

Jason Galanis

Written Testimony

Committee on Oversight and Accountability

Hearing on

“Influence Peddling: Examining Joe Biden’s Abuse of Public Office”

March 20, 2024

My name is Jason Galanis. I was a business partner of Hunter Biden and Devon Archer, among others, during the years 2014 to 2015. Our business included the acquisition of an 85-year-old Wall Street firm – Burnham & Co, the \$1.5 billion surviving division of Drexel Burnham Lambert – and combining that with other businesses in insurance and wealth management we owned and acquired with total audited assets of over \$17 billion.

Our objective was to build a diversified private equity platform, which would be anchored by a globally known Wall Street brand together with a globally known political name – Biden. Our goal – that is, Hunter Biden, Devon Archer and me – was to make billions, not millions.

As a backdrop, in early 2014 when Russia invaded Crimea and the Burisma board appointments occurred, Chris Heinz had recently told Archer that he would be exiting their Rosemont partnership, which included the \$2 billion Rosemont Realty – the company funded by Mikail Shishkhanov and Yelena Baturina. This would leave Archer and Hunter with no sizable Rosemont business through which to conduct their international business transactions. Burnham and Hunter were the designated replacements for the loss of Rosemont Realty and Heinz.

In 2013, my business partner in California and I had already acquired a \$1.4 billion life insurance company separate from Burnham. Against my partner’s advice to stay away from Hunter, I agreed to become equity partners with Hunter and Devon in building the Burnham group.

The entire value-add of Hunter Biden to our business was his family name and his access to his father, Vice President Joe Biden. Because of this access, I agreed to contribute equity ownership to them – Hunter and Devon – for no out-of-pocket cost from them in exchange for their “relationship capital.”

As part of the evolving and deepening partnership, Hunter Biden served as Vice Chairman of Burnham and brought strategic relationships to the venture, including from Kazakhstan, Russia and China. Burnham was the focal point for integrating a “Biden Family Office” into a large-scale financial company with international influence.

We undertook multiple steps to accomplish this goal including the acquisition of Hunter Biden’s companies, RSP Investments and Rosemont Seneca Advisors, managed by Eric Schwerin.

In 2014, I agreed with Hunter and Devon that the Burnham & Company enterprise would be significantly enhanced by forming a partnership with Harvest Fund Management, a \$300 billion Chinese financial services company closely connected to the Chinese Communist Party. Harvest had already agreed to be a founding partner of a newly established fund called BHR.

The partners wanted to expand this Chinese relationship through Burnham and did so through a series of investment structures intended to gain Chinese financial support. This effort was led by Hunter Biden's contact with Henry Zhao, the Harvest Chairman.

Mr. Zhao was interested in this partnership because of the game-changing value add of the Biden family, including Joe Biden, who was to be a member of the Burnham-Harvest team post-vice presidency, providing political access in the United States and around the world.

My lawyer has provided to the Committee a draft email dated August 23, 2014, drafted for Hunter Biden that reflects this understanding. It states:

"Michael, please also remind Henry [Zhao] of our conversation about a board seat for a certain relation of mine. Devon and I golfed with that relation earlier last week and we discussed this very idea again and as always he remains very very keen on the opportunity."

I am certain that the phrase "a certain relation of mine" refers to Vice President Biden. Devon told me about this conversation on the golf course shortly after it happened. And it was one of many conversations that I understood the Vice President had expressing his willingness to join the Harvest board after his vice presidency.

Devon Archer forwarded this email to me, with the words "FYI . . . example of lean in on Henry from Hunter . . . this is email drafted for him to send to Henry."

The words "lean in" were used often by Devon and Hunter in our business dealings as a term for access to Vice President Biden's political influence. As Devon Archer is mentioned as a direct party to the conversation with the Vice President on the golf course, it is clear from his email that Devon believed this was an accurate representation of that conversation.

Ultimately, this paragraph was deleted from the final version, with Hunter following our general rule of thumb on business deals: "Say it, forget it. Write it, regret it."

Additionally, Mr. Zhao regularly sought reassurance about what he termed the "intangible goods" that Vice President Biden serving on the Harvest board would bring to the business plan. He wanted assurances so that he would not "lose face."

To provide Mr. Zhao a summary of the Burnham-Harvest partnership, I worked with Hunter, Devon, and a number of people to create a presentation for Harvest confirming the mutual benefits intended. In my opinion, there was no other reason for this massive Chinese enterprise to have been interested in doing business with Burnham other than the Biden name.

Further to that, I recall being with Hunter Biden and Devon Archer at the Peninsula Bar in New York, where Hunter took a call from his father. He told his father things were going well with Henry Zhao and Harvest and that he might need a little help getting it across the finish line. Hunter did not put the call on speaker as we were at this bar, but I am certain that Hunter was discussing our business efforts on the Burnham-Harvest partnership and that the Vice President was aware of these efforts.

It was not the only time I heard Hunter call his father regarding business matters. I was present when Hunter Biden called his father on a cell phone and put the call on speaker. Present for the call were Yelena Baturina, a Russian oligarch and an investor in Rosemont projects, her husband Yuri Luzhkov, the former Mayor of Moscow, and Devon Archer.

This call took place on May 4, 2014, during a gathering hosted by a Ukrainian associate of Ms. Baturina and a business partner of ours, at Romanoff's, a restaurant in Brooklyn, New York.

I previously met Ms. Baturina in February 2014 when Devon Archer asked me to help her open a US bank account. She had invested at least \$105 million in Rosemont Realty by that time, which was a Devon Archer investment vehicle. She was having trouble opening a US bank account based on reports of her ties to criminal figures in Russia and corruption allegations related to her politician husband.

Yelena provided me confidential information about her finances and background, as well as a copy of her Russian passport. Our efforts to help her open a bank account were done with the understanding that she would provide more funding to our new projects.

In February, we arranged her visit to the Burnham's lawyers at Skadden Arps offices in New York to sign papers to open such an account. Given the compliance red flags raised by various banks, I was unable to get her the US financial system access she wanted.

During the May 4<sup>th</sup> party, we were told to go to an area of the restaurant to gather because Hunter was going to call his father. Hunter called his father, said hello and "hold on, Pops," then put the call on speakerphone and said, "I am here with our friends I told you were coming to town, and we wanted to say hello." The Vice President said hello and some pleasantries of "Hope you had safe travels," and then seemed like he wanted to bring the call to an end by saying, "Ok then, you be good to my boy." Hunter responded by saying, "Everything is good, and we are moving ahead." The Vice President said something about "being helpful," and Hunter ended the call by saying that he was going to call his father later.

I recall being stunned by this call – to actually hear the Vice President of the United States speaking on the phone. It was clear to me this was a pre-arranged call with his father meant to impress the Russian investors that Hunter had access to his father and all the power and prestige of his position.

Before this call, Hunter sat next to Yelena Baturina at a table at this party, and I heard them speaking on business matters generally. A few days after this May 4<sup>th</sup> party, an email my lawyer provided to this committee shows that Devon had confirmed Ms. Baturina was committed to a “hard order” of \$10-20 million in a Burnham investment banking client.

Burnham also reached an agreement with a Ukrainian oligarch – Mykola Zlochevsky – for a \$120 million investment into a new Burnham entity. The financial arrangement documented by the US and Ukrainian lawyers laid out a 25% profit participation for the Burnham partners. The Burnham partners were not required to put up 25% of the capital. Instead, Burnham was putting up relationship capital of the Biden name in foreign markets like Kazakhstan and Mexico and elsewhere where oil concessions were sought from those governments.

In an effort to build this financial platform, I engaged in unlawful conduct. Our companies were entrusted with \$11 billion of union members’ pension fund money whose trust I betrayed. I pleaded guilty. I have had eight years in federal custody to reflect on my actions and I am profoundly sorry for my role.

Subsequent to 16 months in the infamous maximum security Metropolitan Correctional Center – MCC – in 2017, I was sent to Terminal Island federal prison. After six years of good behavior my custody level was lowered, and I was moved to a minimum custody Federal Prison Camp at Pensacola to serve the remainder of my sentence. I accepted that I committed these crimes and deserved a lengthy sentence for my conduct, even offering from the time of my plea to provide the prosecutors at the US Attorney Office in the Southern District of New York with any information that would assist in a thorough disclosure of the fraudulent conduct of all parties. The offer was rejected.

Especially because I was not asking for any reduction in the charges or sentence, my attorney at the time told me the rejection was highly irregular. As I reviewed the facts, I realized the prosecutors in the SDNY had gone lightly on Devon Archer and had not indicted Hunter Biden at all, despite then-available documentation that we were partners, were involved in the decision making that involved illegal self-dealing, and all of us had financially benefitted from these schemes.

In fact, Hunter Biden’s and Devon Archer’s Company, Rosemont Seneca Bohai, received \$15 million from the tribal bonds fraudulent scheme to be invested in the Burnham group.

I believe the SDNY’s prosecution strategy was intended to protect Hunter Biden, and ultimately Vice President Biden.

Based on my concerns regarding this unequal treatment, I submitted a Petition for Commutation with the Office of the Pardon Attorney at the Department of Justice in December 2020, which set forth facts about Hunter Biden's and Devon Archer's role that implicated them in these illegal acts. I filed this request after the 2020 election, and I knew if this was not granted, I could face the wrath of the incoming Biden Administration, including the Department of Justice.

On February 4, 2023, I applied for CARES Act home confinement and went through a lengthy approval process with the Warden and other officials. I was approved by the Pensacola Warden and his staff and referred onward to California for placement.

Finally, on June 9, 2023, the Bureau of Prisons California staff confirmed their approval of my home confinement in an email to FPC Pensacola staff.

On June 12, the Committee on Oversight and Accountability announced that they were issuing a subpoena to Devon Archer relating to its inquiry into Joe Biden's business dealings, which would undoubtedly in my mind expose the dealings of Hunter Biden, Devon Archer, and me.

On June 13, one day after Committee announced it would subpoena Devon Archer, my home confinement approval was reversed.

I understand from a former high-ranking Bureau of Prison official that SDNY prosecutors aggressively weighed in with the Bureau of Prisons staff to oppose my release. As a result of this DOJ intervention, I was denied home confinement.

I formally appealed the reversal. With each appeal stage, the BOP reason for my denial changed. For example, first it was that there was too much time left on my sentence. This is not a valid reason for denial. Next, it was that the CARES Act expired on May 10, 2023. This rationale is contrived, and contradicted by the approval on June 9<sup>th</sup>, a date after the purported May 10<sup>th</sup> expiration. Moreover, the BOP policy is that all CARES Act applications submitted before May 10 were to be processed, which I witnessed firsthand with fellow inmates being released well into the late summer. I was treated differently.

During this period beginning in January 2023, I was sexually assaulted by a member of the prison staff at FPC Pensacola. He persisted in sexually harassing me for many months thereafter, including lewd comments and attempts to get me alone where there were no cameras. At that time, I had hoped to receive home confinement which would remove me from the danger. My judgment was clouded by this and influenced by the shame I felt for not being able to prevent the attacks.

I was well aware, as are all inmates, that the Bureau of Prisons has a horrible record on these matters. I believed my disclosure would have made things worse for me. Unfortunately, the sexual harassment continued until early August when the prison correctional officer's comments became more threatening. I feared for my safety and decided to seek counseling

from Chaplain Dixon the next day on August 10, 2023. The Chaplain was visibly upset by the events and asked to bring in the Warden. I agreed and sat with Warden Saulsberry for more than 30 minutes. She determined there was merit and opened a PREA investigation that immediately led to two hours of evaluation by the head of medical and head of psychology departments. After further debriefings, I was immediately escorted to a vehicle and driven by senior staff several hours to FPC Montgomery.

I am grateful that the Committees have opened up an investigation into these matters, and I appreciate Chairmen Jordan and Comer and Subcommittee Chairman Biggs signing the letter.

I believe that based on the events I have described, much of which is memorialized in writing, I have been the victim of a pattern of retribution by the Department of Justice in order to prevent my home confinement, which would have allowed full and free access to Congressional investigators.

From the experiences that I have had in the criminal justice system, I believe I am putting myself at grave risk within the BOP for providing information on these matters concerning the President and his son.

I have been treated professionally at FPC Montgomery. I want to thank Case Manager Coordinator Anthony Barnes and Warden Randy Keyes for their help in facilitating access to my attorney prior to this interview.