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ONE HUNDRED THIRTEENTH CONGRESS

## U.S. House of Representatives

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**September 11, 2013**

### **STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING ALLEGATIONS RELATED TO REPRESENTATIVE JOHN TIERNEY**

Pursuant to Committee Rule 7(g), the Committee on Ethics (Committee) determined on September 11, 2013, to release the following statement:

On June 13, 2013, the Office of Congressional Ethics (OCE) sent a referral to the Committee in which it recommended further review of the allegations that certain payments Representative John Tierney's wife received from her brother and their mother were income that should have been reported as such to the Internal Revenue Service (IRS) and disclosed on Representative Tierney's annual Financial Disclosure Statements. Representative Tierney and his wife treated the payments as gifts among family members and therefore did not report the payments to the IRS or disclose them on Representative Tierney's Financial Disclosure Statements. The legal determination of whether a transfer is treated as income or a gift is a highly fact-specific inquiry. In particular, courts put heavy emphasis on the donor's intent. This inquiry is further complicated in matters involving transfers between family members.

The Committee reviewed the allegations, conducted additional investigation as necessary, and unanimously concluded that the presently-available evidence was inconclusive as to whether the payments to Mrs. Tierney were income or gifts and does not warrant a finding that Representative Tierney intentionally mischaracterized the nature of the payments for financial disclosure or tax purposes. Therefore, after careful consideration, the Committee has unanimously voted to close the matter referred by the OCE, determined that no further action is required at this time, and agreed to end its review of this matter with the publication of this Report, which includes the materials referred to the Committee by the OCE.

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