

Forward to Sworn Criminal Complaint  
Prepared for the US Justice Department  
Attorney General of the United States

Pamela Bondi

To the attention of Mrs. Pamela Bondi, US Attorney General of the United States of America.

Please take receipt of this Sworn Criminal Complaint, Testimony, and Evidence on the behalf of the real estate taxpayers of Texas and the Citizens of the United States of America. This sworn testimony including this opening statement, video, spreadsheet evidence log, audio of this Forward, and related information is to be used as the foundation and grounds to stop an incredible wrong that has been committed by elected leaders, State and public officials for many years, which said evidence, under law, requires criminal prosecution. This Sworn Complaint shows the pattern and practice of Equity Stripping property owners not just in Texas but across the United States of America. Innocent taxpayers and individuals in Texas and throughout the United States have lost everything they own due to the fraud and corruption that is been allowed to go unchecked and unchallenged by elected leaders and public officials after years of turning their backs on taxpayers and the very laws that govern the State of Texas and all States in the Union.

This sworn testimony will be used as a guide to highlight a long list of violations of laws, statutes and rules pertaining to bond fraud, mail fraud, bank fraud, wire fraud, property tax fraud, and corruption, including but not limited to the use of public funds to procure contracts that are fraudulent and deceptive by design and executed with deliberate intention to defraud taxpayers in Texas and the same and similar methods of fraudulent contracts is applicable across the U.S.

This sworn testimony is the direct result of thousands of hours of research at considerable expense by myself and individuals directly impacted by the negligence and failure of elected leaders in Texas at all levels of government and law enforcement to uphold the rule of law in the State of Texas. Those efforts, led to an initial video to warn the public, which led to several video interviews, which then led to more evidence from across the United States and Canada and the creation of a library of evidence at [www.mockingbirdproperties.com/DCAD](http://www.mockingbirdproperties.com/DCAD). The more questions that arose, the more research that we did and the clearer the focus on the pattern and practice of criminality. To our knowledge, this is the first time that the math of USPAP has been tied to the Texas Property Tax Code, to the Texas Education Code 45, to the Texas Constitution and to The Constitution of the United States of America. The net result of all these efforts is this sworn Criminal Complaint with the associated evidence, which proves the necessity for criminal prosecution regarding real estate tax fraud, school district bond fraud, and the related school district energy contract fraud that was discovered and documented by Mr. Mashburn which is being sent to you under a separate Criminal Complaint.

**Brief Background and History**

Elected leaders in Texas have ignored the rule of law and commonsense regarding how government is funded in the State of Texas. When the Texas legislature enacted legislation to allow ad-valorem taxation on personal property six decades ago it was a very poor choice and the wrong approach to

funding government. Over the decades state leaders have used a band-aide approach to try and right the many wrongs with the current system in place and since its inception failing to understand or care about interest on debt and debt burdens. Due to the lack of understanding of basic economics, math and how financial systems work, the leaders of Texas for decades, put their greed first, and have now put the State of Texas on the brink of a total financial collapse. This is not hyperbole but is stated fact. School Bond Debts in many cases now exceed 50% of the homes stated market value. That means a household, as deemed by the taxing entity (i.e. School District which on avg. is 83% liable for the total of all bonds raised by taxing entities) which owns the Central Appraisal District (CAD) is burdened with not just their usual amortizing mortgage but also burdened by a second non-amortizing, cumulatively compounding, fraudulently created, non-implicit guaranteed, additional mortgage (aka a Ponzi scheme). Of the many problems and issues that we discovered while exposing fraud and corruption, the single most devastating revelation is the outstanding bond debt that has not been retired for decades but rolled up and rolled out. The financial impact in Texas and the related fallout is worth approximately \$650.0 billion dollars in principle debt and interest that will **never** be repaid. It is quantifiably impossible for this debt to be repaid because it is impossible to get blood out of a stone, meaning that the **Median Household Income** is not large enough to cover the average household expenses and mortgage, never mind the additional fraudulent mortgage known as school district bond debt. This criminal behavior is the causation of a giant Ponzi scheme by elected leaders and local taxing entities passing bond packages and projects that are beyond the ability of the taxpayers to ever repay. The Ponzi scheme is made worse by the power of the government demanding payment or the loss of the asset will occur and that is RICO.

Taxpayers in Texas and every other State, do not have enough money to cover the fraudulently created over valuation which creates the over taxation and which leads to many people losing their most valuable asset being their home. This is Equity Stripping. It is intentional and criminal. The number of individuals that have lost their home or in the process is staggering today and as this continues, school districts across the United States, are pushing out even more bond referendums. Many of these school districts are in direct violation of their States Constitution and in the case of Texas far exceed the 25% limitation on bond programs based on the total aggregate value of existing bond debt. This has been going on in Texas for decades and actually promoted by elected leaders and school officials. The Ponzi scheme involves the local taxing entities and the Central Appraisal Districts (CADs) all across the state. CADs are inflating property values to keep the scam going while putting taxpayers in jeopardy of losing their homes. To be 100% crystal clear, **there is no nexus between the cost to operate a school district and or municipality and Uniform Standards of Professional Appraisal Practice (USPAP)** which is required by law. The use of pre-determined budgets from which “market value” is determined and an “assessed value” created, is an immediate fraud. The Compound Cumulative Effect of year over year, fraud on fraud, has created an accounting fraud (aka Ponzi scheme) in Texas and across the United States that is many times larger than Enron and WorldCom combined.

## **The Arguments**

### **Complaint and Violations Outline – (see Violations in the Criminal Complaint)**

1. Bond Fraud and Corruption
  - a. **Equity Stripping the Wealth of all property owners:**
    - i. Fraudulently inflated property valuations by Central Appraisal Districts

1. Failure to adhere to the rules of USPAP
2. Failure to adhere to the Texas State Constitution
3. Failure to adhere to property tax law
4. Failure to administer and practice fair and equal application of home valuations among home and property owners

**b. Deliberate Provision to Allow a Perpetual Debt Cycle (aka Ponzi scheme):**

**i. Failure to Retire Existing Debt**

1. Due to the cumulative compounding of interest and debt the alleged ~\$130.0 billion dollars of outstanding debt school debt in Texas alone, which can ***never*** be repaid by the Texas property owners.
2. School Districts Refuse to Release Bond Payment Schedules
  - a. Not a single school district has released a bond payment schedule, proper notes to the balance sheet, sources and uses, and adherence to GAAP. There are no details outlining the hidden “Investment Pools” or how the money has been spent for decades while the equity has been stripped from Mom and Pop and put into the pockets of criminals.
  - b. School officials and their Accounting Firms are guilty of accounting fraud and corruption.
    - i. Legal counsel and co-conspirators paid via tax receipts are guilty of fraud and racketeering with public funds to generate more tax receipts via fraudulent overvaluation and over taxation.

**3. Rolling Up and Rolling Out Existing Debt**

- a. School board officials have been pushing out the debt and refinancing debt for decades at higher interest rates.
- b. Refinancing debt with higher interest rates causes every project to become more expensive to taxpayers.
- c. A bond program going back fifteen years now costs millions of dollars more due to higher interest rates and the rule of 72.

There cannot be all these violations of law, but for intent. Formal written complaints were delivered to the Texas State Comptroller Glen Hegar (at the request of the FBI), TDLR, & TALCB, which were ignored. Every one of these divisions refused to enforce (as they stated so in writing) their own regulations and therefore have broken multiple State and Federal laws. USPAP a requirement under State law, exists to quantify information and to prohibit subjective guessing. Every one of these divisions exists as an illusion of legitimacy and conspire in unison to take real estate taxpayer funds. After realizing the depth of the problem and suffering annual lawsuits created by DCAD and its employees’ fraudulent overvaluations, initially I produced a few videos, which over time turned into dozens of videos, all of which are on YouTube, not just to inform the American Public of the crimes being used against them, but to inform the government officials, in that I sent many of those officials emails, formal complaints, used both video and press to outline exactly what was and is transpiring, and in every instance those officials breaking the laws and refusing to enforce the laws,

willingly and with knowledge continued to break both State and Federal laws. They know the laws are being violated and they chose to do nothing (Violated Title 42 U.S. Code Section 1986, being knowledge of Wrongful Act and Power to Prevent). The laws that have been violated include and are not limited to State Civil and Criminal, State Constitution, Federal Civil and Criminal, and The Constitution of the United States of America. In addition, and as a result of their conspired actions (see Criminal Conspiracy to Defraud.pdf and the Who.pdf in the Exhibits), the State of Texas has violated its own Constitution and The Constitution of The United States of America.

The officials, under color of law, steal more money by overvaluation and resulting over-taxation, to cover their crimes and if you don't pay, they take your property. This conforms to every requirement of RICO including crossing State lines.

**A fraction of the violated laws and regulations include:**

Texas Penal Code 37.11 – Defaulting in Duties of a Public Officer  
Texas Penal Code 7.01 – Intentionally Failed to Report Criminal Activity  
Texas Property Tax Code Chapter 5 Section 5.01  
Texas Property Tax Code, Chapter 5 Section 5.04  
Texas Constitution Article 8, Section 20  
Texas Constitution, Article 8, Section 1(a)  
Texas Property Tax Code 23.01 (e )  
Texas Property Tax Cod 23.01(f)  
Texas Property Tax Code 23.012  
Texas Property Tax Code 23.013  
Texas Property Tax Code 42.26  
Texas Property Tax Code 23.01(b)  
Tax Roll Certification – Falsified  
School Districts Balance Sheet – Falsified  
Title 42 U.S. Code Section 1986 – Knowledge of Wrongful Act and Power to Prevent  
U.S. Constitution being the 1<sup>st</sup>, 5<sup>th</sup>, 14<sup>th</sup>, and 16<sup>th</sup> Amendment.  
Texas and U.S. Administrative Procedures Act  
Title 18 of Criminal Code, U.S. Code Section 1621 – Perjury  
Title 18 U.S. Code Section 1512 C 1 2 – Who Corruptly Alters, Destroys or Conceals a Record  
Article 7 of the U.S. Constitution – Supremacy  
The State of Texas has violated its own Constitution.

**It is important to note that these laws work in tandem with each other to the point where taking one law away, brings the entire house of cards down as the other laws, cannot function and form the Rule of Law.**

Either the Law exists, or it doesn't.

Any person who signed an Oath of Office including but not limited to school superintendents, school district boards, Chief Appraisers, Central Appraisal District Boards, District Attorneys, Lawyers, Legislators or Judge who refuses to enforce the black letter of the Law should be removed from their position, disbarred and or impeached and sued for damages. In the case of the Chief Appraisers, School District Superintendents, their lawyers, and the outside accounting firms that shirk audit requirements with “we just look at what we were given”, are aiding and abetting a criminal conspiracy to defraud, should be jailed under RICO. “Pay us the money or we will take

the house!” “Get a second job and pay your taxes.” “We are DCAD and the public is has to trust us.” In other words, this cast of criminals believes they answer to no one.

Any sale of securities without a modicum of due diligence at the selling entity, wherein the value of the bond, is predicated on a fraud, places liability onto the Bond Underwriter and those selling the bonds. Who are the bond holders? Pension Funds and 401K owners. Who are they? Mom and Pop! Therefore, not only is the equity being stripped from their largest assets, the value of their Pensions and 401K are being rendered de minimus as the bond values are predicated on a fraud.

Any vote and violation of the law, to continue knowingly with intent, perpetuate fraud, makes the person voting for ignoring the law a fraudster and further subverts the black letter of the law.

Prohibiting the discovery of fraud makes those who are prohibiting the discovery of fraud (including Judges who opine to politics and not the law), aiding and abetting a criminal conspiracy to commit fraud.

If the Law does not exist for the protection of the Citizens, then there is no reason to pay real estate taxes!

**THE ONLY THING THAT MATTERS IS THE MEDIAN HOUSEHOLD INCOME, FROM WHICH THE TRUE MATH OF FINANCE MUST BE DERIVED. LEVERAGE FOR THE SAKE OF FRAUD MUST BE ELIMINATED. THUS, ASIDE FROM THE NECESSARY CIMINAL PROSECUTION, REPEAL THE REAL ESTATE TAX IN FAVOR OF THE UNIFORM STATES SALES TAX AND RESTORE THE BALANCE SHEET TO MOM AND POP BY ALLOWING THEM TO OWN THE ASSET BENEATH THEIR FEET.**

The Department of Justice must do its job to tip the scales of justice back into the hands of Mom and Pop and away from the criminals and their co-conspirators. We will show the DOJ exactly how this is a TRILLION Dollar plus issue to the U.S. Economy.

This sworn testimony will walk the DOJ through what laws are being broken, and the road of how they are being violated, along with who is responsible.

There is a massive amount of evidence including the government’s own documents. In addition to this video, we are providing the DOJ with a spreadsheet list of the evidence that corresponds to the exhibits mentioned in the video. Each exhibit has a link to the full document and in addition those documents are on [www.mockingbirdproperties.com/dcad](http://www.mockingbirdproperties.com/dcad), and [www.common sense law.org](http://www.common sense law.org). All the evidence points to the laws existing but not being enforced by any member in the chain of authority starting with the Chief Appraisers and ending with Glen Hegar the Texas State Comptroller all of which is a violation of the law at its core as well as the Rule of Law, for which solution is the Federal criminal prosecution by the DOJ and the SEC of those responsible parties of authority who have sworn an Oath of Office to protect and defend the Texas Constitution and The Constitution of the United States of America.

It is the fraud itself that has made housing unaffordable.

It is the fraud that has put 30%+ of the households in harms way of bankruptcy or losing the roof over their head.

It is the cumulative compounding of the fraud that has caused roughly \$5 Trillion in bond fraud.

It is the school district fraud (Taxing Entities) and their owned Central Appraisal Districts that has caused many homes to have school bond debt of 50% over the deemed home value thus making the homeowners potentially responsible for two mortgages one of which was never agreed to.

What black letter of the law exists to equity strip property owners across the United States?

In trying times like these, great leaders arise to fill the void of ignorance and financial chicanery left behind by the fraudsters who have been discovered.

None of what you are about to see has anything to do with politics but has everything to do with math, the Rule of Law and the black letter of the law.

This Sworn Video Testimony Opening Statement, along with the Criminal Complaint, Signed Video Transcript, and Exhibits are integral and form the basis of requested prosecution of those who conspired and continue to conspire to defraud the property owners and thus the American Public.

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