll to a different page to see.

8 Oh, yeah. So, that's your Exhibit A, and that was
9 schedule E, schedule 12-E, on line 13.

10 MR. PARKER: Is that for the WIC?

11 ALJ KWEE: Yeah. Isn't WIC the Supplemental
12 Nutrition Program for Women, Infants & Children? Or is
13 that something different?

14 MR. PARKER: I think normally the program is known
15 as WIC. I'm not sure if this maybe is another type of
16 vendor. So, I would assume that, in this situation, that
17 the auditor scheduled purchases from an actual vendor.
18 Because normally they aren't making purchases of goods from
19 staff or WIC or something like that. Those are sales that
20 are made through those programs.

21 ALJ KWEE: Right. And that's why I was curious
22 about why that would have been included there. But if
23 you're saying "WIC" wasn't referring to the Women, Infants
24 & Children's program, then I guess that would answer my
25 question.

1 MR. PARKER: Yeah. I don't see a comment related
2 to that, but it's talking about the purchases, and there
3 aren't purchases from those programs.

4 ALJ KWEE: Right. That's why I was confused about
5 this.

6 ALJ STANLEY: (Indicating.)

7 ALJ ALDRICH: No, nothing from the Department.

8 ALJ STANLEY: Okay. Do you have any follow-up
9 questions, Judge Kwee?

10 ALJ KWEE: No.

11 ALJ STANLEY: Okay. Given that there's no
12 follow-up, has the Department included everything in their
13 brief that they wanted the panel to know at this point?

14 MS. JIMENEZ: Yes, we did.

15 ALJ STANLEY: Okay. Then I will admit those
16 exhibits into the record, close the record, and we will
17 issue -- we'll deliberate and issue a decision within 100
18 days.

19 And we are going to recess now approximately
20 20 minutes. We need to make sure we have our interpreter
21 here before we can proceed with the next cases.

22 Thank you.

23 (Whereupon, the proceedings concluded at 10:16 a.m.)

24

25

1 REPORTER'S CERTIFICATE

2
3 I, Jana A. Gunter, a Certified Shorthand Reporter
4 in and for the State of California, duly appointed and
5 commissioned to administer oaths, do hereby certify:

6 That I am a disinterested person herein; that the
7 foregoing hearing was reported in shorthand by me,
8 Jana A. Gunter, a duly qualified Certified Shorthand
9 Reporter of the State of California, and thereafter
10 transcribed into typewritten form by means of
11 computer-aided transcription.

12 I further certify that I am not of counsel or
13 attorney for any of the parties to said hearing or in any
14 way interested in the outcome of said hearing.

15 IN WITNESS WHEREOF, I have hereunto set my hand
16 this 27th day of March, 2020.

17
18
19 _____
20 JANA A. GUNTER
21 Certified Shorthand Reporter
22 License No. 7589
23
24
25