

**Statement for the Record**  
**Rep. Gerald E. Connolly**  
**Hearing on “IRS Whistleblowers About the Biden Criminal Investigation”**  
**July 18, 2023**

Whistleblower disclosures promote an effective civil service and benefit the public interest. When government employees come forward with credible and consequential information, it promotes government accountability and reform while curtailing abuses. However, the information and informant should meet certain integrity standards for that person to qualify as a federal whistleblower. A threshold is imperative to uphold, or else we risk tarnishing the credibility of all whistleblowers who are integral to “assisting in the elimination of fraud, waste, abuse, and unnecessary Government expenditures.”

So, let’s talk about the credibility of Republicans’ “whistleblowers.” Most recently, Republicans rallied around Gal Luft, who our Chairman described as a “very credible witness on Biden family corruption” who did not have as much as a “blemish” on his record. Naturally, we were of course shocked when the Department of Justice (DOJ) unsealed charges against Mr. Luft, which included acting as an unregistered foreign agent for the Chinese government, trafficking in arms, violating U.S. sanctions against Iran, and making false statements to federal agents. It is imperative we know if the resources of this Committee were used to support the alleged illegal activities of Mr. Luft. The Majority’s work with Mr. Luft risks bringing immense shame on the Committee, and the Majority has a responsibility to account for the damage that has been done by its partnership with Mr. Luft.

Furthermore, this Committee’s elevation of Mr. Luft erodes confidence in the vetting process the Majority uses for individuals who bring information to the Committee and begs the question whether there are additional individuals similarly compromised as Mr. Luft among the Majority’s roster of so-called “whistleblowers.” In short, the entire Luft affair casts doubt upon the process by which the Majority designates individuals as “whistleblowers.” As a result, the Minority now carries the onus to assess Republican witnesses’ and their claims’ veracity more critically.

The witnesses before us today are Supervisory Special Agent Gary Shapley and a criminal investigator referred to as Whistleblower X. Earlier this year, the Ways and Means Committee deposed both of these individuals and Republicans determined the federal government provided “preferential treatment to the wealthy and well-connected,” the DOJ “interfered in the investigation into Hunter Biden’s clear tax issues with a ‘Delay, Divulge, and Deny’ campaign,” and the Internal Revenue System (IRS) employees who blew the whistle were “met with hostility and retaliation.”

A key allegation from the whistleblowers is that Trump appointed U.S. Attorney David Weiss was denied the authority to bring charges outside of Delaware. Thus, the Department of Justice (DOJ) was not able to bring charges related to Hunter Biden’s past tax returns filed out of State. Furthermore, both whistleblowers asserted that Mr. Weiss stated that he was not “the deciding person on whether charges are filed” and was not “in charge” of the investigation. Mr. Shapley claims that Mr. Weiss shared with the whistleblowers that his request for special counsel

authority from DOJ to enable him to bring charges outside of the District of Delaware was denied.

Each of these assertions has been refuted by Attorney General Garland and, in three separate letters to Congress, by Mr. Weiss himself. Additionally, there are records showing attorneys at the IRS and DOJ Tax Division, in addition to U.S. Attorney Weiss, raised concerns about whether the proposed charges against Hunter Biden would be “sufficient to obtain and sustain a conviction.” Mr. Shapley himself admitted that for at least one of the charges—the charge pertaining to Hunter Biden’s 2015 tax returns—there were “some issues with that that would preclude it being charged.” Finally, the two witnesses have expressed concerns about prosecutors’ refusal to take certain investigative steps; however, these decisions by prosecutors appear to be informed by—and in line with—DOJ and IRS policies regarding election year sensitivities and search warrants, particularly those involving the property of attorneys or political candidates. Notably, all these events occurred while Donald Trump, a Republican, was President.

These baseless accusations are the latest instances of the Republican projection campaign. We have statements from President Trump’s own former Chief of Staff, John Kelly, that while in office, Trump exerted political pressure on the justice system in multiple documented instances. For example, in June 2020, Assistant U.S. Attorney Aaron Zelinsky testified that Trump political operative Roger Stone received special treatment because of his relationship to the President, including Mr. Zelinsky being told he would be fired if he did not recommend a lower sentence for Mr. Stone. Similarly, reporting indicates that former Attorney General Barr was angry that prosecutors had asked the judge during the trial of former National Security Advisor Michael Flynn to consider sentencing him to prison instead of probation.

Furthermore, while former special counsel Robert Mueller’s “Report On The Investigation Into Russian Interference In The 2016 Presidential Election,” respected the Department of Justice policy not to indict a sitting President, it explicitly stated its findings did not “exonerate” the President. Predictably, Trump’s hand-picked Attorney General, Bill Barr, took it upon himself to absolve the President, even going as far to say in a letter to Congress, “Our determination was made without regard to, and is not based on, the constitutional considerations that surround the indictment and criminal prosecution of a sitting president.” Barr unjustly absolved Trump of his crimes in a manner that even Robert Mueller later objected to in writing.

Mueller outlined at least 10 obstruction of justice concerns including: The pressure on Comey to end the probe of Michael Flynn; The President’s reaction to the continuing Russia investigation; The firing of Comey and the aftermath; The appointment of Special Counsel and efforts to remove him; The further efforts to curtail the Special Counsel’s investigation; The efforts to prevent public disclosure of evidence; The additional efforts to have Sessions take control of the investigation; Trumps order to the White House Counsel to deny that the President tried to fire Mueller; Trump’s actions toward, Flynn, Manafort and other possible witnesses; and Trump actions toward Michael Cohen.

Most recently, John Kelly, Donald Trump’s former Chief of Staff, revealed President Trump discussed having the IRS and other federal agencies investigate individuals who he perceived as his political enemies. This hit list includes former Secretary of State Hillary Clinton; former FBI director James Comey; Mr. Comey’s deputy, Andrew McCabe; two FBI officials who had been involved in the investigation into the connection between Russia and the Trump campaign, Peter Strzok and Lisa Page; as well as Jeff Bezos, the founder of Amazon and the owner of The Washington Post, whose coverage often angered Mr. Trump.

In one week, Hunter Biden, the son of the sitting President of the United States, is scheduled to enter a guilty plea. If that is not enough to show the independence of the judicial system, what is? Furthermore, according to many commentators, Mr. Biden’s plea deal may even be considered harsh. For example, Mr. Biden is pleading guilty to two misdemeanor tax offenses for failing to pay taxes, despite the fact that such cases are usually resolved civilly. In fiscal year 2022, there were approximately 10 million taxpayers who, like Mr. Biden, filed a return but failed to pay their taxes in full. However, there were fewer than 700 criminal sentencing that year across all federal tax crimes. Mr. Biden is in the less than one tenth of one percent of people sentenced for all federal tax crimes. Similarly, the gun offense Mr. Biden was charged with—possessing a firearm by anyone “who is an unlawful user of or addicted to any controlled substance”—is rarely charged on its own absent an aggravating factor such as obstruction of justice or an individual deemed to pose a serious threat to public safety—none of which appear to apply to Mr. Biden.

Republicans have a serious problem with cherry picking incidents to spin their own narrative about the IRS rather than tell the truth just as they did in the IRS targeting controversy of 2013. Almost exactly a decade ago, Republicans accused the Obama Administration of weaponizing the IRS through intentional targeted audits of conservative organization’s tax records. But when the Treasury Department’s Inspector General (IG) released its exhaustive report in 2017, its findings confirmed the IRS used both conservative *and* liberal keywords to choose targets for further scrutiny. In reality, both liberal and conservative entities with political leanings were investigated. Then, even more scandalously, additional information came to light. This information indicated the Treasury Inspector General for Tax Administration (TIGTA) audit, sanctioned by J. Russell George, was conducted on behalf of, and in consultation with, Republican Members to the exclusion of Democratic Members and staff. News outlets then reported that an IG spokesperson admitted that their office focused on conservatives because “that’s what the Republican led committee asked him to do.” In response, I co-authored a letter with Rep. Matthew Cartwright requesting the Council of the Inspectors General on Integrity and Efficiency’s (CIGIE) Integrity Committee (IC) to investigate this incident. When my request went unadjudicated, this incident became the foundation of the CIGIE Transparency Act to increase accountability and transparency for the CIGIE’s IC. This legislation was enacted in 2022 as part of the FY2023 National Defense Authorization Act.

Federal employees are the crown jewel of government and whistleblower protections are crucial to ensuring they can continue to keep our country running with integrity. However, whistleblower designation cannot be taken lightly. I thank these two witnesses for their years of service to the country, but hope this hearing provides clarification around a multitude of events that have been misconstrued as evidence of political bias.