

STATE OF NEW YORK

DIVISION OF TAX APPEALS

In the Matter of the Petition :
of :
HEMAT A. IBRAHIM : DETERMINATION
DTA NO. 828282
for Redetermination of a Deficiency or for Refund of New :
York State Personal Income Tax Under Article 22 of the :
Tax Law for the Year 2015. :

Petitioner, Hemat A. Ibrahim, filed a petition for redetermination of a deficiency or for refund of New York State personal income tax under article 22 of the Tax Law for the year 2015.

On January 10, 2018, the Division of Tax Appeals issued to petitioner a notice of intent to dismiss petition, pursuant to 20 NYCRR 3000.9 (a) (4), on the basis that the petition did not appear to be timely filed. The Division of Taxation, by Amanda Hiller, Esq. (Christopher O'Brien, Esq., of counsel), submitted documents in support of dismissal. Petitioner, appearing pro se, did not timely respond to the notice of intent to dismiss petition by the due date of July 10, 2018.¹ Pursuant to 20 NYCRR 3000.5 (d) and 3000.9 (a) (4), the 90-day period for issuance of this determination commenced on July 10, 2018. After due consideration of the documents and arguments submitted, James P. Connolly, Administrative Law Judge, renders the following determination.

¹The petition listed Yehad Abdelaziz as petitioner's representative. A response to the notice of intent to dismiss from Mr. Abdelaziz, dated February 1, 2018, was received by the Division of Tax Appeals. Petitioner and Mr. Abdelaziz were notified by letter, dated April 26, 2018, that Mr. Abdelaziz was not qualified to represent petitioner at the Division of Tax Appeals (*see* 20 NYCRR 3000.2 [a] [2]), and the response from Mr. Abdelaziz was returned attached to that letter. Petitioner was afforded an additional 75 days in which to submit a response, with such response due on July 10, 2018.

ISSUE

Whether petitioner filed a timely petition with the Division of Tax Appeals following the issuance of a conciliation order.

FINDINGS OF FACT

1. On September 28, 2016, petitioner, Hemat A. Ibrahim, filed a request for a conciliation conference with the Bureau of Conciliation and Mediation Services (BCMS). The request was filed in response to an account adjustment notice, dated July 14, 2016, issued to petitioner by the Division of Taxation (Division) allowing only a partial refund for the tax year 2015.

2. BCMS issued to petitioner a conciliation order, CMS No. 271960, dated April 7, 2017, sustaining the account adjustment notice.

3. On July 25, 2017, petitioner filed a petition with the Division of Tax Appeals protesting the conciliation order.

4. On January 10, 2018, Supervising Administrative Law Judge Herbert M. Friedman, Jr., of the Division of Tax Appeals, issued to petitioner a notice of intent to dismiss petition, on the basis that the petition did not appear to have been timely filed. The notice of intent indicated that the conciliation order was issued on April 7, 2017, but that the petition was not filed until July 25, 2017, or 109 days later.

5. In response to the issuance of the notice of intent, the Division submitted the affidavits of Robert Farrelly, dated February 8, 2018, and Fred Ramundo, dated February 9, 2018, both employees of the Division. The Division also submitted a copy of the account adjustment notice issued to petitioner, a copy of the request for conciliation conference filed by petitioner, a copy of

the conciliation order issued to petitioner, and a copy of the certified mail record (CMR) containing a list of conciliation orders issued by the Division on April 7, 2017.

6. Mr. Farrelly has been a supervisor of tax conferences for BCMS since April 2016, and is thus knowledgeable in the procedures used by BCMS for the preparation and mailing of conciliation orders. His affidavit sets forth the Division's general practice and procedure for preparing and mailing conciliation orders. The procedure culminates in the mailing of conciliation orders by the United States Postal Service (USPS), via certified mail, and confirmation of such mailing through receipt by BCMS of a postmarked copy of the CMR.

7. The BCMS Data Management Services Unit prepares and forwards the conciliation orders and the accompanying cover letters, predated with the intended date of mailing, to the conciliation conferee for signature. The conciliation conferee, in turn, signs and forwards the conciliation orders and cover letters to a BCMS clerk assigned to process the conciliation orders.

8. The name, mailing address, conciliation order date and BCMS number for each conciliation order to be issued are electronically sent to the Division's Advanced Function Printing Unit (AFP Unit). For each mailing, the AFP Unit assigns a certified control number and produces a cover sheet that indicates the BCMS return address, date of mailing, the taxpayer's name, mailing address, BCMS number, certified control number, and certified control number bar code.

9. The AFP Unit also produces a computer-generated CMR entitled "Certified Record for Presort Mail." The CMR is a listing of taxpayers and representatives to whom conciliation orders are sent by certified mail on a particular day. The certified control numbers are recorded on the CMR under the heading "Certified No." The BCMS number is recorded under the heading "Reference No." and is preceded by three zeros. The AFP Unit prints the CMR and

cover sheets via a printer located in BCMS, and these documents are delivered to the BCMS clerk assigned to process conciliation orders.

10. The clerk's regular duties include associating each cover sheet, conciliation order and cover letter. The clerk verifies the names and addresses of taxpayers with the information listed on the CMR and on the cover sheet. The clerk then folds and places the cover sheet, cover letter, and conciliation order into a three-windowed envelope through which the BCMS return address, certified control number, bar code, and name and address of the taxpayer appear.

11. It is the general office practice that the BCMS clerk stamps "Mail Room: Return Listing to: BCMS BLDG 9 RM 180 ATT: CONFERENCE UNIT" on the bottom left corner of the last page of the CMR.

12. The BCMS clerk also writes the date of mailing of the conciliation orders listed on the CMR at the top of each page of the CMR. In this case "4-7-17" was written in the upper right corner of each page of the CMR.

13. The CMR, along with the envelopes containing the cover sheets, cover letters, and conciliation orders, is picked up in BCMS by an employee of the Division's Mail Processing Center.

14. A piece of mail may be "pulled" from a scheduled mailing for any number of reasons including, though not limited to, a discrepancy in name or address. A piece of mail so pulled is segregated from the remaining group of items being mailed, so as to allow for correction or issuance at another time. When a conciliation order is pulled, the BCMS clerk is to adjust the preprinted total number of pieces of mail listed on the last page of the CMR to reflect the actual number or pieces being mailed after any items have been pulled.

15. The CMR in this case shows that two pieces of mail were pulled from the run, and this deletion is reflected in the change to the listing for total pieces received at the post office. The specific pulled items appear on page five, and lines have been drawn through both entries on the CMR for these items to indicate that they were pulled from the run. There are no such lines drawn on or near the CMR listings pertaining to petitioner or his BCMS representative. The preprinted number “48,” as appearing next to the heading “Total Pieces and Amounts,” on the last page of the CMR was crossed out and replaced with the handwritten number “46” to reflect the two pieces pulled from the run.

16. Mr. Farrelly attests to the truth and accuracy of the copy of the five-page CMR, which contains a list of the conciliation orders issued by BCMS on April 7, 2017. The CMR lists 46 certified control numbers. Each such certified control number is assigned to an item of mail listed on the five pages of the CMR. Specifically, corresponding to each listed certified control number is a reference number and the name and address of the addressee, and postage and fee amounts.

17. Information regarding the conciliation order issued to petitioner is contained on page two of the CMR. Corresponding to certified control number 7104 1002 9730 0106 8951 is reference number 000271960, along with the name and address of petitioner’s representative at BCMS, Yehad Abdelaziz, at The Five Pillars Tax Services address in Brooklyn, New York, which is the same address for him as listed on petitioner’s request for conciliation conference, as filed with BCMS.² Corresponding to certified control number 7104 1002 9730 0106 8944 is

² Mr. Abdelaziz was granted special permission by the Office of the Director of BCMS to appear and represent petitioner at the conciliation conference held for CMS No. 271960. Mr. Abdelaziz was granted no such permission, and remains unqualified, to represent petitioner at the Division of Tax Appeals (*see* Tax Law § 2014 [1]).

reference number 000271960, along with the name and last known address of petitioner, Hemat Ibrahim. Specifically, the Brooklyn, New York, address listed on the CMR entry for petitioner is the same address to which the account adjustment notice was issued, the same address as on petitioner's request for a conciliation conference, as filed with BCMS, and the same address as on the petition. The BCMS number "000271960" corresponds to the CMS number of the conciliation order issued to petitioner.

18. Fred Ramundo has been a supervisor in the Division's mail room since December 2013, and is currently a Stores and Mail Operations Supervisor. As a result, he is knowledgeable about past and present mailroom procedures with regard to BCMS conciliation orders, and is able to attest to the regular procedures followed by his staff in the ordinary course of business of delivering outgoing mail to branch offices of the USPS. His affidavit stated that after a conciliation order is placed in the "Outgoing Certified Mail" basket in the Mail Processing Center, a member of the staff weighs and seals each envelope and affixes postage and fee amounts. A clerk then counts the envelopes and verifies the names and certified mail numbers against the information contained on the CMR. Thereafter, a member of the staff delivers the stamped envelopes to a branch of the USPS in Albany, New York. The Mail Processing Center has specifically requested that USPS employees either circle the number of pieces received or indicate the number received by writing in the number of pieces received on the mail record.

19. In this particular instance, the postal employee affixed a postmark of April 7, 2017, to, and initialed, each page of the five-page CMR and wrote the number "46" on page five to indicate the total pieces of mail received at the post office.

20. Mr. Ramundo stated that the CMR is the Division's record of receipt, by the USPS, for pieces of certified mail. In the ordinary course of business and pursuant to the practices and procedures of the Division's Mail Processing Center, the CMR is picked up at the post office by a member of Mr. Ramundo's staff on the following day after its initial delivery and is then delivered to the originating office, in this case BCMS. The CMR is maintained by BCMS in the regular course of business.

21. Based upon his review of the affidavit of Robert Farrelly, the exhibits attached thereto and the CMR, Mr. Ramundo states that on April 7, 2017, an employee of the Mail Processing Center delivered a piece of certified mail addressed to Hemat Ibrahim, and a piece of certified mail to Yehad Abdelaziz, to a branch of the USPS in Albany, New York, in sealed envelopes for delivery by certified mail. He states that he can also determine that a member of his staff obtained a copy of the CMR delivered to and accepted by the post office on April 7, 2017, for the records of the Division. Mr. Ramundo asserts that the procedures described in his affidavit are the regular procedures followed by the Mail Processing Center in the ordinary course of business when handling items to be sent by certified mail, and that these procedures were followed in mailing these pieces of certified mail to petitioner and his BCMS representative on April 7, 2017.

CONCLUSIONS OF LAW

A. In *Matter of Victory Bagel Time, Inc.* (Tax Appeals Tribunal, September 13, 2012), the Tax Appeals Tribunal held that the standard to employ for reviewing a notice of intent to dismiss petition is the same as that used for reviewing a motion for summary determination.

B. A motion for summary determination may be granted:

“if, upon all the papers and proof submitted, the administrative law judge finds that it has been established sufficiently that no material and triable issue of fact is

presented and that the administrative law judge can, therefore, as a matter of law, issue a determination in favor of any party” (20 NYCRR 3000.9 [b] [1]).

C. Tax Law § 170 (3-a) (e) provides, in pertinent part, that a conciliation order shall be binding upon the taxpayer unless the taxpayer petitions for a hearing within 90 days after the conciliation order is issued. A conciliation order is “issued” within the meaning of Tax Law § 170 (3-a) (e) at the time of its mailing to the taxpayer (*see Matter of Wilson*, Tax Appeals Tribunal, July 13, 1989). The Division of Tax Appeals lacks jurisdiction to consider the merits of any petition filed beyond the 90-day time limit (*Matter of Victory Bagel Time, Inc.*).

D. Where the timeliness of a taxpayer’s petition following a conciliation order is in question, the initial inquiry focuses on whether the conciliation order was properly issued. (*Matter of Cato*, Tax Appeals Tribunal, October 27, 2005; *Matter of DeWeese*, Tax Appeals Tribunal, June 20, 2002). BCMS is responsible for providing conciliation conferences and issuing conciliation orders (Tax Law § 170 [3-a]; 20 NYCRR 4000.1 [c]). As noted above, a conciliation order is “issued” within the meaning of Tax Law § 170 (3-a) (e) at the time of its proper mailing to the taxpayer (*Matter of Dean*, Tax Appeals Tribunal, July 24, 2014; *Matter of Cato*; *Matter of DeWeese*; *Matter of Wilson*). A conciliation order is properly mailed when it is delivered into the custody of the USPS, properly addressed and with the requisite amount of postage affixed (*Matter of Air Flex Custom Furniture*, Tax Appeals Tribunal, November 25, 1992). In turn, when a conciliation order is found to have been properly mailed by the Division to the taxpayer’s last known address by certified or registered mail, the petitioner bears the burden of proving that a timely protest was filed (*Matter of Malpica*, Tax Appeals Tribunal, July 19, 1990).

E. The evidence required of the Division in order to establish proper mailing is two-fold: first, there must be proof of a standard procedure used by the Division for the issuance of orders by one with knowledge of the relevant procedures, and second, there must be proof that the standard procedure was followed in the particular instance (*see Matter of Katz*, Tax Appeals Tribunal, November 14, 1991; *Matter of Novar TV & Air Conditioner Sales & Serv.*, Tax Appeals Tribunal, May 23, 1991). The Division may meet its burden of establishing proper mailing by providing evidence of its standard mailing procedures, corroborated by direct testimony or documentary evidence of mailing (*see Matter of Accardo*, Tax Appeals Tribunal, August 12, 1993).

F. In this case, the Division has met its burden of establishing proper mailing. Specifically, BCMS was required to mail the conciliation order to petitioner at his last known address. As indicated by the CMR, and by the affidavits of Robert Farrelly and Fred Ramundo, Division employees involved in and possessing knowledge of the process of generating, reviewing and issuing conciliation orders, the Division has offered adequate proof to establish the fact that the conciliation order in issue was actually mailed to petitioner and his then-representative by certified mail on April 7, 2017, the date appearing on the CMR. The affidavits described the various stages of producing and mailing conciliation orders and attested to the authenticity and accuracy of the copy of the conciliation order and the CMR submitted as evidence of actual mailing. These documents established that the general mailing procedures described in the Farrelly and Ramundo affidavits were followed with respect to the conciliation order issued to petitioner and his then-representative. Petitioner's name and address, as well as the numerical information on the face of the conciliation order, appear on the CMR, which bears

a USPS date stamp of April 7, 2017. There are 46 certified mail control numbers listed on the CMR, and the USPS employee who initialed the CMR indicated, by writing the number “46” on page five of the CMR and initialing that page, that the post office received 46 items for mailing. In short, the Division established that it mailed the conciliation orders by certified mail on April 7, 2017 (*see Matter of Auto Parts Center*, Tax Appeals Tribunal, February 9, 1995).

G. In this case, the conciliation order was properly mailed when it was delivered into the custody of the USPS on April 7, 2017, properly addressed to petitioner at his last known address, and with the requisite amount of postage affixed, and it is this date that commenced the 90-day period within which protests had to have been filed. In fact, the cover letter that accompanied the conciliation order here apprised petitioner of the 90-day time frame for filing a petition following issuance of the conciliation order. Where a conciliation order has been properly mailed, Tax Law § 170 (3-a) (e) does not require actual receipt of the conciliation order by the taxpayer. Specifically, that section provides that a conciliation order affirming a written notice described in section 170 (3-a) is binding unless a petition is filed “within ninety days after the conciliation order is issued.” As noted previously, issuance in this context means mailing (*see Matter of Air Flex Custom Furniture*). Hence, the 90-day limitations period for the filing of a petition in this matter commenced as of the date of mailing, i.e., on April 7, 2017.

H. In sum, the Division has established that the conciliation order was properly mailed as addressed to petitioner at his last known address on April 7, 2017. Since the petition was filed on July 25, 2017, or more than 90 days after the April 7, 2017 date of issuance of the conciliation order, the petition is untimely and the Division of Tax Appeals is without jurisdiction to consider its merits (*see Matter of Lukacs*, Tax Appeals Tribunal, November 8, 2007).

I. The petition of Hemat A. Ibrahim is dismissed.

DATED: Albany, New York
October 4, 2018

/s/ James P. Connolly
ADMINISTRATIVE LAW JUDGE