

Partial List of Violations, summarized

...violations that have led to Fraudulent Property Tax Valuations

- VIOLATED** Texas Property Tax Code, 23.01(b)- failed basic directives for appraising value, including that it must comply w/ USPAP
- VIOLATED** USPAP Standards 5 & 6, Mass Appraisal Standards, required by Property Tax Code - did not adhere to standards
- VIOLATED** USPAP Standards 1 & 2, Real Property Appraisal Development & Reporting, required by Property Tax Code – not followed
- VIOLATED** USPAP Standard Appraisal Professional Rules, required by Property Tax Code - did not adhere to standards
- VIOLATED** Texas Property Tax Code, 23.01(e) - have not had “clear & convincing evidence” as required to increase value when prior year was reduced.
- VIOLATED** Texas Property Tax Code, 23.01(f) - have not used TRUE like-kind properties (comparables) to render equitable value.
- VIOLATED** Texas Property Tax Code, 23.012, Income Method of Appraisal - ignored income property’s \$\$ performance data.
- VIOLATED** Texas Property Tax Code, 23.013 - have not used TRUE like-kind properties when using sales data to render value.
- VIOLATED** Texas Property Tax Code, 42.26, remedy for unequal appraisal - must be within 10% of median value of comparables.
- VIOLATED** Texas Constitution, Article 8, Section 1 - property taxation (valuation) has not been equal & uniform as required.
- VIOLATED** Texas Constitution, Article 8, Section 20 - properties have been valued for ad valorem purposes at a value higher than their “fair cash market value” by DCAD.
- VIOLATED** Texas Property Tax Code, Chapter 5, Section 5.01 – State has not taken responsibility for appraisal district(s) who failed to follow law in property tax appraisal process.
- VIOLATED** Texas Property Tax Code, Chapter 5, Section 5.04 - neither state nor TDLR has taken responsibility for failed training or failed application of professional & legal standards (laws).
- VIOLATED** Tax Roll Certification (PTC sec) – property tax values were falsely certified

VIOLATED TDLR, Texas Administrative Code, Chapter 94, Regulations for Property Tax Professionals

TDLR has not properly investigated or disciplined certified & licensed property tax professionals who have violated the TDLR property tax professional rules of conduct and professional ethics, that also requires adherence to law. Texas PTC Section 5.04 gives TDLR responsibility for this task, yet TDLR has said they do not have jurisdiction to resolve issues with their licensed & certified professionals.

VIOLATED TALCB, Texas Appraiser Licensing & Certification Act, Chapter 153

VIOLATED Oath of Profession – is violated when code of ethics & laws are broken; the individuals licensed by TDLR, TALCB, or other professional organizations involved in the improper property tax appraisals have violated their oath of professional ethics.

VIOLATED Oath of Office – by not following law(s), many individuals have failed in their duties, violated their oath, including Chief Appraiser, Deputy Appraisers, Board Members, ARB Panel Members, Tax Assessor Collector, County Judges, County Commissioners, Attorney General, and many other government officials (various levels for county, city, state) etc.

VIOLATED Texas Penal Code 37.11, defaulting in duties as public officer is impersonating a public official, which is a 3rd degree felony

VIOLATED Texas Penal Code 7.01, intentionally failed to report criminal activity

VIOLATED Texas & U.S. Administrative Procedures Act

VIOLATED U.S. Constitution 1st, 5th, 14th, 16th Amendment

VIOLATED Title 42 U.S. Code Section 1986, Knowledge of Wrongful Act & Power to Prevent

VIOLATED Title 18 of Criminal Code, U.S. Code Section 1621, Perjury Defined

VIOLATED Title 18 U.S. Code Section 1512 c 1 2, who corruptly alters. Destroys or conceals a record

List of Co-Conspirators

Licensed & Certified Individuals Appraisal District Leaders & Board Members, Taxing Entities, County leaders, City

Leaders, Governmental Bodies, Regulators, Professional Organizations, Public Officials

DETAILED CONTENT

DCAD violates Texas Property Tax Code, Chapter 23, Appraisal Methods & Procedures, Sec 23.01(b) by not following these 4 procedural directives...

- market value of property shall be determined by application of generally accepted appraisal methods & techniques
- if appraisal district determines appraised value of property using mass appraisal standards, **the mass appraisal standards must comply with USPAP (USPAP Professional Standards, Standards 1 & 2, & Standards 5 & 6)**
- same or similar appraisal methods & techniques shall be used in appraising the same or similar kinds of property
- **however, each property shall be appraised based on the individual characteristics that affect the property's market value, and all available evidence that is specific to the value of property shall be taken into account in determining the property's market value.**

DCAD violates Texas Property Tax Code, Chapter 23, Appraisal Methods & Procedures, Sec 23.01(e) every time they issue a notice of appraisal with a higher value than the prior years' protest/appeal reduced value, when there is no evidence to support value increased or when there is no evidence of change to property that would result in a value increase.

Law says that if **property value was reduced** by Subtitle F (protest, appeal, etc.), then "in **the next tax year** in which the property is appraised, the **chief appraiser may not increase the appraisal value** of the property **unless the increase by the chief appraiser is reasonably supported by clear and convincing evidence** when all of the reliable and probative evidence in the record is considered as a whole."

DCAD violates Texas Property Tax Code, Chapter 23, Appraisal Methods & Procedures, Sec 23.01(f) & Sec 23.013(a) by NOT using true comparable properties in analysis to render value based on how a property compares with local like-kind properties' equitable value (uniform and equal) or how it compares with like-kind properties' sales value.

DCAD violates Texas Property Code Chapter 42, Sec 42.26, Remedy for Unequal Appraisal by issuing value(s), and or not reducing value(s) in protest hearing, to a taxable value within 10% of the median value/sf of a group of comparable properties.

DCAD violates Texas Property Tax Code, Chapter 23, Appraisal Methods & Procedures, Sec 23.012 for Income Method of Appraisal when they insert improper or fake data into their analysis. An example being the Income Calculation Worksheet that DCAD manipulates for the income approach on income/commercial property valuations. This violates the rules of 23.012 that state the chief appraiser shall:

- Analyze comparable **rental data available** or potential earning capacity, or both
- Analyze comparable **operating expense data available**
- Analyze comparable **data available to estimate capitalization rates**

- **Base projections** of rent or income potential & expenses **on reasonably clear & appropriate evidence**
- **In developing income & expense statements** and cash flow statements, shall consider
 - **historical information**
 - current supply & demand factors affecting trends
 - anticipated events, such as competitors and similar new construction

Texas Property Tax Code, Chapter 5, Section 5.01 - State is charged with responsibility for property tax administration, “Comptroller shall appoint the property tax administration advisory board to advise the comptroller with respect to the division or divisions within the office of the comptroller with primary responsibility for state administration of property taxation and state oversight of appraisal districts...”

Texas Property Tax Code, Chapter 5, Section 5.04 - State delegates responsibility to TDLR to certify tax professionals and set standards for & approve training & education; state may also contract others to sponsor training programs.

Texas Constitution, Article 8, Section 1(a) – “Taxation shall be equal and uniform.”

Texas Constitution, Article 8, Section 20 – “No property of any kind in this State shall ever be assessed for ad valorem taxes at a greater value than its fair cash market value nor shall and Board of Equalization of any government or political subdivision or taxing district within this State fix the value of any property for tax purposes at more than its fair cash market value...”

Violations of USPAP's Professional Appraisal Practice Rules by Individual Appraisers & DCAD itself

- Records Keeping Rule: Did **not retain/archive analysis and data documents** utilized while working values.
- Ethics General Rule: Have **not promoted & preserved public trust** inherent in appraisal practice.
- Ethics Rule of Conduct: Have **willfully & knowingly violating Record Keeping Rule**.
- Have **not performed assignments with impartial, objective, & independence** or without accommodation of personal interests.
- Rule of Management: Failure to comply with appraisal rules leads to this question... Have the individual appraisers (and DCAD) received, and **not disclosed, a fee, commission or thing of value awarded in connection with appraisal/assignment?**
- Performed an assignment & issued Notices of Appraisal where the opinion of value was based on a **predetermined result**.
- Rule of Confidentiality: Have **not acted in good faith with regard to the legitimate interests** of the client(s) (taxpayers & tax jurisdictions) in use of confidential information and in communication of assignment results.
- Did not take reasonable steps to safeguard access to confidential information** and assignment (appraisal) results that was in electronic form.
- Competency Rule: Do not possess the **knowledge & experience to complete appraisal competently**, or they are **willfully not using proper appraisal knowledge & skills** to complete appraisals.
- Have **not recognized or complied with laws & regulations** that apply to appraisal practice
- Scope of Work Rule: **Have not** demonstrated that scope of work is sufficient to produce credible result (value)
- Have used improper research, **applied improper research & techniques, used improper analysis** applied to arrive at opinion or conclusion (value)

Violations of USPAP, Standard Rules 1 & 2 (Real Property Appraisal: Development & Reporting)

1. Standards Rule 1-1, General Development Requirements, violated:

- Fail to employ methods or techniques to produce credible appraisals
- Committed substantial errors that significantly affect appraisals
- Rendered appraisal in a negligent manner, affecting results of values across Denton County

2. Standards Rule 1-2, Problem Identification, subsections e & h, violated:

- Did not identify characteristics of property that are relevant to type & definition of value
- Failed to use reliable information when available (even when in physical possession of it)
- Did not determine scope of work to produce credible assignment results

3. Standards Rule 1-4, Approaches to Value, violated:

- Have not analyzed or utilized actual data provided year after year to produce a credible assignment result (appraisal) on the Income Approach for commercial property valuations
- Have not consistently used comparable properties for sales comparison approach or the equity (equal & uniform) approach

4. Standards Rule 1-6, Reconciliation, Subsection a violated:

- Have not used all the “quality” data (all the actual data) in analysis or valuation approaches
- Have not reviewed or tested proposed values & data to verify accuracy for values on Notices of Appraisal

5. Standards Rule 2-1, General Reporting Requirements, Subsections a & c violated:

- Failed by misleading taxpayers on Notices of Appraisal (evidenced by volume of protests & appeals)
- Claimed extraordinary assumptions for most, or all, taxpayers, by issuing high values on Notices of Appraisal without proper comparable (uniform & equal) evidence, or proper support of increased value due to higher/enhanced “economic characteristics.”
(SPECIFIC VIOLATION, sec 23.01(e) of Property Tax Code)

6. Standards Rule 2-2, Content of Real Property Appraisal Report, violated:

- Violated content rule by misleading taxpayers with the value issued on the Notice of Appraisal.

7. Standards Rule 2-3, Certification, violated:

- Provided values based on inaccurate analysis, manipulation & bias; completed appraisals contingent on predetermined results
- Failed to conform with USPAP throughout appraisal process, resulting in the issuance of inflated values on Appraisal Notices

8. Standards Rule 2-4, Oral Appraisal Report, violated:

- DCAD is in violation of USPAP rules with Notice of Appraisal issued and reports provided in protest hearing, making their verbal testimony of value with the taxpayer, the ARB panel members, or any other informal communication also a violation.

Violations of USPAP Mass Appraisal Standards (USPAP Standards 5 & 6)

1. **Violated Records Keeping** Rule when conducting mass appraisal.
2. **Violated Ethics** Rule **by violating Records Keeping Rule.**
3. **Violated** Rule 5-1(a) by **not correctly employing recognized techniques to produce a credible mass appraisal.**
4. **Violated** Rule 5-1(b) by **committing substantial errors of omission and commission** that significantly affected mass appraisal conducted by DCAD.
5. **Violated** Rule 5-1(c) by **rendering mass appraisal in careless or negligent manner.**
6. **Violated** Rule 5-2 (e)(iii) by **failing to consider location & economic characteristics** when conducting mass appraisal.
7. **Violated** Rule 5-2 (k) by **failing to determine scope of work to produce credible assignment results** (values).
8. **Violated** Rule 5-4(b) by **failing to develop mathematical models that w/ reasonable certainty**, represent relationship between property value and supply and demand factors as represented by quantitative & qualitative approaches to value for mass appraisal.
9. **Violated** Rule 5-4(b) by **failing to employ recognized techniques for specifying property valuation models used.**
10. **Violated** Rule 5-4(c) by **failing to employ recognized techniques for calibrating the mass appraisal models used.**
11. **Violated** Rule 5-7(a) by **failing to reconcile the quality and quantity of data available** and analyze within the approaches used and the applicability and relevance of the approaches, methods & techniques used in mass appraisal.
12. **Violated** Rule 5-7(b) by **failing to use or implement appraisal testing procedures and techniques** to ensure that standards of accuracy are maintained for mass appraisal.
13. **Violated** Rule 6 by **reporting the results of DCAD mass appraisal in a manner that is misleading.**

DCAD and its employees have FAILED many, if not all, requirements under the Texas Department of Licensing and Regulation aka TDLR!

TDLR Violations (Texas Admin. Code, Title 16 - Economic Reg., Part 4 - Texas Dept of Licensing & Reg., Chap. 94 – Property Tax Professionals)

94.70 – responsibilities of a registrant – general

- Registrants cannot violate any provision. **(FAILED)**
- Registrants must not violate property tax professional code of ethics. **(FAILED)**
- Registrants must not engage in any practices that constitute improper influence, conflict of interest, unfair treatment, discrimination, abuse of power or misuse of titles. **(FAILED)**

94.71 – responsibilities of a registrant – equal & fair treatment

- Registrants must apply equally & fairly any appraisal or assessment according to USPAP & generally accepted appraisal or assessment practices applicable. **(FAILED)**
- Registrant must not knowingly testify falsely or withhold any information, or influence someone to do so, in any investigation or proceeding. **(FAILED)**
- Registrant must not knowingly mislead any member of the public who makes reasonable inquiry or request on tax matters. **(FAILED)**
- Registrant must not predetermine the value or value range of a property or properties and then manipulate data to arrive to a predetermined conclusion (value). **(FAILED)**

94.72 – responsibilities of a registrant – conflicts of interest

- Registrant must disclose in writing to appraisal district or taxing entity any financial interest in any private business or real property subject to appraisal district or taxing entity where he/she is employed. **(FAILED)**
- Registrant must not use any agency resources for personal benefit. **(FAILED)**

94.100 – code of ethics [\(This is the section of regulations that TDLR Sr Investigator said TDLR may not have authority to enforce.\)](#)

- Registrant must be guided by principal that property taxation **should be fair and uniform, and apply all laws, rules, methods, procedures, in a uniform manner, to all taxpayers.** **(FAILED)**
- Registrant must not accept or solicit any gift, favor or service that might reasonably tend to influence registrant in the discharge of official duties. **(FAILED)**
- Registrant **must not engage in an official act that is dishonest, misleading, fraudulent, deceptive, or in violation of law.** **(FAILED)**
- Registrant must not conduct their professional duties in a manner that could reasonably be expected to create the appearance of impropriety. **(FAILED)**

TALCB & TALCB Violations

Texas Appraiser Licensing and Certification Board is the licensing division responsible for licensing Appraisers. The Texas Legislature established the Texas Appraiser Licensing & Certification Board (TALCB) to safeguard consumers in matters of real property appraisal services. TALCB provides education and licensing services, as well as regulation and enforcement of state and federal laws and requirements that govern real property appraisals.

Section 153.8 Scope of Practice

- (a) License holders are bound by the USPAP edition in effect at the time of the appraisal. **(FAILED)**

Section 153.15 Experience (and Adherence) Required for Licensing

Any one or a combination of the following categories may be acceptable for satisfying the applicable experience requirement:

1. An appraisal or appraisal analysis when performed in accordance with Standards 1 and 2 and other provisions of the USPAP edition in effect at the time of the appraisal or appraisal analysis. **(FAILED)**
2. Mass appraisal, including ad valorem tax appraisal that:
 - a. conforms to USPAP Standards 5 and 6; **(FAILED)** and
 - b. demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. **(FAILED)**
3. Appraisal review that:
 - a. conforms to USPAP Standards 3 and 4; **(FAILED)** and
 - b. demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. **(FAILED)**
4. Appraisal consulting services, including market analysis, cash flow and/or investment analysis, highest and best use analysis, and feasibility analysis when it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standards 1 and 2 and using appropriate methods and techniques applicable to appraisal consulting. **(FAILED)**
5. "Practical Applications of Real Estate Appraisal" (PAREA) programs approved by the AQB. **(FAILED)**

Oath of Office (State of Texas Form 2204)

- individuals who took an oath of office includes Chief Appraiser, Deputy Appraisers, Board Members, Tax Assessor Collector, Attorney General, ARB Panel Members
- individuals solemnly swear to faithfully execute duties of their elected or appointed office & to preserve, protect and defend the Constitution & laws of U.S. and State of Texas

Defaulting on Oath (Texas Penal Code 37.11)

- defaulting of duties & obligations is equivalent to impersonating a public officer.... any elected or appointed official or Attorney refusing to honor an acceptance of their Oath is simply impersonating a public official, thus violating the Texas Penal Code 37.11 law regarding Impersonating a Public Servant, which is a 3rd degree felony.

Knowledge of Wrongful Act & Power to Prevent (Title 42 U.S. Code Section 1986)

- Person with knowledge that a wrongful act is about to be committed and having the power to prevent the commission of such wrong neglects or refuses so to do, is liable to the party injured for all damages caused by the wrongful act.
- Person need not have participated in the conspiracy or the commission of the act, just having knowledge of it implies guilt.
- Any number of persons guilty of wrongful neglect or refusal may be joined as defendants in a § 1986 action

Appraisal District Board of Director's Primary Duty & Responsibility

- Primary Duty to appoint Chief Appraiser, the chief administrator of Appraisal District
- Chief Appraiser serves at pleasure of the Board
- Board is responsible for Chief Appraiser's performance of Appraisal Duties

ARB Hearings (Value Protest Hearings)

- Appraisal District representatives & Taxpayer take an oath immediately before protest hearing starts, sworn to tell the truth when presenting evidence to support appraisal value

Perjury Defined, Under Title 18 for criminal code, U.S. Code Section 1621

- Perjury can be summarized as any untrue testimony, declaration, deposition or certification that is made under oath

Co-Conspirator

- Person who is engaged in a conspiracy with another, or others; an associate, collaborator, accomplice, supporter, etc.