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United States Senate

COMMITTEE ON THE JUDICIARY  
WASHINGTON, DC 20510-6275

July 24, 2013

Mary Jo White  
Chairman  
U.S. Securities and Exchange Commission  
Washington, DC 20549

Dear Chairman White:

I have received information from the Department of Homeland Security's (DHS) Inspector General (OIG) that a Securities and Exchange Commission (SEC) audit/investigation may have been obstructed by U.S. Citizenship and Immigration Services (USCIS). The DHS OIG informed me that this investigation was ongoing and related to the SEC's work on the EB-5 program.

Further, through a whistleblower, I have been provided with a copy of a draft multi-agency memo raising serious questions about USCIS's EB-5 Regional Center program. The memo states that the "National Security Staff" requested that the Departments of Homeland Security, Justice, Treasury, and State, as well as the Securities and Exchange Commission, draft a forensic assessment of the EB-5 program. The report ultimately focused on the "vulnerabilities relating to the financial flows and securities offerings that routinely accompany the investment component" of the program. The memo highlights numerous security concerns within the EB-5 Regional Center program from money laundering and tax evasion to investor and document fraud.

The Director of USCIS, Alejandro Mayorkas, has recently been nominated to be the Deputy Secretary of the Department of Homeland Security. The DHS OIG's investigation as well as the forensic assessment of the EB-5 program raises serious questions about Mr. Mayorkas's actions.

To help Congress understand the full scope of the SEC's work and the DHS OIG investigation of Mr. Mayorkas, please answer the following questions:

1. Was the SEC asked to conduct a forensic assessment of the EB-5 program? If so:
  - a. When and how was that request made? Please provide all documents related to the request, including records relating to communications with Mr. Mayorkas.

- b. When did the forensic assessment begin?
  - c. What was the duration of the forensic assessment?
  - d. Was the forensic assessment completed? If so, please provide a copy of the assessment. If not, please explain why it was not completed.
2. Were you aware of the DHS OIG's investigation into possible obstruction of your work on the EB-5 program? If so:
    - a. When did you become aware?
    - b. How were you made aware?
    - c. Is the forensic audit the work the DHS OIG is referring to, or is the SEC conducting other work on the EB-5 program? If the SEC is conducting other work, please describe it.
  3. How does the SEC verify that regional center promoters and foreign investors in the EB-5 program are compliant with laws against securities fraud?
  4. Has the SEC received full cooperation from USCIS when assessing whether regional centers or foreign investors have committed or are committing securities fraud?

Thank you for your cooperation and attention in this matter. We would appreciate a response by August 7, 2013. If you have any questions, please do not hesitate to contact Chris Lucas or Tristan Leavitt at (202) 224-5225.

Sincerely,



Charles E. Grassley  
Ranking Member  
Committee on the Judiciary