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# United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

GREGG RICHARD, STAFF DIRECTOR  
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January 29, 2026

The Honorable Paul Atkins  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549

Dear Chairman Atkins:

I write to follow up on my request that the Securities and Exchange Commission (“the SEC”) consider revoking White River Energy Corp’s (ticker WTRV, hereafter “White River”) securities registration. White River continues to refuse to comply with its reporting obligations under the Securities and Exchange Act of 1934 (“the Exchange Act”).

Even though the Exchange Act requires publicly traded companies to file quarterly and annual reports with the SEC in a timely manner, White River has not filed 10-K annual reports for the 2023 and 2024 fiscal years and has not filed a quarterly report in nearly two years. An investigation by my staff at the Senate Committee on Finance has obtained evidence indicating that White River’s failure to file periodic reports is keeping investors in the dark about a federal criminal investigation into White River by the U.S. Department of Justice (“the DOJ”).

Investigators from my staff have confirmed that the DOJ notified White River and SEC registered investment adviser Nepsis, Inc., (“Nepsis”) that they are the subject of an ongoing criminal tax investigation into the sale of so-called “tribal tax credits,” and that the DOJ has issued subpoenas in connection with this investigation. These discoveries follow a written statement from the Internal Revenue Service (“IRS”) to Congress confirming that these credits sold by White River “do not exist” and that promoters of the scheme “could face civil and criminal penalties.”<sup>1</sup>

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<sup>1</sup> A copy of this email from the IRS to the Senate Finance Committee is attached to this letter as Appendix A.

As you are aware, I first raised these issues with the SEC nearly six months ago.<sup>2</sup> Through the tribal tax credits scam, White River has duped investors out of tens of millions of dollars by fabricating agreements with Native American tribes that do not exist. The existence of a criminal investigation into White River's sale of these fake tax credits is clearly a material fact and must be disclosed in SEC filings. If White River continues to refuse to follow the law and comply with its filing requirements, it is incumbent on the SEC to initiate Section 12(j) proceedings and consider appropriate penalties, including revocation of the registration of White River's securities.

### **White River's failure to file periodic reports necessitates SEC intervention**

Public companies are required by law to periodically file financial disclosure documents with the SEC.<sup>3</sup> These reports include the 10-K annual report, 10-Q quarterly report, 8-K for notable events and the DEF 14A proxy statement for the annual shareholder meetings.<sup>4</sup> These reporting requirements are imposed "for the proper protection of investors and to insure fair dealing" in an issuer's securities.<sup>5</sup> Periodic reports keep investors informed on the company's financial performance and any material events that would affect the total mix of information available investors.

These periodic reports must also be filed in a timely manner. For example, public companies are legally required to file 10-K annual reports 90 days after the end of a company's fiscal year.<sup>6</sup> Companies must file 10-Q quarterly reports between 45 to 90 days at the end of the quarter, depending on the quarter.<sup>7</sup>

Unfortunately, White River appears to have repeatedly failed to file required periodic reports with the SEC which would make the company not in compliance with its obligations under the Exchange Act. Public records indicate that White River has not filed a 10-K annual report since June 29, 2023, when it filed a 10-K for the fiscal year ending March 31, 2023.<sup>8</sup> White River has not yet filed a 10-K annual report for the 2024 fiscal year, even though we are in the first quarters of 2026 (more than a year and a half past the deadline).

White River has also not filed a single 10-Q quarterly report since March 15, 2024, when it filed a 10-Q for the quarterly period ending December 31, 2023. White River has missed eight straight quarterly periodic reports, suggesting that these compliance failures are a pattern of willful disregard for its reporting obligations with the SEC.<sup>9</sup> In fact, White River has not filed a

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<sup>2</sup> Letter from Senator Ron Wyden, Ranking Member, Senate Committee on Finance to Paul Atkins, Chairman, U.S. Securities and Exchange Commission, August 18, 2025.

<sup>3</sup> 15 U.S.C. § 78m – Periodical and other reports, 17 C.F.R. §§ 240.13a-1, .13a-13

<sup>4</sup> *Exchange Act Reporting and Registration*, U.S. Securities and Exchange Commission, online at <https://www.sec.gov/resources-small-businesses/going-public/exchange-act-reporting-registration>

<sup>5</sup> 15 U.S.C. § 78m(a)

<sup>6</sup> 17 CFR § 249.310 - Form 10-K, for annual and transition reports pursuant to sections 13 or 15(d) of the Securities Exchange Act of 1934.

<sup>7</sup> 17 CFR § 240.15d-13 - Quarterly reports on Form 10-Q

<sup>8</sup> Edgar company search results show that most recent 10-K filed by White River Energy Corp was on June 29, 2023 for fiscal year ended March 31, 2023: <https://www.sec.gov/edgar/browse/?CIK=1589361>

single report with the SEC since October of 2024, suggesting an effort to keep investors in the dark on potentially troubling developments.<sup>10</sup>

These reporting delinquencies have been noted by OTC Markets Group (“OTC”), where White River’s stock is traded on the OTC expert market. In the OTC’s overview of White River’s stock, OTC flagged that White River is “delinquent SEC reporting”, indicating that White River is “not current in its reporting obligations under Section 13 or 15(d) of the Exchange Act.”<sup>11</sup>

White River’s repeated failure to file periodic reports is a serious issue. As you know, the failure to comply with periodic filing requirements has routinely been sufficient cause for the SEC to revoke the registration of a company’s securities. Pursuant to Section 12(j) of the Exchange Act, the SEC as it deems “necessary or appropriate for the protection of investors” is authorized to revoke the registration of an issuer’s securities if the issuer has failed to make required filings.<sup>12</sup>

Last April, the SEC used its 12(j) authority to revoke the registration of *Nanomix Corp. Inc.* because the company failed to file required annual and quarterly reports over multiple years.<sup>13</sup> The SEC also revoked the registration of *Petrolia Energy* for its failure to file periodic reports.<sup>14</sup> Other recent examples of SEC revocations for failure to file periodic reports in a similar manner include *ABCO Energy* and *Sangui Biotech International*.<sup>15</sup> The SEC in its orders to revoke these securities noted that these violations are serious because “reporting requirements are ‘the primary tool[s] which Congress has fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities.’”<sup>16</sup> The SEC also noted that an issuer’s failure to file periodic reports violates “a central provision of the

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<sup>9</sup> *Id.* last 10-Q quarterly report filed by White River was on March 15, 2024 for quarterly period ended December 31, 2023.

<sup>10</sup> *Id.* last filing White River made with the SEC was on October 28, 2024.

<sup>11</sup> <https://www.otcm Markets.com/stock/WTRV/overview>

<sup>12</sup> 15 U.S.C. § 78l(j)

<sup>13</sup> In the Matter of Nanomix Corp., Exchange Act Release No. 102784, Admin. Proc. File No. 3-22064 (SEC Apr. 9, 2025) (Order Imposing Remedial Sanctions and revoking the registration of all classes of Nanomix securities pursuant to Section 12(j) of the Exchange Act) online at <https://www.sec.gov/files/litigation/opinions/2025/34-102784.pdf>

<sup>14</sup> In the Matter of Petrolia Energy Corporation, Exchange Act Release No. 103411, Admin. Proc. File No. 3-20724 (SEC July 9, 2025) (Order Making Findings and Revoking Registration of Securities Pursuant to Section 12(j) of the Exchange Act of 1934) online at <https://www.sec.gov/files/litigation/admin/2025/34-103411.pdf>

<sup>15</sup> In the Matter of ABCO Energy, Inc., Exchange Act Release No. 103360, Admin. Proc. File No. 3-2229, (SEC July 1, 2025) (Order Imposing Remedial Sanctions and revoking the registration of all classes of Nanomix securities pursuant to Section 12(j) of the Exchange Act) online at <https://www.sec.gov/files/litigation/opinions/2025/34-103360.pdf>; In the Matter of Sangui Biotech International, Inc., Exchange Act Release No. 103368, Admin. Proc. File No. 3-22313 (SEC July 2, 2025) (Order Imposing Remedial Sanctions and revoking the registration of all classes of Nanomix securities pursuant to Section 12(j) of the Exchange Act) online at <https://www.sec.gov/files/litigation/opinions/2025/34-103368.pdf>

<sup>16</sup> *Am.’s Sports Voice, Inc.*, Exchange Act Release No. 55511, 2007 WL 858747, at \*4 n.17 (Mar. 22, 2007) (alteration in original) (quoting *SEC v. Beisinger Indus. Corp.*, 552 F.2d 15, 18 (1st Cir. 1977)) online at <https://www.sec.gov/files/litigation/opinions/2025/34-102784.pdf>;

Exchange Act . . . , depriv[ing] both existing and prospective holders of its registered stock of the ability to make informed investment decisions based on current and reliable information.”<sup>17</sup>

### **White River earned millions selling “tribal tax credits” the IRS says do not exist**

Over the last several years, White River has been working with SEC registered investment advisers and other promoters to sell investors a fake tax shelter known as “tribal tax credits” (also referred to as “Native American Income Tax Credits”, “Sovereign Nation Tax Credits” or “Tribal Nations Tax Credits”). As part of this scheme, White River claimed that it acquired the rights to billions in alleged income tax credits issued to a Native American tribe and then sold these credits to investors claiming that the credits could be offset against taxable income. White River claimed to investors that the credits were trading for sixty cents on the dollar: *i.e.*, for every \$60,000 in credits purchased the investors could reduce their taxable income by \$100,000.

White River actively promoted these so-called “tribal tax credits” on past SEC filings. In a quarterly report filed in 2023, White River indicated that it had entered into a joint venture agreement with an unnamed third party and “received a total of \$5.5 billion of United States federal income tax credits issued to a Native American tribe.”<sup>18</sup> White River also disclosed on SEC filings that it had earned at least \$24 million in proceeds from the sale of these so-called tax credits and that it had a “JV [joint venture] partner” that had sold White River “\$500 million of United States federal income tax credits issued to a Native American tribe.”<sup>19</sup>

Alarming, according to the IRS, White River’s “tribal tax credits” do not exist. These schemes are a tax scam used to prey on investors. Beginning in January 2025, the Senate Finance Committee began an investigation in response to reports that “tribal tax credits” being sold by White River and other promoters were not legally authorized and were potentially a tax scam.<sup>20</sup> These reports contained statements from the Treasury Department to Bloomberg that “no such credits exist.”<sup>21</sup> Additionally, it appears that the Cherokee Nation sent White River a cease-and-

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<sup>17</sup> Accredited Bus. Consolidators, 2015 WL 5172970, at \*2; see also *United States v. Arthur Young & Co.*, 465 U.S. 805, 810 (1984) (observing that “[c]orporate financial statements are one of the primary sources of information available to guide the decisions of the investing public”).

<sup>18</sup> White River Energy Corp (15 Mar. 2024). *Form 10-Q 2024*. Retrieved from SEC EDGAR website <https://www.sec.gov/Archives/edgar/data/1589361/000149315224010085/form10-q.htm> (At pg. 3: “On November 22, 2023, the Company entered into a joint venture agreement (the “JV Agreement” or the “JVA”) with a third party joint venture partner (the “JV Partner”), pursuant to which the Company has received a total of \$5,500,000,000 of United States federal income tax credits issued to a Native American tribe (referred to in this Report as “Credits” or “tax credits”) in exchange for certain consideration including profit participation and 10,000,000 shares of the Company’s restricted common stock, subject to the vesting and performance conditions set forth therein.”)

<sup>19</sup> *Id.* (At F-33: “Between January 1, 2024 and March 13, 2024, we raised an additional \$17,675,000 from the sale of tax credits.” and at F-14 “From October 1, 2023 through December 31, 2023 the Company... (iii) raised approximately \$6,475,000 from proceeds received the sales of tax credits, which are being treated by the Company as advances for accounting purposes obtained in the joint venture as discussed in Note 3.” And at F-17 “On November 22, 2023... the JV partner sold the Company \$500,000,000 of United States federal income tax credits issued to a Native American tribe (‘Credits’) in exchange for certain consideration.” Online at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001589361/000149315224010085/form10-q.htm>

<sup>20</sup> *Rich People buy Tax Credits Treasury Says Don’t Exist*, Bloomberg, Dec. 19, 2024, online at <https://news.bloombergtax.com/daily-tax-report/rich-people-pay-millions-for-tribal-credits-treasury-debunks>

<sup>21</sup> *Id.*

desist letter stating that “the Cherokee Nation did not authorize and is not associated with these tax credits and takes the misuse of its name seriously” and was “actively working in partnership with state and federal agencies to prevent further harm to the victims of this scheme.”<sup>22</sup>

As part of my investigation, my staff sent an inquiry to the IRS seeking to better understand the legal mechanisms under which White River and other promoters were able to buy and sell these tribal tax credits. This inquiry specifically referenced White River and whether the authority to buy and sell these tax credits was found in the Internal Revenue Code or other federal law. The IRS provided the following response confirming that White River was promoting a fraudulent tax shelter that did not exist:

*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. The IRS reminds all taxpayers to be aware of tax scams and encourages taxpayers consult with a reputable tax advisor.*<sup>23</sup>

Following this statement, the IRS also updated its guidance for auditors to make clear that the “tribal tax credits” were an illegitimate scheme.<sup>24</sup> In a procedural update to the Internal Revenue Manual, the IRS noted that “there is currently a potential scheme that was identified with tribal tax credits being claimed” and that “these credits are not allowed.”<sup>25</sup>

These declarations by the IRS make abundantly clear that the “tribal tax credits” scheme is illegitimate. They also confirm that White River and other promoters used the identity of Native American tribes without their consent and filed false statements with federal government regulators. If these “tribal tax credits” do not in fact exist, claims made by White River on SEC filings that it had access to billions in federal income tax credits issued to Native American tribes could be considered willfully false statements. To knowingly make false or misleading statements about a security, including in SEC filings, is also a form of securities fraud.

### **White River must disclose DOJ criminal investigation into “tribal tax credits” to investors**

In a material development, my staff from the Senate Finance Committee have discovered the existence of an undisclosed criminal tax investigation by the DOJ and IRS Criminal Investigation (“IRS CI”) into the sale of “tribal tax credits” by White River and its partners, including several SEC registered investment advisers. Committee investigators have confirmed the existence of this DOJ and IRS investigation with information from confidential sources who have firsthand knowledge of the investigation, including attorneys for subjects of the investigation, government officials, and individuals who have been contacted by prosecutors and IRS-CI in connection with the investigation.

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<sup>22</sup> *Id.*

<sup>23</sup> Email from IRS Office of Legislative Affairs to Patricio Gonzalez, Senior Investigator, Senate Committee on Finance, March 21, 2025: “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.” A copy of this email is attached to this letter as Appendix A.

<sup>24</sup> <https://www.irs.gov/pub/foia/ig/spder/ts-03-0825-3547.pdf>

<sup>25</sup> *Id.*

It appears that the federal criminal investigation began in 2024, and that agents from IRS-CI were conducting interviews in relation to the case in the fall of that year. The Committee learned from a confidential source that he had been contacted by an IRS-CI Special Agent based out of Fayetteville, Arkansas, where White River is headquartered, seeking information on “tribal tax credits” being promoted by White River. A separate confidential source also indicated that the Treasury Department sought to publish a public statement to raise awareness that White River’s “tribal tax credits” scheme was illegitimate, but were told to stand down because of the existence of the criminal tax investigation.

More importantly, the Committee recently discovered that the criminal investigation into “tribal tax credits” has been elevated to a criminal tax investigation at the U.S. DOJ, and that the investigation is ongoing. Several sources familiar with the investigation have indicated that White River is a subject, and potentially a target, of the DOJ’s criminal tax investigation.

Committee investigators have also confirmed that in the last 8 months the DOJ issued subpoenas in connection with the investigation and that numerous individuals and entities involved in the “tribal tax credits” scheme have hired attorneys from major law firms to respond to the DOJ’s subpoenas.

As you know, the Exchange Act requires publicly traded companies to disclose ‘material’ facts to the SEC in periodic and current reports and makes those companies liable for any misrepresentations made to investors, including the omission of material facts in SEC filings.<sup>26</sup> Under SEC regulations, companies must specifically disclose any “material pending legal proceedings . . . to which the registrant or any of its subsidiaries is a party or of which any of their property is the subject.”<sup>27</sup> This obligation includes cases in which “a government authority is a party to such proceeding and such proceeding involves potential monetary sanctions.”<sup>28</sup> In terms of assessing materiality, the Supreme Court has held that a fact is material if there is a substantial likelihood that the . . . fact would have been viewed by the reasonable investor as having significantly altered the “total mix” of information made available to investors.<sup>29</sup>

It seems abundantly clear that a federal criminal investigation into the sale “tribal tax credits” is a ‘material’ fact that White River must disclose. In White River’s case, the DOJ investigation directly concerns whether White River defrauded its investors by falsely claiming on SEC filings that it had acquired the rights to income tax credits from tribes, particularly in an instance in which the IRS has told Congress that these credits “do not exist.” Investors may have relied on these SEC disclosures by White River to wire tens of millions of dollars to White River to purchase these credits, only to have nothing to show for it when they were rejected by the IRS.

Even in instances involving Fortune 500 companies with substantial financial resources and legal departments, criminal investigations by the DOJ are typically deemed a “material” fact. Healthcare giant UnitedHealth Group (UNH) recently filed a form 8-K with the SEC to notify

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<sup>26</sup> 15 U.S.C. § 77k

<sup>27</sup> 17 CFR § 229.103 - (Item 103) Legal proceedings.

<sup>28</sup> *Id.*

<sup>29</sup> *TSC Industries v. Northway, Inc.*, 426 U.S. 438, 449 (1976). See also *Basic, Inc. v. Levinson*, 485 U.S. 224 (1988).



investors that its Medicare practices were the subject of a criminal investigation by the DOJ and that the company was cooperating with the DOJ's requests.<sup>30</sup>

A federal criminal tax investigation into White River is not routine litigation incidental to the business. As you are aware, a federal investigation into the promotion of an illegal tax shelter and theft of client funds can lead to serious consequences, including lengthy prison sentences and heavy fines. For example, a Florida financial advisor was recently sentenced to eight years in federal prison for promoting an illegal tax shelter involving a scheme to help clients claim false tax deductions.<sup>31</sup> The notion that a federal criminal investigation into a company of White River's size is not material is not defensible. Any reasonable investor would want to know about this criminal investigation prior to buying or selling White River's stock or acquiring any tax credits from the company.

### **Large-scale theft of investor funds requires urgent SEC intervention**

An investigation by the Senate Finance Committee has obtained information indicating that the "tribal tax credits" scheme is much larger than previously known. While White River has disclosed on SEC filings that it made at least \$24 million selling "tribal tax credits," the Finance Committee obtained an audio recording suggesting that White River may have defrauded investors out of far more money.

Committee investigators obtained an audio recording of a call (hereafter "the investor call") hosted by White River chief financial officer, Jay Puchir, for representatives of investors who had purchased these so-called "tribal tax credits."<sup>32</sup> This call was intended to calm the nerves of investors in response to a Bloomberg news article aptly titled "Rich people buy Tribal Tax Credits Treasury says don't exist," which had been published earlier that day on December 19, 2024.

This audio recording of the investor call reveals that just one financial advisor alone had sold \$30 million worth of these credits to his clients and that "every single one of them is getting rejected" by the IRS.<sup>33</sup> Another financial advisor also stated on the investor call that his clients had purchased \$10-20 million of these credits but the IRS refused to validate the credits.<sup>34</sup> Additionally, a third financial advisor claimed his clients had purchased approximately \$5 million in credits but was deeply confused about whether they were actually valid.<sup>35</sup>

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<sup>30</sup> UnitedHealth Group Incorporated (23 Jul. 2025) *Form 8-K 2025*, retrieved from SEC Edgar database <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000731766/000073176625000224/unh-20250723.htm>

<sup>31</sup> *Florida Financial Advisor Sentenced for Promoting Illegal Tax Shelter and Stealing Client Funds*, U.S. Department of Justice, May 14, 2025, online at <https://www.justice.gov/opa/pr/florida-financial-advisor-sentenced-promoting-illegal-tax-shelter-and-stealing-client-funds>

<sup>32</sup> *Transcript of White River Energy Corp Investor Call*, Dec. 19, 2024, online at [https://www.finance.senate.gov/imo/media/doc/full\\_call\\_transcript.pdf](https://www.finance.senate.gov/imo/media/doc/full_call_transcript.pdf)

<sup>33</sup> *Id.* at pg. 11 "We've probably sold, I don't know how many, \$30 million on credits, and every single one of them is getting rejected."

<sup>34</sup> *Id.* at pg. 16 "We have probably funded like \$10 to \$20 million with clients. What do we tell them? Okay. What do we tell them? Like, when are they going to get their refunds and how long could this potentially drag out?"

<sup>35</sup> *Id.* at pg. 21, "So we've done, I think approximately \$5 million of these credits."

This evidence is deeply concerning and is indicative of a major scheme to defraud. If just the clients of a handful of financial advisors purchased between \$45-55 million in “tribal tax credits” from White River, the true amount is likely far larger. Dozens of financial advisors and accountants were on the investor call, all of whom seemed deeply concerned by White River’s inability or refusal to provide concrete proof that the credits were real. The true amount of “tribal tax credits” sold by White River could be well over \$100 million.

In addition to the federal criminal investigation, these facts have already resulted in lawsuits in state courts as well as whistleblower submissions to the Senate Finance Committee with evidence of fraud. For example, Justin and Robin Daniels of Jupiter, Florida, filed a lawsuit in Palm Beach County Circuit Court against White River.<sup>36</sup> The Daniels paid \$1.62 million to buy “tribal tax credits” they were assured were legitimate but the IRS rejected their 2023 tax return. The IRS also assessed a penalty of \$149,009.86 in response to the efforts to claim the fake “tribal tax credits.” White River failed to respond to any of the court proceedings and was found to be in default by a judge in the Daniels case.<sup>37</sup>

In Texas, Joshua D. Johnson filed a lawsuit in federal court claiming that he had purchased \$750,000 worth of fraudulent tribal tax credits from White River and Nepsis.<sup>38</sup> In the lawsuit, Johnson pointed out how White River and Nepsis refused to provide any proof of statutory authorization or a private letter ruling (PLR) from the IRS confirming the validity of the credits. White River and Nepsis have refused to refund Johnson the \$750,000 he wired for the fake tax credits.

Similarly, the Committee received information from a medical doctor in Florida showing how he had wired money in January of this year for the purchase of “tribal tax credits” to Nepsis, Inc., an SEC-registered investment adviser that worked closely with White River to sell the credits. Between February and March, this individual repeatedly followed up with Nepsis regarding instructions on how to properly file the credits on his tax returns. Instead of including the credits on the client’s tax returns, Nepsis emailed the client in April saying that it “recently determined . . . that it can no longer participate in any activity relating, directly or indirectly, to the reporting of such Credits on federal income tax returns” and that it would “prepare your 2024 federal income tax return or extension, as appropriate, without claiming or taking into

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<sup>36</sup> *Buyer of Dubious Tribal Credits Sues, Citing \$1.7 Million Loss*, Bloomberg, Jun. 10, 2025, online at <https://news.bloombergtax.com/daily-tax-report/buyer-of-dubious-tribal-credits-sues-citing-1-7-million-loss>

<sup>37</sup> *Florida Couple Wins Default in Suspect Tribal Tax Credit Lawsuit*, Bloomberg, Jul. 28, 2025, online at <https://news.bloombergtax.com/daily-tax-report-state/florida-couple-wins-default-in-suspect-tribal-tax-credit-lawsuit>

<sup>38</sup> <https://www.taxnotes.com/research/federal/court-documents/court-petitions-and-briefs/individual-sues-tribal-tax-credit-promoter/7t2n0>



consideration the Credits”<sup>39</sup> The client was never returned his money, even though Nepsis didn’t even bother to file the credits.

This “tribal tax credits” scheme appears to be investor fraud to the tune of tens of millions, and possibly hundreds of millions of dollars. The SEC must urgently step in to protect investors and force White River and other promoters involved in the scheme to offer more clarity on the situation.

### **Conclusion**

All publicly traded companies must comply with the Exchange Act by filing required periodic reports with the SEC. Despite these clearly defined legal obligations, White River has failed to file annual and quarterly reports over multiple years. The facts outlined in this letter show that White River’s brazen disregard for the Exchange Act may be willful and designed to keep investors in the dark about material issues, including an ongoing federal criminal investigation into White River’s sale of tax credits.

In order to protect investors, the SEC should immediately consider issuing an order instituting proceedings to ensure that White River complies with the Exchange Act. If White River continues to refuse to file required periodic reports or disclose the existence of a criminal investigation, the SEC should also consider initiating Section 12(j) proceedings and revoke the registration of White River’s securities.

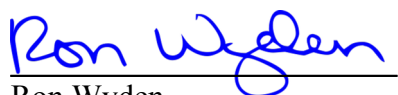
Our public markets must not be used by White River and other promoters to hawk a fraudulent tax shelter that the IRS says doesn’t even exist. Unfortunately, far too many investors have already been conned out of millions of dollars by White River through the “tribal tax credits” scam and without regulators stepping in this conduct will not stop. It is time the SEC send the message to White River that no one is above the law and that the Exchange Act will be enforced.

Thank you for your attention to this important matter. If you have any questions or wish to discuss this request, please do not hesitate to contact me or Patricio Gonzalez from my staff.

Sincerely,

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<sup>39</sup> April 10, 2025 email from [REDACTED], Nepsis, Inc. to [REDACTED]: “Nepsis has recently been working with White River Energy Corporation (White River) and others in connection with the reporting of Native American Tax Credits (Credits) for federal income tax purposes. Nepsis has recently determined, however, that it can no longer participate in any activity relating, directly or indirectly, to the reporting of such Credits on federal income tax returns. Accordingly, we will prepare your 2024 federal income tax return or extension, as appropriate, without claiming or taking into consideration the Credits. It is important to note that 2024 federal income tax payments are due on April 15, 2025, even for taxpayers who have requested extensions to file their return, and that significant penalties may apply if the tax due is not paid by that date. We will continue to work cooperatively with you, the Internal Revenue Service, and others to resolve all issues surrounding the Credits.”



Ron Wyden

United States Senator

Ranking Member, Committee  
on Finance

# **APPENDIX A**

[REDACTED] (Finance)

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**From:** [REDACTED] <[REDACTED]@irs.gov>  
**Sent:** Friday, March 21, 2025 9:17 AM  
**To:** Gonzalez, Patricio (Finance)  
**Subject:** RE: [EXT] FW: Request for briefing on promoters selling tax credits allegedly issued to tribes

Hi Patricio

This is what our team has to say about this topic.

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. The IRS reminds all taxpayers to be aware of tax scams and encourages taxpayers consult with a reputable tax advisor.

[REDACTED]

**From:** Gonzalez, Patricio (Finance) <[REDACTED]>  
**Sent:** Monday, March 17, 2025 5:11 PM  
**To:** [REDACTED] <[REDACTED]@irs.gov>  
**Cc:** [REDACTED] <[REDACTED]@irs.gov>  
**Subject:** [EXT] FW: Request for briefing on promoters selling tax credits allegedly issued to tribes

Hi [REDACTED] – Reupping this request. Would like for a briefing or additional information clarifying this topic by sometime next week.

Thank you!

-Patricio

**From:** Gonzalez, Patricio (Finance)  
**Sent:** Tuesday, January 28, 2025 5:54 PM  
**To:** [REDACTED] <[REDACTED]@irs.gov>  
**Subject:** Request for briefing on promoters selling tax credits allegedly issued to tribes

Hi [REDACTED],

I hope this message finds you well. I'm reaching out to request some technical assistance or guidance from the IRS to better understand the legal mechanisms related to some of the issues identified in the attached Bloomberg story (link also here: <https://news.bloombergtax.com/daily-tax-report/rich-people-pay-millions-for-tribal-credits-treasury-debunks>).

According to the story, several promoters are selling taxpayers tax credits allegedly granted to federally recognized tribes in order to reduce their tax liability. These have been referred to as "sovereign tribal tax credits" or "native American tribal trust tax credits." We've been looking into this, and it is unclear what legal mechanism in the Internal Revenue Code or other federal law, including the Indian self-determination and education assistance act of 1975, allow promoters to buy or sell these tax credits. It appears that the Treasury department has denied these credits even exist.

For example, one promoter of these tax credits claimed in an [SEC filing](#) that it has received “an additional \$5,000,000,000 of United States federal income tax credits issued to a Native American tribe”, without identifying the tribe or providing any additional detail. In other [documents](#), there has been reference to over \$64 billion in refundable, one-time transferable income tax credits that Native Americans have gotten access to from Indian Trust Assets managed by the Department of Interior.

Can we set up a briefing with relevant IRS personnel for an overview of what these tax credits are and any federal laws that allow promoters to buy/sell these credits or convert them to cash? We’d like to do this as soon as possible, ideally next week. Thanks for your help and don’t hesitate to reach out with any questions.

-Patricio

## **IRM PROCEDURAL UPDATE**

**DATE: 08/07/2025**

**NUMBER: ts-03-0825-3547**

**SUBJECT: Tribal Tax Credit Scheme**

**AFFECTED IRM(s)/SUBSECTION(s): 3.11.15**

**CHANGE(s):**

**IRM 3.11.15.5.7(5) - Corrected Schedule K to Schedule K-1; Corrected Line 13 to Box 15.**

**(5) Detach Schedules K-1 for current year (TY2024), two preceding years (TY2023 and TY2022) and future Schedules K-1. Process according to IRM 3.0.101, General - Schedule K-1 Processing.**

**Note:** If Box 15, Schedule K-1 (Form 1065) has the Code "ZZ" with an amount, see IRM 3.11.15.5.9, Tribal Tax Credits Scheme, and take any actions that apply.

### **IRM 3.11.15.5.9 - Updated Title and clarified procedures for the Tribal Tax Credit Scheme.**

(1) There is currently a potential scheme that was identified with Tribal Tax Credits being claimed. These credits are not allowed, regardless of the amount claimed or the type of documentation provided (including OARs). The following list of non-valid credits are being claimed as "Other Credits" with Code "ZZ" and should be disallowed:

- Tribal Tax Credit
- Sovereign Tribal Federal Tax Credit or
- Native American Tribal Credit
- Section 6418

(2) If all of the following conditions are present and a statement is **NOT** attached identifying the credit, edit Action Code 211 and correspond for a statement identifying the type of credit and the associated amount for the credit:

- Box 15 on the Schedule K-1 has an amount,
- Code "ZZ" is notated.



**Note:** Do not detach and send the Schedule K-1 to SCRIPS for processing. ERS/Rejects will forward the Schedule K-1(s) (Form 1065) to SCRIPS for processing once a reply or no reply to correspondence action has been taken.

- a. When corresponding for the statement identifying the type of credit and the amount for the credit, use the following literal:

"Please provide an itemized statement with the name of the credit that was claimed on Form 1065, Schedule K-1, Box 15 with Code "ZZ" (Other Credits) and the amount of credit pertaining to the credit."

(3) If Schedule K-1, Box 15 has an amount with the Code "ZZ", and a statement **IS** provided identifying the credit as one of the non-valid credits listed in paragraph (1), take the following action:

- Edit an asterisks (\*) just left of Box 15 on the Schedule K-1(s) if an amount is present with Code "ZZ".
- Detach the Schedule K-1(s) and send to SCRIPS for processing.

#### **IRM 3.11.15.24.6(4) - Input reference to Tribal Tax Credit Scheme.**

(4) There is currently a potential tax scheme that was identified with Tribal Credits being claimed. These credits are not allowed, regardless of the amount claimed or the type of documentation provided (including OARs). The following list of non-valid credits are being claimed as "Other Credits" with Code "ZZ" and should be disallowed:

- Tribal Tax Credit
- Sovereign Tribal Federal Tax Credit or
- Native American Tribal Credit
- Section 6418

See IRM 3.11.15.5.9 Tribal Tax Credit Scheme for more information.

#### **IRM 3.11.15.38(2) - Added Tribal Tax Credit Scheme instructions and Elective Payment Election Amount from Form 3800 - Added new procedural section to reference the Tribal Tax Credit Scheme.**

(2) See IRM 3.11.15.5.9, Tribal Tax Credits Scheme, and take any actions that apply when any of the following conditions are present:

- Box 15 on the Schedule K-1 has an amount and the Code "ZZ" is notated.

- Box 15 on the Schedule K-1 with the Code ZZ and a statement is provided identifying the credit as a Tribal Tax Credit, Native American Tax Credit, Sovereign Tribal Tax Credit or Section 6418.