

“DEAD TO RIGHTS”

The Records Are Beginning to Connect: PTAD, MCAD and the Tax Assessor-Collector

Public Evidence Briefing — September 19, 2026

by Mitchell Vexler

"Dead To Rights": Internal Records, Video, Audio, Depositions, Public Testimony, deleted and hidden documented “pass” when their own documents at the CADs, State Comptroller, Tax Assessor Collector, show they should “fail”, Court Cases, filing at the U.S. Supreme Court docket 26-179 and now filing at the Federal Court in Sherman Texas lays bare the criminal conspiracy to defraud.

For years, taxpayers have been told that property-tax collections and school-district debt are necessary to fund public services and education. The public question is not whether government may lawfully collect taxes or issue bonds. The question is whether the underlying tax-base records can be independently reconstructed, reconciled and trusted — and whether officials, auditors, taxing units and investors were given a complete picture when problems were found.

The warehouse of evidence that proves the money is not going to the children but is being used for a variety of purposes that no voter voted for or understands including paying for interest on fraudulent school district bonds, election fraud, hidden interfund accounts, hidden, investment pools, and creating a debt that can never be paid that grows compound cumulative to the tune of \$698,000,000 per day. www.mockingbirdproperties.com/dcad. The 10-year investigation by Mavex (Vexler's Company, Leslie Robbins, and over the last 2 years Travis Spencer of Real Estate Mindset) proves the vast apparatus of co-conspirators and the divisions to hide the evidence.

The last two days of evidence work materially sharpen that question. Records obtained from Montgomery Central Appraisal District (MCAD), the Montgomery County Tax Assessor-Collector, and the Texas Comptroller's Property Tax Assistance Division (PTAD) now show three separate government control points touching the same tax-base data. Each point leaves its own paper trail. When those records are placed side by side, the public can see where a roll was certified, where the receiving tax office could not reconcile it, and where State review findings could move from preliminary FAIL/NO findings to final PASS/YES results after remediation.

That particular independent component (PTAD) does not, by itself, prove criminal intent of the individuals at PTAD or the resulting securities fraud. Vexler previously filed the [1st Amendment to the Criminal Complaint](#) with the DOJ & FBI concerning PTAD refusing to investigate irrefutable evidence of the Tax Assessor Collector knowingly accepting falsified tax roll from DCAD complete with the property accounts that were falsified. Now new recent evidence surfaced of the same pattern and practice which net result is a cover-up allowing the downstream effect of bond fraud. However, when examined in totality and as an integral part of the Property Tax Fraud via overvaluation and over taxation, and related school district bond fraud, and all the entities that receive funding by illegally pumping values to receive more funding, the picture of a criminal conspiracy to defraud is crystal clear. What has now been accomplished by comparing what the CADs are doing in combination with the “pass” by PTAD and tax assessor collector(s) is the creation of a concrete, testable record for federal investigators and the public: What was wrong, who knew it, what was corrected, what remained unresolved, what was certified, and later, what report users and the public were told.

Recent Events Surrounding the Storm Summit

The Storm Summit presentations placed the tax-base and bond-credibility issues into a single public framework. As a result of the Summit, the following public and investigative work has accelerated:

- Announcing [Constitutional Fidelity Project](#) (links in [blue](#))
- [Terminal Failure Presentation](#) — by Mitch Vexler - Storm Summit Las Vegas (PDF)
- [Terminal Failure Presentation, Video](#)
- [Bond Credibility Chain Presentation](#) — by Mitch Vexler - Storm Summit Las Vegas (PDF)
- [Bond Credibility Chain Presentation, Video](#)
- [Treasury Data Verification Request](#) tying specific Treasury data fields to the Bond Credibility Chain (PDF) – by Mitch Vexler
- [Dangerous Intellectuals, Season 2, Episode 1, Sovereignists Assemble, A Las Vegas Report from the Storm Summit:](#)
 - Start video at 25:01 with Brigadier General Blaine Holt & Mitch Vexler
 - Start video at 1:32:35 with Brigadier General Blaine Holt & David Kenney
 - Start video at 2:01:24 with Brigadier General Blaine Holt & Peter Ticktin
- [“Texas Supreme Court Is About to Get Served”](#) by Travis Spencer (video)
- [Las Vegas Retail Margin of Safety](#) & [Main Street Recovery](#) memoranda (PDFs) – by Mitch Vexler
- Federal Court filing in Sherman, Texas, alongside U.S. Supreme Court Docket No. 26-179
- A controlled Open Records Request program directed to DCAD, JCAD, PTAD, and the Denton and Johnson County Tax Assessor-Collectors to test whether the MCAD pattern replicates elsewhere.

The Three-Point Evidence Chain

1. MCAD — the appraisal-district ledger and certification point. MCAD creates and transmits the appraisal-roll data. Its own records contain software/reporting issues, State edit-rule failures, correction activity and a multi-year reconciliation campaign with the receiving tax office.
2. Tax Assessor-Collector — the independent receiving and reconciliation point. The Montgomery County Tax Office maintained a separate receiving-side ledger, compared it against MCAD, identified parcel-count and value differences, worked with vendors and MCAD to reconcile them, and signed State school-district forms as designated agent.
3. PTAD — the State review and publication point. PTAD’s MAP process uses preliminary findings, allows cure/remediation, and then publishes a final result. The records now show a concrete example in which a mandatory preliminary FAIL and multiple NO answers later appear as PASS/YES in the final published result.

What the New Evidence Shows

1. PTAD: A Preliminary FAIL Can Become a Published PASS

The 2024–2025 MCAD MAP record shows a mandatory reappraisal-plan requirement marked FAIL in the Preliminary review. The Preliminary governance score was 75, “Needs Significant Improvement.” In the Final report, all mandatory requirements appear as PASS and the governance score rises to 94, “Meets.” Four review questions also moved from NO to YES and four recommendations disappeared after remediation.

PTAD’s process expressly permits deficiencies to be cured before a Final report is published. Therefore the important public question is not whether remediation is allowed — it is. The

important question is whether the complete historical chain remains visible: the original finding, the cure submission, reviewer workpapers, approvals, timestamps, communications and any condition that remained unresolved. A Final PASS is a post-remediation status; it is not, by itself, the complete audit history.

2. The State's Own Edit Output Flagged the Certified Roll

The Comptroller's EARS edit output on MCAD's certified submissions recorded 177 errors for tax year 2024 and 669 for tax year 2025. The 2025 output included 75 "Invalid Percent Ownership" records carrying a 0.000000 ownership field, plus identifier-combination errors that did not appear in the 2024 output. The State output also flagged negative taxable-value records and school-homestead exemption amounts above State limits.

An edit-rule failure is not automatically proof that a tax bill was wrong or that anyone acted intentionally. But it is direct State-side evidence that the certified electronic submission contained records that failed the State's validation rules. That makes the rule set, the rejected records, the correction history and the final disposition material evidence.

3. MCAD Reported a 9-Figure Conroe ISD Software/Reporting Issue

MCAD's written explanation to the Comptroller described an open roll-correction condition that generated a null table and identified a \$103,058,080 Conroe ISD exemption movement that was still under investigation as a software/reporting bug. The record does not establish that \$103 million was improperly billed or lost. It does establish that a nine-figure school-district value movement was important enough to be reported to the State as an unresolved bug requiring investigation.

4. The Tax Office Reconciliation Was Not a One-Day Clerical Cleanup

The Tax Assessor-Collector evidence shows an extended, joint reconciliation project involving the Tax Office, MCAD and vendors. The Master Evidence Map identifies 23 Tax Office "Outstanding Errors" workbooks containing 1,108 rows and 629 distinct accounts across certification/reconciliation cycles. The record also contains repeated balancing workbooks, correction groups, vendor communications, manual supplements and account-by-account investigations.

For tax year 2023, the Chief Deputy reported 24 jurisdictions out of balance in parcel count and five jurisdictions out of balance in value, stating that the CAD carried more value than the Tax Office and that the discrepancy could not be located. Conroe ISD was specifically identified as out of balance in both parcels and value. Separate records show the same property carrying different allocations on the two official systems for a certified year even where the combined total happened to net to the same figure.

5. Zero-Percent Entries Were Used as a Balancing Mechanism

MCAD communications describe taxing-unit or ownership entries at zero percent being used to clear value or parcel-count imbalances, including references to RCG343 and later reversals. In one message, the stated purpose was "to clear a value imbalance"; in another, a zero-percent entry was described as having been used "to fix a parcel count issue." The State's 2025 EARS output separately flagged 75 zero-percent ownership records as invalid percent ownership.

The evidence establishes the practice and the State flags. Whether any particular entry was legally permissible, materially false, or harmful to a taxpayer requires account-level reconstruction and legal analysis. That is exactly why the native correction logs and rule histories matter.

6. The Tax Assessor-Collector Is Part of the State School-Value Chain

Produced Forms 50-253 and 50-851 were signed by the elected Montgomery County Tax Assessor-Collector in the form's designated-agent capacity on behalf of named school districts. The same office received the appraisal-roll data, led the reconciliation effort, and the elected collector also served on the CAD board as provided by Texas law. Those roles are not themselves proven unlawful (yet). Their importance is evidentiary: the same government office sits at the intersection of receipt, reconciliation, State school-value reporting and CAD governance.

PTAD working papers further indicate that school-district freeze data for the 2025 study was taken largely from Form 50-253 submissions. That links local roll data and Tax Office certifications directly into State school-value review.

7. Produced Mass-Appraisal Reports Raise Authentication Question

The produced 2024 and 2025 MCAD Mass Appraisal Reports contain blank certification signature/date lines and refer to attachments — including the list of persons providing significant mass-appraisal assistance and the latest ratio-study results — that were not present in the produced copies. The current evidence does not prove that signed originals or attachments never existed. It establishes that the copies produced to the requester do not contain them, which is why the signed originals and attachments have now been specifically requested.

Why PTAD Matters So Much

PTAD is the common State vertex. A local CAD can explain or correct an issue; a Tax Office can reconcile its receiving ledger; but PTAD is where State review, edit rules, MAP workpapers and school-value data converge. The investigation therefore no longer depends on accepting one county's explanation. The same records can be requested across MCAD, DCAD and JCAD and compared against the same State process.

The key test is simple:

Unresolved local condition → certification/state submission → correction or reconciliation → State or local PASS/balanced status → recovery of the original condition from workpapers, prior versions, native logs or cross-custodian records.

If the same sequence appears independently in Denton and Johnson Counties, the public will have evidence of replication. If it does not, that matters too. The purpose of the controlled ORRs is to prove or disprove the pattern with the same ruler.

What Has Been Requested Next

- Every Preliminary and Final MAP report for DCAD, MCAD and JCAD for the same review cycles.
- Reviewer questions, notes, onsite records, cure submissions, timestamps, approvals and communications converting NO → YES or FAIL → PASS.
- The EARS validation rule sets, file layouts and change histories — not merely the error output.
- Certified-versus-collector balancing files by year and taxing unit, including the underlying workbooks and account lists.
- Native CAMA/audit histories, roll-correction groups, vendor tickets, attachments, manual workarounds and correction/deletion/inactivation logs.
- Forms 50-253, 50-851 and related school-value submissions together with the system runs and validation records that produced the numbers.

- Complaint/intake and notice records showing what PTAD received concerning DCAD and related Denton matters and what action, routing or referral followed.

Evidence — What Is Established vs. What Still Must Be Proved

Established in the current record:

- A PTAD Preliminary mandatory FAIL later appears as PASS in the Final after the remediation process; four NO answers became YES.
- State EARS edit output flagged hundreds of records in certified MCAD submissions, including 75 zero-percent ownership records in 2025.
- MCAD reported software/reporting problems to the Comptroller, including an unresolved \$103,058,080 Conroe ISD exemption movement described as a bug under investigation.
- The Montgomery Tax Office and MCAD conducted an extended reconciliation involving hundreds of accounts, repeated workbooks and multiple correction cycles.
- The Tax Office identified certified-year parcel-count and value differences, including school-district units, and records describe zero-percent entries used to clear balancing differences.
- The elected Tax Assessor-Collector signed State school-district forms as designated agent and participated in the receiving-side reconciliation.
- Produced copies of the 2024 and 2025 Mass Appraisal Reports contain unsigned certification pages and omit referenced attachments.

Not yet established by these records alone:

- That every flagged error caused an incorrect tax bill or overvaluation.
- That the PTAD remediation process itself was unlawful.
- That any particular official knowingly falsified a governmental record.
- That a federal fraud, conspiracy, civil-rights, RICO or securities offense has been proven.
- That any municipal-bond disclosure incorporated a materially false tax-base figure with the state of mind required for liability.

Laws and Duties Implicated for Investigation

The public record now justifies testing specific legal duties. This section identifies the principal legal lanes implicated by the evidence; it is not a judicial finding that every statute below has been violated.

- Texas Tax Code § 26.01 and related certification provisions — what was certified, whether it was a certified roll or estimate, and what changes followed certification.
- Texas Tax Code § 25.25 and Chapters 41–42 — authority and procedure for post-certification changes to appraisal records.
- Texas Comptroller MAP, PVS and EARS requirements — the completeness of preliminary findings, cure documentation, validation rules and the historical audit trail.
- Texas Government Code Chapter 552 and applicable retention/preservation duties — whether responsive workpapers, attachments, native records and prior versions were preserved and produced.
- 42 U.S.C. § 1983 — civil review of alleged deprivation of federal rights under color of state law; and 18 U.S.C. § 242 — separate criminal color-of-law review requiring willfulness.

- Federal fraud and conspiracy statutes, including 18 U.S.C. §§ 1341, 1343 and 371, only if investigators can establish the required false statement/scheme, jurisdictional use and intent elements.
- Federal obstruction/records provisions and 18 U.S.C. §§ 1961–1962 (RICO), only if the evidence establishes the required predicate acts, intent, enterprise and pattern elements.
- Federal municipal-securities antifraud law and SEC disclosure principles — whether any materially false or incomplete tax-base information reached investors through issuer statements, official statements or continuing disclosures, and whether the required liability elements are met.

The Public Question

The story is no longer “trust us, something is wrong.” The story is that separate government records can now be compared against one another. The appraisal district has one record. The Tax Assessor-Collector has a receiving record. PTAD has the State review record. The school districts and bond market have downstream financial records. If every number is legitimate, the complete genealogy should reconcile from source to final use and the native records should show why every correction occurred.

If it cannot be reconstructed, the problem is larger than a single appraisal dispute. It becomes a credibility problem for the tax base itself — and therefore for every budget, tax levy, school-district debt calculation and investor disclosure that depends on that tax base.

That is why the next phase is controlled replication, preservation of native records and independent federal reconstruction — not assumption. The records should answer the question.

Source framework: MCAD Master Evidence Map, Thirty-Eighth Edition; MCAD Master Evidence File v38; DOJ/SEC Investigative Update, Thirty-Eighth Edition; controlled-replication ORR matrix; PTAD MAP/EARS materials; Montgomery County Tax Assessor-Collector reconciliation productions. Public hyperlinks to the Storm Summit videos, PDFs and supporting source documents can be inserted before publication.

Reality

The Infection Rate Spreadsheet as seen in Terminal Failure proves that no CAD can adhere to USPAP (Uniform Standards of Professional Appraisal Practice) and Mass Appraisal Standards.

As the property taxes are fraudulent, so must be the bonds. The property tax system is beyond repair and must be terminated. Repeal all property tax in favor of the Uniform States Sales Tax, on a national level, now before the system self-implodes on its own weight. Thus, causing Dynamic Contagion throughout the entire bond market including U.S. Treasuries, as a result of fraudulent school district bonds which can never be retired. Restore true property ownership and eliminate one major source of fraud within society, which is the property tax.

THE PASS-THROUGH FAILURE LOOP

1. Appraisal District (CAD) — Create the Record

SAME RECORDS. NEW LABELS. NO INDEPENDENT VERIFICATION.

A system can appear to have oversight while merely passing the same flawed information from one entity to the next.

1. APPRAISAL DISTRICT (CAD)

ROLE IN THE CHAIN	KEY QUESTIONS	POTENTIAL FAILURE MODES
CREATE THE SOURCE RECORD • Appraise property • Operate CAMA system / models • Set market-value estimates • Apply exemptions / classifications • Certify appraisal roll • Issue corrections or supplements • Transmit to Tax Office and State	• Who owns truth of appraisal inputs and outputs? • What software, models and assumptions were used? • Who validated the data? • What training and qualifications existed? • Were known issues disclosed before certification?	• Faulty models or data • Inadequate training • Software or reporting errors • Known issues not disclosed • Corrections made without a transparent audit trail • Intentional overvaluation or concealment

HANDOFF GATE — CAD source record moves to Tax Office and State review

Was it independently checked before being passed forward?

WHO OWNS THE NUMBER?	RECORDS THAT TEST THE HANDOFF
The CAD owns the first version of the number: valuation inputs, CAMA outputs, exemptions, classifications and roll corrections.	Native logs • workpapers • prior versions • timestamps • exception reports • communications • approvals • training and user-permission records

WHO BEARS THE RISK?

Pass-Through Failure Loop • Appraisal District (CAD) — Create the Record • Page 1

Truth. Transparency. Accountability.

THE PASS-THROUGH FAILURE LOOP

2. Tax Assessor-Collector — Receive and Reconcile

SAME RECORDS. NEW LABELS. NO INDEPENDENT VERIFICATION.

A system can appear to have oversight while merely passing the same flawed information from one entity to the next.

2. TAX ASSESSOR-COLLECTOR / TAX OFFICE

ROLE IN THE CHAIN	KEY QUESTIONS	POTENTIAL FAILURE MODES
RECEIVE, RECONCILE AND CERTIFY DOWNSTREAM DATA • Receive certified roll from CAD • Maintain a receiving ledger • Reconcile parcel counts and values • Identify discrepancies • Work with CAD and vendors • Sign school-value forms • Process bills and collections • Transmit data to PTAD and taxing units	• Did the received roll reconcile? • What discrepancies were found? • Who directed corrections? • What documentation supports changes? • Who signed and accepted final values? • Were unresolved issues escalated?	• Failure to detect discrepancies • Acceptance without verification • Inadequate reconciliation • Lack of technical competence • Pressure to keep values moving • Balancing mechanisms that hide root cause

HANDOFF GATE — Tax Office receiving ledger and school-value forms move to PTAD and taxing units

Was it independently checked before being passed forward?

WHO OWNS THE NUMBER?	RECORDS THAT TEST THE HANDOFF
The Tax Office owns the receiving-side reconciliation: whether the certified roll, collector ledger and taxing-unit totals actually agree.	Certified-vs-collector balancing workbooks • account lists • signed forms • vendor tickets • correction groups • emails and manual supplements

WHO BEARS THE RISK?

Pass-Through Failure Loop • Tax Assessor-Collector — Receive and Reconcile Page 2

Truth. Transparency. Accountability.

THE PASS-THROUGH FAILURE LOOP

3. PTAD — State Review, Validation and Publication

SAME RECORDS. NEW LABELS. NO INDEPENDENT VERIFICATION.

A system can appear to have oversight while merely passing the same flawed information from one entity to the next.

3. PTAD / STATE REVIEW

ROLE IN THE CHAIN	KEY QUESTIONS	POTENTIAL FAILURE MODES
VALIDATE, REVIEW, CURE AND PUBLISH • Receive submissions such as EARS • Run validation tests • Conduct Preliminary MAP review • Record findings: FAIL / NO • Receive cure / remediation • Approve final status • Publish PASS / YES • Use values for State review	• What tests were run? • What were the preliminary findings? • What was required for remediation? • Who approved the final PASS? • Are prior versions and workpapers retained? • What complaints were received and what action was taken?	• Inadequate review or testing • FAIL converted to PASS after cure without transparent history • Incomplete workpapers • Complaints closed with no action • Lack of transparency in final publication

HANDOFF GATE — PTAD final status and State values move into school-value review and public reliance

Was it independently checked before being passed forward?

WHO OWNS THE NUMBER?	RECORDS THAT TEST THE HANDOFF
PTAD owns the State audit trail: validation outputs, preliminary findings, cure records, reviewer notes, final approvals and publication history.	EARS rule sets • validation outputs • Preliminary and Final MAP reports • cure submissions • reviewer notes • complaint/intake logs • approval timestamps

WHO BEARS THE RISK?

Pass-Through Failure Loop • PTAD — State Review, Validation and Publication • Page 3

Truth. Transparency. Accountability.

THE PASS-THROUGH FAILURE LOOP

4. School District — Rely and Plan

SAME RECORDS. NEW LABELS. NO INDEPENDENT VERIFICATION.

A system can appear to have oversight while merely passing the same flawed information from one entity to the next.

4. SCHOOL DISTRICT / TAXING UNIT

ROLE IN THE CHAIN	KEY QUESTIONS	POTENTIAL FAILURE MODES
USE TAX BASE FOR BUDGET, TAX RATE AND DEBT DECISIONS • Use taxable values for budget • Set tax rate • Plan capital needs • Issue bonds: CIBs / CABs • Disclose in official statements • Represent tax-base assumptions • Provide information to market participants	• Did the district independently verify the tax base? • What assumptions were used for bonds? • Are risks, corrections and limitations disclosed? • Who relies on these representations? • What happens if the tax base is overstated?	• Reliance without independent audit • Aggressive growth assumptions • Issuance of CIBs / CABs without full lifecycle capacity • Inadequate disclosure to investors • Budget dependence on inflated values

HANDOFF GATE — School-district values and debt assumptions move to the bond market

Was it independently checked before being passed forward?

WHO OWNS THE NUMBER?	RECORDS THAT TEST THE HANDOFF
The school district owns its reliance decision: whether budget, debt service and public disclosures rest on a verified tax-base genealogy.	Budgets • tax-rate worksheets • bond offering documents • continuing disclosures • debt-service schedules • board packets • taxable-value assumptions

WHO BEARS THE RISK?

Pass-Through Failure Loop • School District — Rely and Plan • Page 4

Truth. Transparency. Accountability.

THE PASS-THROUGH FAILURE LOOP

5. Bond Market — Price and Fund

SAME RECORDS. NEW LABELS. NO INDEPENDENT VERIFICATION.

A system can appear to have oversight while merely passing the same flawed information from one entity to the next.

5. BOND MARKET / UNDERWRITERS / RATINGS / INVESTORS

ROLE IN THE CHAIN	KEY QUESTIONS	POTENTIAL FAILURE MODES
PRICE CREDIT AND PROVIDE CAPITAL • Rely on disclosed tax-base data • Underwrite and structure bonds • Assign credit ratings • Provide liquidity or guarantees • Extend capital to the district • Rely on continuing disclosures • Assume future tax-base growth	• What independent verification was performed? • What due diligence was conducted? • Are tax-base risks disclosed? • How are ratings and guarantees justified? • What happens if the tax base declines? • Who ultimately bears the loss?	• Reliance on issuer representations • Limited independent verification • Underestimation of tax-base risk • Ratings based on incomplete data • Losses ultimately borne by taxpayers, guarantors, investors or future budgets

HANDOFF GATE — Market reliance converts tax-base assumptions into funded debt and future obligations

Was it independently checked before being passed forward?

WHO OWNS THE NUMBER?	RECORDS THAT TEST THE HANDOFF
Market participants own the due-diligence question: whether capital was extended on verified numbers or accepted representations.	Official statements • underwriting files • due-diligence questions • rating reports • insurance/guarantee files • continuing disclosures • trade data

WHO BEARS THE RISK?

Pass-Through Failure Loop • Bond Market — Price and Fund • Page 5

**Truth. Transparency.
Accountability.**

THE PASS-THROUGH FAILURE LOOP

6. Common Explanations — Keep Investigative Branches Separate

SAME RECORDS. NEW LABELS. NO INDEPENDENT VERIFICATION.

A system can appear to have oversight while merely passing the same flawed information from one entity to the next.

The same failed handoff can have different explanations. Do not collapse them until the records prove which one applies.

1. COMPETENCE FAILURE	2. CONTROL FAILURE	3. INTENTIONAL CONCEALMENT
Did not understand the problem. Signals: • inadequate training • weak math or appraisal knowledge • lack of software competence • no ability to test outputs • reliance on vendor explanations	Understood the problem, but had no effective mechanism to stop the handoff. Signals: • weak policies • poor escalation rules • no stop-work authority • incentive to “balance” rather than explain • oversight without teeth	Understood the problem and acted to prevent downstream users from seeing it. Signals: • deletion or alteration of records • false explanation • hidden correction • prior notice ignored • materially incomplete disclosure

RECORDS THAT DISTINGUISH THE BRANCHES

Training records • job descriptions • written procedures • vendor manuals • software permissions • exception reports • workpapers • email threads
• change logs • prior versions • complaint routing • supervisory approvals

THE TEST: Who knew what, when did they know it, what authority did they have, and what did they do with the record?

WHO BEARS THE RISK?

Pass-Through Failure Loop • Common Explanations • Page 6

**Truth. Transparency.
Accountability.**

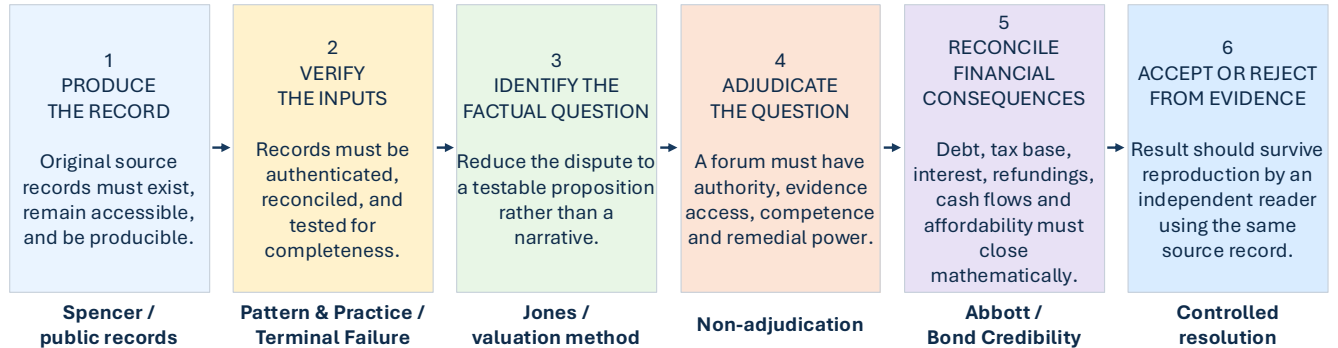
THE PASS-THROUGH FAILURE LOOP

7. The Six-Link Evidence-to-Adjudication Chain

SAME RECORDS. NEW LABELS. NO INDEPENDENT VERIFICATION.

A system can appear to have oversight while merely passing the same flawed information from one entity to the next.

Every link is a potential failure point. Break any link and the wrong number can travel the entire system.



HANDOFF QUESTION AT EVERY ARROW: Was the record independently checked, or merely passed to the next entity?

PRODUCE → VERIFY → DEFINE → ADJUDICATE → RECONCILE → ACCEPT / REJECT

WHO BEARS THE RISK?

Pass-Through Failure Loop • Six-Link Evidence-to-Adjudication Chain •
Page 7

**Truth. Transparency.
Accountability.**

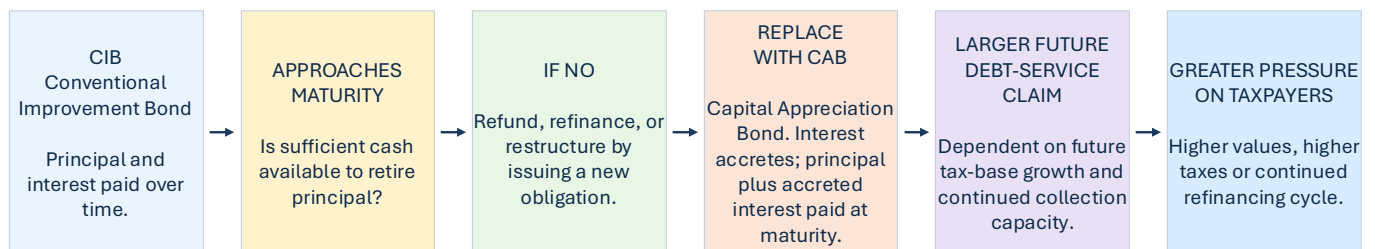
THE PASS-THROUGH FAILURE LOOP

8. Debt Rollover Loop — CIB to CAB

SAME RECORDS. NEW LABELS. NO INDEPENDENT VERIFICATION.

A system can appear to have oversight while merely passing the same flawed information from one entity to the next.

When today's debt cannot be retired, it may be transformed rather than eliminated.



DEFERRED IS NOT ELIMINATED. IT IS PASSED TO THE FUTURE.

THE GENEALOGY TEST	RECORDS TO REQUEST	WHO BEARS THE RISK?
Was the old obligation actually retired, or merely transformed into a new structure with a larger future claim?	CUSIPs • official statements • refunding documents • debt-service schedules • maturity tables • escrow records • CAB/CIB lineage	Taxpayers, bondholders, guarantors, future budgets, or the broader market when the tax base cannot support the rollover.

WHO BEARS THE RISK?

Pass-Through Failure Loop • Debt Rollover Loop — CIB to CAB • Page 8

**Truth. Transparency.
Accountability.**

The point: In between passing off each document, no-one double checks to see if the contents of what is being received is truthful so there is a circle of passing off bad information and or ignoring "passing" what should be failed. Then it becomes a question of who is doing the "passing", under

what guidance, and with what education, including math and the related software issues. In other words, no one can fix what they don't understand. Unless that is the intent which is to create completely dysfunctional entities for the purpose of extracting more money from the public. The IAAO GAP Analysis Report ordered by Don Spencer the Chief Appraiser of DCAD was done so specifically to con the public into "in order for us to do a better job, we need more employees and a bigger building". This position is a con and pure socialism being government for the sake of government and the net result is extraction of the public's money to the point where the math clearly shows the bubble is not sustainable under any circumstance. The underlying point being that entity upon entity with no responsibility or accountability begs the question for what purpose, other than keeping the fraud going, do these entities exist? Look at the last map graphic above. Coincidentally David Kenney called me last night and he realized that the CIBs when they come due are replaced with CABs because A.) there is no money to pay off the CIBs and B.) the CABs boost the value higher from which to exact more of the public's money.

THE PASS-THROUGH FAILURE LOOP

Evidence → Certification → Acceptance → Correction → PASS → Reliance → Debt

The underlying problem becomes very easy to see:

CAD creates the appraisal/tax-base record

→ **Tax Assessor-Collector receives and reconciles it**

→ **PTAD receives/reviews State submissions**

→ **school district relies on the tax base**

→ **bond professionals rely on district/official disclosures**

→ **investors/guarantors rely on those representations**

→ **future debt service returns to the same tax base**

The critical question is:

At what point did somebody independently prove the number was true rather than merely accept that the prior entity had done so?

Bad input

→ correctly transmitted

→ correctly entered

→ formally reviewed

→ properly "cured" under procedure

→ formally passed

→ mathematically incorporated into debt calculations

Every institution can truthfully say it performed *its* procedure while the underlying number remains wrong.

That is much more serious conceptually than a single rogue actor because it describes a system in which **process compliance can substitute for truth verification**.

The “Truth Owner”

Beside every entity:

CAD — Who owns truth of appraisal inputs and CAMA outputs?

Tax Assessor-Collector — Who owns truth of reconciliation between the certified roll and collection ledger?

PTAD — Who owns truth of the State validation, preliminary finding, cure, and final PASS?

School district — Who verifies the taxable value supporting its budget and debt?

Bond counsel / financial adviser / underwriter — Who verifies the economic inputs rather than relying on certifications?

Rating / guarantee / investor layer — What independent verification occurs before credit is extended?

WHO OWNS THE NUMBER?

If the answer repeatedly becomes “the entity before us,” the structural problem is now identified thus DEAD TO RIGHTS.

“No one can fix what they don't understand” is not merely rhetoric. It creates a very specific evidentiary lane:

Training → Qualifications → Software knowledge → Mathematical competency → Written procedures → Quality control → Exception handling

For each entity make them produce (which they go out of their way to hide):

training records, certifications, job descriptions, software manuals, vendor training, change-control procedures, exception reports, user permissions, audit logs, reconciliation procedures, supervisory sign-offs, and documented escalation rules.

That gives us three possible explanations for a bad handoff:

Competence failure — they did not understand the problem.

Control failure — they understood the problem but the institution had no effective mechanism for stopping the handoff.

Intentional concealment — they understood the problem and affirmatively acted to prevent downstream users from seeing it.

The IAAO Gap Analysis belongs under “Competence / Control Failure”

IAAO GAP ANALYSIS — documented institutional deficiencies

Then separately:

Investigative question: Was report used to correct the underlying controls, or primarily to justify additional staffing/facilities without curing the validation problem?

That question is testable.

Interestingly, official DCAD minutes later show that reserves were being held for real-estate expansion and that the board authorized engaging a broker to explore a future facility.

That creates an evidentiary sequence worth mapping without having to infer motive prematurely.

David Kenney's CIB → CAB observation deserves its own lower loop.

In addition to the California bond fraud issues, Texas Bond Review Board materials distinguish the two structures clearly: CIBs generally pay current principal and interest over time, while CAB interest accretes and principal plus accumulated interest is paid at maturity; the BRB says CABs generally result in higher debt-service cost.

More importantly, the BRB specifically says Texas school districts have historically used CABs to remain under the statutory debt-service property-tax ceiling, and that school districts account for a large share of CAB debt service.

So David identified a **very important genealogy (Bond Genealogy per Terminal Failure) test:**

CIB approaches maturity

↓

Is sufficient cash available to retire it?

↓

NO

↓

Refund / refinance / restructure

↓

New obligation issued

↓

If CAB: current cash requirement deferred and interest accretes

↓

future debt-service claim grows

↓

future tax-base growth becomes increasingly important

↓

greater future claim on taxpayers

So the bond loop becomes:

THE DEBT ROLLOVER TEST

Original CIB principal

- current interest paid?
- principal retired from cash?
- if not, refunded?
- replacement instrument CIB or CAB?
- principal carried forward
- accreted/refunding interest added
- new maturity
- assumed taxable-value growth
- actual tax-base growth
- actual household capacity

A system can appear to have enormous oversight because many institutions touch the information, while in reality having very little verification if each institution merely relies on the certification of the institution immediately upstream.

And again:

WHO BEARS THE RISK?