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Contact: Ryan Carey (202) 224-4515

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## **Wyden Statement on IRS Nominee Billy Long's Involvement in Tax Scams**

*As Prepared for Delivery*

It's clear that Donald Trump sees the IRS as a tool he can use to help himself, help his friends, and hurt his enemies. To run the IRS he's chosen Billy Long, one of his earliest supporters in Congress.

At this morning's hearing I expect the committee will hear a load of sweet-sounding promises about enhancing fairness and efficiency at the IRS, and working together to improve morale.

Here's the problem. Trump doesn't care about fairness or morale, he's only concerned about his own power. Congressman Long is a MAGA devotee who claims he coined the phrase "Trump Train." So when Trump says he wants to weaponize the IRS, there is no evidence that Congressman Long will decide to make a bold stand in front of the locomotive to protect the agency's independence.

His record on tax issues from his time in Congress is awfully thin. There was a bill to abolish the IRS and institute a nationwide sales tax. There were demands for investigations of the Humane Society and Clinton Foundation. Not a whole lot else. If you expand the enemies list, that's the bulk of the Trump tax agenda in a nutshell.

Most of Congressman Long's experience with tax issues came after he left Congress, when he dove headlong into the tax scam industry. Cashing in on the credibility of his election certificates, he raked in referral fees steering clients to firms that sold faked tax shelters and pushing small businesses to unknowingly commit tax fraud.

Let's take these cases one at a time. Congressman Long's financial disclosure shows \$65,000 in income paid by a firm called White River Energy. Financial advisors at White River sold investors tax shelters known as "tribal tax credits." The thing is, no such tax credits exist. It was a fraud. Finance Committee staff asked the IRS about these credits and the IRS told us: "We can confirm that these tax credits do not exist. Taxpayers who claim credits that don't exist are subject to penalties and possible examination. Furthermore, promoters of these credits may be subject to civil or criminal penalties." Committee investigators sought an explanation from Congressman Long about his role in this scheme. He refused to

answer. Investigators sent a long list of questions to White River. There's been no reply. It's as if everybody involved went into witness protection.

That said, there's a follow-the-money angle here too, and the sequence of events is an eyebrow-raiser. Trump announced Congressman Long's nomination on December 4th. On December 19th, Bloomberg published an article about White River's scheme titled "Rich People Buy Tribal Tax Credits Treasury Says Don't Exist." White River's phone lines must have blown up. The CFO, Jay Puchir held a call that same afternoon with 100 or more investors who were questioning the legitimacy of the tax credits they'd been sold. Puchir didn't have a lot to offer in the way of assurances that the tribal tax credits were legit. But he did tell them they'd soon have friends at the IRS who'd take the heat off.

Shortly thereafter, in mid-January, the folks down at White River decided it was time to whip out their checkbooks and start donating to Congressman Long's long-dormant Senate campaign. It still had outstanding debt dating back two and a half years. More than \$165,000 poured into the campaign coffers, the vast majority of it from tribal tax credit promoters, including people at White River. Out of that total, \$130,000 went directly into Congressman Long's pockets when he paid back his personal loans. Folks, this sounds as corrupt as it gets, and I've asked the IRS to investigate. But that's not the only tax scam the committee needs to address today.

Back in the darkest days of the pandemic, Congress created a program called the employee retention tax credit to help struggling small businesses stay afloat. It made a lot of sense and saved jobs at a time when the unemployment rate was in the stratosphere. The problem arrived after the pandemic receded, when a whole bunch of scam artists twisted this program into a firehose of fraud. Promoters set up ERTC mills that told small businesses to claim the credit even when they knew those businesses did not qualify. The mills took a cut of the benefit. Congressman Long worked as a promoter for a few of these mills, Lifetime Advisors and Commerce Terrace Consulting. He spoke publicly in recorded interviews about pushing small business clients to file ERTC claims that their CPAs told them they didn't qualify for. In one such appearance he stated that "everybody qualifies," which was untrue. He bragged about getting this emergency tax credit for a funeral home despite the fact that business was booming for funeral homes during the pandemic.

Taxpayers have lost billions and billions of dollars to improper claims and outright fraud with the ERTC. In all likelihood, some of that has wound up in Congressman Long's pockets. These ERTC mills that pushed clients into making improper claims have put those small business owners in legal jeopardy. That's unforgivable, and somebody who's involved in that has no place working at the IRS. Finance committee investigators gave Congressman Long and the firms he partnered with the opportunity to prove that everything they did was on the level. They refused.

So colleagues, I wish this was going to be a hearing about working together to improve efficiency and taxpayer service. But that kind of discussion is totally out of touch, given Congressman Long's background and what's going on at the IRS.

Donald Trump wants to use the IRS as a cudgel to beat his adversaries into submission. He wants to feed its legally-protected data to his masked squads of agents disappearing people off the streets. His nominee to lead the agency is a Trump loyalist through and through, not an independent tax professional or somebody with extensive management experience. And our serious concerns and questions about Congressman Long's involvement with fraudulent tax schemes have gone unanswered.

Bottom line, the American people have the right to know whether the future IRS commissioner is a crook. That's what our focus ought to be today.

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