

IN THE MATTER OF:

Whistleblower Disclosure Pursuant

Supplemental Production of Records / Affidavit #1 – August 2, 2023

To 26 U.S.C. § 6103(f)(5)

STATEMENT OF JOSEPH ZIEGLER (WHISTLEBLOWER X)

I, Joseph A. Ziegler, hereby provide the following statement:

1. I provide this statement to supplement my testimony I provided to both the majority and minority staff of the United States House Committee on Ways & Means on June 1, 2023 as well as my testimony I provided to the full committee of the United States House Committee on Oversight and Accountability on July 19, 2023.
2. Since November of 2018, I have been a Special Agent for the Internal Revenue Service – Criminal Investigation (“IRS-CI”), United States Department of Treasury. Since that date, I have been the case agent who initiated and was assigned from IRS-CI to the Robert Hunter Biden (“RHB”) investigation to investigate related potential criminal violations of Title 26 of the United States Code.
3. I continued in that role until I was removed from the investigation which was made at the direction of the U.S. Department of Justice (“DOJ”) after making internal protected disclosures concerning the DOJ’s mishandling of the investigation of RHB, to include deviations from normal investigative procedures and conflicting information provided by Attorney General Merrick Garland to congressional committees and the American public related to the independence of the U.S. Attorney for the District of Delaware, David Weiss.
4. As requested by these U.S. House Committees, I would like to disclose further information and documents which are a follow up to my testimony and which would be pursuant to the Whistleblower protections defined by Title 26 U.S.C. § 6103(f)(5). I make these disclosures and provide these documents knowing that I could be subject to criminal prosecution for perjury or for making false statements under Title 18 U.S.C. § 1001.
5. I would like the committee to take note that the following were schedules I created and reviewed with the IRS and FBI investigative team as well as the investigation assigned prosecutors (which includes AUSA Lesley Wolf, AUSA Carly Hudson, DOJ-Tax Attorney Mark Daly and DOJ-Tax Attorney Jack Morgan, calculations and analysis from an IRS assigned Revenue Agent, and is based on evidence and witness statements obtained.

6. **EXHIBIT 1A:** This was a schedule I created related to the RHB tax investigation. Contents of this schedule were shared as a part of my prosecution referral of the alleged tax charges related to RHB to DOJ (Which includes DOJ-Tax and the Delaware U.S. Attorney's Office). This schedule would show the Felony tax charges recommended to DOJ related to RHB for the tax years 2014 and 2018, which includes Title 26 U.S.C. §§ 7201 (Tax Evasion) and 7206(1) (False Return) charges. These recommended amounts would take into account any defenses presented by RHB's defense counsel (Referenced on EXHIBIT 1D) and I believe the schedules and amounts would have been used by the DOJ-Tax Attorneys and the assigned Delaware AUSA's to support their recommended approval for the 2018 felony tax charges. As of today's date, this alleged additional taxable income of approximately \$598,955 has not been reported to the IRS and the alleged additional taxes of approximately \$231,790 has not been paid to the IRS.
7. At the time of our prosecution referral, we had originally recommended felony tax charges for RHB for the 2019 tax year, which included Title 26 U.S.C. §§ 7201 (Tax Evasion) and 7206(1) (False Return) charges. RHB had failed to report the income related to a distribution he had taken from one his children's 529 Plan in 2019, additional income of approximately \$39,820. He also had personal distributions he had claimed as business deductions totaling approximately \$12,791. Based on evidence obtained as a part of the investigation as well as defenses presented, it was determined by the prosecution team, as well as my analysis to not pursue felony tax charges for this tax year (But to still pursue the misdemeanor tax count). As of today's date, this alleged additional income of approximately \$52,611 has not been reported to the IRS and the alleged additional taxes of approximately \$22,860 has not been paid to the IRS.
8. **EXHIBIT 1B:** This was a schedule I had created related to the RHB tax investigation. Contents of this schedule were shared as a part of my prosecution referral of the alleged tax charges related to RHB to DOJ (Which includes DOJ-Tax and the Delaware U.S. Attorney's Office). This schedule would show the misdemeanor tax charges recommended to DOJ related to RHB for the tax years 2015 through 2019, which includes Title 26 U.S.C. § 7203 (Failure to Timely File Tax Returns and/ or Pay Taxes). I have included for the committees reference the approximate statutory due date of the tax return (If the taxpayer requested an extension to file would move the due date to October 15th) and payment, and the approximate date that the payment and return was received by the IRS. As stated previously, RHB's tax filings and payments related to these tax years have been received by the IRS and were paid by a 3rd party, Kevin Patrick Morris. I would like to point out a couple of things. It does not appear based on IRS records, that RHB had paid his 2017 and 2018 Corporate taxes owed for Owasco PC (Approximately \$17,877). Even though the tax returns and payments have been received by the IRS, the crime of failure to timely pay and file would have

been already committed based on the elements of the criminal statute, which included the element of willfulness similar to the felony charge, and the subsequent payment could be argued as a mitigating factor considered by a judge at the time of sentencing.

9. **EXHIBIT 1C:** This was a schedule I had created related to the RHB tax investigation. Contents of this schedule were shared as a part of my prosecution referral of the alleged tax charges related to RHB to DOJ (Which includes DOJ-Tax and the Delaware U.S. Attorney's Office) and would have been reviewed by a Revenue Agent with the IRS. This schedule would show the Felony tax charges recommended to DOJ related to RHB for the tax year 2014, which includes Title 26 U.S.C. §§ 7201 (Tax Evasion) and 7206(1) (False Return) charges. Based on discussion with the prosecutors on the RHB investigative team, this analysis was the most conservative estimate of unreported income and additional taxes owed by RHB. Again, as previously stated in my testimony, the concept of this Tax Evasion scheme is fairly simple: In 2014, RHB had allegedly directed his Burisma payments to be made to Devin Archer's Company, Rosemont Seneca Bohai, in which RHB had no ownership in. RHB directed to have a portion of his Burisma income paid back to himself personally as "loans", even though Devon Archer had deducted these payments on the Rosemont Seneca Bohai tax return. RHB had essentially loaned himself his own income from Burisma, failing to report this income from Burisma on his 2014 tax returns and failing to pay the taxes on this income. Even after RHB's business partner Eric Schwerin and tax accountant in 2016 had identified this unreported income and helped prepare an amended tax return, RHB has still failed to send this amended tax return for 2014 to the IRS. Even after statute extensions were signed by RHB for tax charges related to the 2014 tax year, it is believed that the statute would have expired and that this additional tax of approximately \$124,845 would be uncollected by the IRS.
10. **EXHIBIT 1D:** This was a schedule I had created related to the RHB tax investigation. Contents of this schedule were shared as a part of my prosecution referral of the alleged tax charges related to RHB to DOJ (Which includes DOJ-Tax and the Delaware U.S. Attorney's Office). This schedule would show the Felony tax charges recommended to DOJ related to RHB for the tax year 2018, which includes Title 26 U.S.C. §§ 7201 (Tax Evasion) and 7206(1) (False Return) charges, charges which were recommended for approval by the assigned prosecutors and was believed to be included in the 99-page Tax Prosecution Memo. On line 20, RHB's defense counsel had pointed out a potential error made by RHB's accountants in double-reporting income for RHB. After our investigatory review (which included a review by the FBI Forensic Accountant and assigned IRS Revenue Agent) and included in our schedule, this was reflected as a benefit to RHB. Even after this, RHB would have alleged unreported income of approximately \$263,690 and uncollected taxes of \$106,945. To be clear, any personal deductions claimed on a business tax return would reduce

taxable income and reduce the taxes paid to the IRS. For the purposes of our tax investigation, any personal distributions were considered a distribution to RHB from his corporation and would have been recorded as additional income on his tax return, thus increasing his additional taxes owed to the IRS.

Representation Letter:

11. **EXHIBIT 1E:** This was a memorandum of interview of Jeffrey Gelfound, Edward White & Company tax accountant who assisted with the preparation of RHB's delinquent tax returns, to include the RHB's personal and corporate tax returns for 2017 and 2018. It is believed that RHB's accountants had requested a representation letter in addition to signing RHB's actual tax returns. This representation letter would have stated that all income for 2017 and 2018 has been fully disclosed to you and all deductions disclosed to you are proper deductions and/ or are ordinary and necessary business expenses. Based on my training and experience and discussions with other IRS agents, representation letters are typically used as added protection for the return preparer when they may not feel comfortable with the income / deductions being reported by their client on the tax return. During this interview, Gelfound stated that he would have discussed this letter with RHB, specifically having discussions with RHB about "deductions he was claiming had to actually be related to business expenses". Gelfound also stated that this was the first ever representation letter that he had seen in a client engagement and that they wanted their client to represent that he was giving them "good information". The Troy he mentions during this interview was a Partner at Edward White & Company. This letter would have been included as evidence of willfulness and knowledge for the 2018 felony charges, which includes Title 26 U.S.C. §§ 7201 (Tax Evasion) and 7206(1) (False Return) charges.
12. **EXHIBIT 1E, Page 1:** It was also noted during the interview with Gelfound that RHB never discussed filing an amended tax return for the 2014 tax year with his new accountants, specifically Jeff Gelfound.

Specific Deductions:

13. **EXHIBIT 1F & 1G:** This was a memorandum of interview of Jeffrey Gelfound, Edward White & Company tax accountant who assisted with the preparation of RHB's delinquent tax returns, to include the RHB's personal and corporate tax returns for 2017 and 2018. When discussing deductions on RHB's tax returns, Gelfound was asked about whole dollar transfers to Gulnora. **Gelfound was asked if RHB verified this as a business expense in which Gelfound stated "Yes, we put it on the returns so ..."**. EXHIBIT 1G was an interview report turned over to the investigative

team as a part of the RHB investigation. I have included a redacted excerpt of that interview of an escort by the name of Gulnora that was conducted on or about April of 2021 in which she admits to meeting RHB relating to escort work.

14. **EXHIBIT 1H, Page 13-14:** This was a memorandum of interview of Jeffrey Gelfound, Edward White & Company tax accountant who assisted with the preparation of RHB's delinquent tax returns, to include the RHB's personal and corporate tax returns for 2017 and 2018. Gelfound responded to specific questions about deductions for Columbia University, John Hancock, rent for RHB's adult daughter and the Business LOC (Line of Credit) deductions. In the meeting, Gelfound asked RHB what the payments covered and RHB could not really recall. RHB did not suggest splitting the expenses 80/20, but RHB was representing that the expenditures were business related and mostly travel expenses, so Gelfound thought an 80/20 expense split was reasonable.

Hudson West III Loan Claim

15. **EXHIBIT 1H, Page 4 & 5:** This was a memorandum of interview of Jeffrey Gelfound, Edward White & Company tax accountant who assisted with the preparation of RHB's delinquent tax returns, to include the RHB's personal and corporate tax returns for 2017 and 2018. Based on information provided by Gelfound, RHB was attempting to misrepresent to his accountants that the income he received from Hudson West III was a loan to him. Gelfound further investigated this claim by RHB and had found that Hudson West III had deducted the payments made to RHB and thus could not be classified as a loan to him. This was ultimately reported as income for RHB. This email would have been used to support the element of willfulness for both the 2014 and 2018 felony charges, which includes Title 26 U.S.C. §§ 7201 (Tax Evasion) and 7206(1) (False Return) charges, as RHB was trying to claim the same "loan" argument he was claiming to his attorney for the Burisma income paid to him from Archer entity. This time, his accountants performed their due diligence and disallowed that claim.
16. **EXHIBIT 1I:** This email was received by the investigative team via an Electronic Search Warrant served on Apple related to RHB's Apple email account. Based on our investigation, this email relates to the Hudson West III entity, in which RHB had a 50% ownership interest in. In this email, RHB clearly states that he is earning "consulting fees based on introductions alone a (sp) rate of \$10M (believed to be \$10 Million) per year for a three year guarantee total of \$30M (believed to be \$30 Million)." This email does not include a reference to a loan, which contradicts RHB's alleged statement to his accountants (EXHIBIT 1H).
17. **EXHIBIT 2A:** This LLC Agreement of Hudson West III LLC that was received from the investigative team as support of a Bank Report as well as found in productions of Email Search

Warrants. This agreement was dated as of August 2, 2017 (Same day as email noted in EXHIBIT II and a few days after the WhatsApp messages Gary Shapley had previously testified to). On Page 8 of this agreement, the Owasco managers are RHB and James Biden. On Page 10, Section 4.6, the agreement discussed the payments to RHB and James Biden and does not make any reference to a loan paid to RHB and/ or Owasco PC. This agreement on Page 24 has the signatures of RHB and Gong Wen Dong. Gong Wen Dong is believed to be a Chinese National who was living in the U.S at the time. Page 26, Schedule II of the agreement, shows that RHB (through Owasco, PC) did not contribute any capital into the company. Hudson West V was known in the investigation as another U.S. entity related to CEFC. EXHIBIT 2B references the \$5 Million capital contributed to the Hudson West III Entity (Described Below).

18. **EXHIBIT 2B:** This was email communication received by the investigative team as support of a Bank Report. The Hudson West III entity was funded by \$5 million from Northern International Capital Holdings (HK). Gong Wen Dong, known to be the Hudson West III manager at the time, stated that there was no loan agreement between Hudson West III and Northern International Capital Holdings (HK).
19. **EXHIBIT 2C:** This Second Amended and Restated LLC Agreement of Hudson West III was turned over to the investigative team as support of a Bank Report as well as found in productions of Email Search Warrants. This agreement changed the 50% ownership from Hudson West V to Coldharbour Capital LLC. According to tax records, ColdHarbour Capital is a Partnership which is partly owned by Mervyn Yan. Mervyn Yan came to the U.S. from China in the 1990's and is a U.S. citizen. Owasco PC's ownership interest, owned by RHB, did not appear to change. This agreement was dated March 31, 2018. This agreement also changed one of the managers from Gong Wen Dong to Mervyn Yan. It was noted by the investigative team that this change occurred after the arrest of Patrick Ho and Gong Wen Dong was believed to have traveled back to China. There is no reference in this document to a loan paid to RHB and/ or Owasco PC.
20. **EXHIBIT 3A & 3B:** These documents are the 2017 and 2018 Corporation tax returns for Hudson West III electronically filed with the IRS. On EXHIBIT 3A, Page 16, the return indicates that the corporation is owned 100% by Monochrome Capital Partners LLC. Monochrome Capital Partners LLC was reported as a Schedule C on Gong Wen Dong's 2017 personal tax return. The listed owner of the Schedule C Entity, Monochrome Capital Partners LLC was Gong Wen Dong's wife, Shan Gao. This 2017 tax return for Hudson West III and the Hudson West III LLC agreement in EXHIBIT 2A do not reconcile to each other. I have further noted that there is no reference to a loan to RHB in this tax return and it appears that payments to RHB / Owasco PC and James Biden were reported as Legal and Professional Expenses shown on Page 18 of the return.

On EXHIBIT 3B, Page 20, the return indicates that the corporation is owned 100% by Monochrome Capital Partners LLC. Monochrome Capital Partners LLC was reported as a Schedule C on Gong Wen Dong's 2018 personal tax return. Again, the listed owner of the Schedule C Entity, Monochrome Capital Partners LLC was Gong Wen Dong's wife, Shan Gao. This 2018 tax return for Hudson West III and the Hudson West III LLC Second Amended and Restated agreement in EXHIBIT 2B do not reconcile to each other. I have further noted, that there is no reference to a loan to RHB in this tax return and it appears that payments to RHB / Owasco PC and James Biden were reported as Legal and Professional Expenses shown on Page 18 of the return.

Tax Estimated Payments:

21. **EXHIBIT 1J:** This was a memorandum of interview of Jeffrey Gelfound, Edward White & Company tax accountant who assisted with the preparation of RHB's delinquent tax returns, to include the RHB's personal and corporate tax returns for 2017 and 2018. RHB was shown his 2017 and 2018 tax liabilities and elected to not remit the tax payments and implied that he had no resources to pay his taxes at the time. Gelfound further stated that the delinquent payments paid by Kevin (Morris) were prioritized based on urgency. Gelfound also mentioned potential media attention due to a lien essentially prioritizing tax payments.
22. **EXHIBIT 1H, Page 15:** This was a memorandum of interview of Jeffrey Gelfound, Edward White & Company tax accountant who assisted with the preparation of RHB's delinquent tax returns, to include the RHB's personal and corporate tax returns for 2017 and 2018. In this interview, Gelfound did not recall details of his conversation with RHB about the amounts due for taxes. They started to look into an Installment Agreement or an Offer in Compromise with the IRS, but never followed through. Gelfound could not recall why they decided not to go through with these options. Gelfound recalled that the options were discussed, and they elected not to pursue. Gelfound's understanding is that it was because RHB did not have any money. He also said, One of the tax agencies was going to lien or levy RHB's account which would become public information. This would not have been good for RHB, so there were discussions about this but Gelfound could not recall with whom.
23. **EXHIBIT 1K:** This was an email sent to the investigative team from the assigned DOJ-Tax Attorney Mark Daly. This email was the forwarded proffered defenses from RHB. RHB, through his counsel allegedly misrepresented the facts relating to the 2018 tax year based on evidence obtained from the investigation. I can recall having multiple discussions with DOJ-Tax attorney Mark Daly about how these defenses presented were believed to be not true and/ or supported by the facts of the case. Three items of note are bullet point 1, 3 & 5. Zoe was RHB's girlfriend

throughout a lot of 2018. Zoe confirmed during an interview that she was never in business with RHB. Based on witness interviews and investigative information, Michael was RHB's alleged drug dealer during 2018, while he was living out in California. During the interview of James Biden, James also confirmed that he and RHB were no longer engaged in work during the 2018 tax year (Referenced in EXHIBIT 401 and discussed below).

24. In my original testimony to the House Ways & Means Committee, I had testified that global transfers that RHB and his associates would have received from Ukraine, Romania, and China was approximately \$17.3 Million. This amount provided was a conservative estimate of the global income streams. This \$17.3 million did not include the \$1 million payment paid from CEFC (China) to RHB's business entity, which was believed to be related to Patrick Ho. RHB actually verified receipt of this payment during his change of plea hearing on July 26, 2023. I also did not include any return on investment that RHB may have received from his ownership interest in Bohai Harvest RST. This also didn't include a referral payment believed to be made in 2015 from CEFC to a U.S. person of at least \$700,000. Based on this additional information, the total global income streams would have potentially been over \$19 Million.
25. **EXHIBIT 4A:** This email was received by the investigative team via an Electronic Search Warrant served on Google related to RHB's Apple email account. The lowercase writing in the email is believed to be from RHB and the capitalized writing is believed to be Devon Archer responses made. I would point you to Item 6. This was believed to be RHB's laying out of the plan related to the Burisma board income he and Archer were about to receive. Page 2 references a slide that was presented to U.S. Attorney David Weiss in June of 2022 and our investigative summary of the information being referenced in the email. Again, RHB references \$5 million in total from Burisma (which was referenced in the beginning of the board agreement), which I believe coincides with information on the FBI Form FD1023 which as previously stated was not shared with the IRS case agent, Joseph Ziegler.
26. **EXHIBIT 400:** This FD 302 was provided to the RHB investigative team by agents with the FBI. The interview of Gal Luft took place prior to the IRS and FBI investigations combining in the District of Delaware. I have been able to corroborate information provided in this interview to include the meeting between RHB and the Chairman in Miami and the reference to \$10 million (Affidavit 1, EXHIBIT 1i), the amounts of the wires from CEFC China Energy paid to RHB indicated on Page 5 (EXHIBIT 2B), and the amounts of the monthly payments RHB and James Biden would receive from CEFC China, through Hudson West III as referenced in the LLC agreement (EXHIBIT 2A & 2C).

27. **EXHIBIT 401:** This was the memorandum of interview of James Biden that I had written following the interview. A few things that I have noted regarding this interview. Page 8, paragraph 31, James Biden stated that he recalled not being involved with anything beyond 2017. This is a direct contradiction to what RHB's attorneys had proffered as a defense for 2018 (Affidavit 1, EXHIBIT 1i). Page 10, paragraph 39, James Biden confirmed that RHB was completely over the edge when he moved out to California, which would have been approximately April 1, 2018. Based on this statement as well as representations made in RHB's memoir, the investigative team made a determination that any business expense deducted after April 1, 2018, was believed to be false deduction made by RHB.
28. **EXHIBIT 402:** This was a summary of WhatsApp messages that I had drafted and completed with the investigative team summarizing relevant messages from the various Electronic Search Warrant productions. I can recall that during and after the interview of James Biden that I had felt discouraged. This interview was another example of an environment established by the assigned prosecutors in which the investigators were afraid to ask questions. You can see in the interview memo that we did not ask about the previous WhatsApp messages discussed in Gary Shapley's testimony to the House Ways & Means Committee, asking if James Biden's brother (Former Vice President Joe Biden) involved with the CEFC deal, as potentially indicated in the WhatsApp message. In addition, this message from James Biden states "This can work, you need a safe harbor. I can work with you father alone !! We as usual just need several months of his help for this to work. Let's talk about it. It makes perfect sense to me. This is difficult to fully vet without talking." During the interview, we referenced multiple messages between RHB and James Biden, but did not bring up and ask about this message. Again, this would not allow us to follow normal investigative leads and fully understand the business relationship between James Biden and his family.
29. If the committee has any follow up questions for me, or if they need my assistance in any way, please let myself or my Attorney Dean Zerbe know.

Dated: August 2, 2023


