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United States Senate

COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

July 24, 2013

VIA ELECTRONIC TRANSMISSION

The Honorable Thomas R. Carper
Chairman
Senate Committee on Homeland
Security and Governmental Affairs
340 Dirksen Senate Office Building
Washington, D.C. 20515

The Honorable Dianne Feinstein
Chairman
Senate Select Committee on Intelligence
211 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Tom Coburn
Ranking Member
Senate Committee on Homeland
Security and Governmental Affairs
442 Hart Senate Office Building
Washington, D.C. 20515

The Honorable Saxby Chambliss
Ranking Member
Senate Select Committee on Intelligence
416 Russell Senate Office Building
Washington, D.C. 20510

Dear Colleagues:

I write to bring to your attention issues involving Alejandro Mayorkas, current Director of U.S. Citizenship and Immigration Services and nominee to be the Deputy Secretary of the Department of Homeland Security. Information being provided by whistleblowers underscores the need to postpone his nomination hearing before the Committee on Homeland Security and Governmental Affairs, until the facts are more fully developed.

On Monday, the Department's Office of Inspector General notified me that Director Mayorkas is under investigation. Attached, please find the email provided by the OIG noting that the Office has been investigating Director Mayorkas and other senior officials since September 2012 after receiving information from an FBI counterintelligence analyst. The Office states: "Initial allegations were that (1) USCIS managers and counsel directed employees to obstruct an OIG audit and (2) a (unnamed) USCIS Director personally facilitated and assisted an applicant/petitioner with an EB-5 visa approval after the petitioner was initially found to be ineligible for the program."

As Ranking Member of the Judiciary Committee, it is my duty to conduct oversight over immigration and visa policies. Therefore, I have requested more information from Director Mayorkas about his involvement in the EB-5 Regional Center program, including the SLS Regional Center application in Las Vegas and the case pertaining to GreenTech and Gulf Coast Funds Management. I have also sent a letter to Secretary

Napolitano about that particular case. Finally, given the serious national security issues involved, I have sent a letter to FBI Director Mueller. Attached, please find copies of these letters.

I hope you'll take the opportunity to review these letters and assist me in my efforts to get to the bottom of the allegations made against Director Mayorkas. Given that there is a pending OIG investigation against him, I hope you'll consider postponing his nomination hearing until answers are received.

Finally, serious concerns have also been raised regarding national security lapses within the EB-5 Regional Center program. Attached is a draft memo assessing the vulnerabilities of the program, including a forensic assessment of financial flows relating to EB-5 Regional Centers and examples of cases involving espionage and serious criminal activity. I hope you'll work with me to ensure that Congress gets to the bottom of these national security risks and sees the end result of this draft memo before moving forward with Director Mayorkas' nomination.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Judiciary

ATTACHMENTS

From: [REDACTED]@oig.dhs.gov]
Sent: Monday, July 22, 2013 6:11 PM
To: Leavitt, Tristan (Judiciary-Rep)
Subject: Information regarding DHS OIG investigation related to Dir. Mayorkas

Tristan,

Following up on your inquiry from Friday, I am providing information below regarding our investigation involving Director Mayorkas. Please let me know if you have any additional follow-up.

The DHS OIG is investigating Director Mayorkas. Director Mayorkas was not specifically named in the initial complaint; however, the DHS OIG is now investigating allegations concerning the actions/conduct of Director Mayorkas and other USCIS management officials.

This investigation has been open since September 2012. DHS OIG's investigation was initiated based on an investigative referral submitted by a FBI Analyst, Counterintelligence Unit, Washington, DC. The complaint was forwarded to a DHS-OIG employee who subsequently referred it to the DHS OIG Hotline.

Initial allegations were that (1) USCIS managers and counsel directed employees to obstruct an OIG audit and (2) a (unnamed) USCIS Director personally facilitated and assisted an applicant/petitioner with an EB-5 visa approval after the petitioner was initially found to be ineligible for the program.

Preliminary investigative findings determined that the alleged obstruction was by the USCIS Office of General Counsel and related to an audit/investigation of the EB-5 program being conducted by the U.S. Securities and Exchange Commission (SEC), rather than a DHS OIG audit; and clarified that Director Mayorkas allegedly assisted with the approval of an application submitted on behalf of Gulf Coast Funds Management (GCFM), a Regional Center applicant under the Immigrant Investor Pilot Program, after GCFM's application was denied by the USCIS California Service Center and the denial was upheld by the USCIS Administrative Appeals Office (AAO).

During the course of the DHS-OIG investigation, subsequent allegations have been identified involving alleged conflicts of interest, misuse of position, mismanagement of the EB-5 program, and an appearance of impropriety by Mayorkas and other USCIS management officials.

At this point in our investigation, we do not have any findings of criminal misconduct.

We are unaware of whether Mayorkas is aware that we have an investigation.

In response to a June 2013 inquiry from the FBI Washington Field Office, Investigative Operations (reportedly conducting a background investigation on behalf of the White House), the DHS OIG advised of the investigation involving alleged misconduct by Mayorkas.

The DHS OIG also has an ongoing audit regarding the EB-5 program. The audit was started in August of last year and is in its final stages of field work.

[REDACTED]
Congressional Liaison
Department of Homeland Security
Office of Inspector General
(202) [REDACTED] - direct
<http://www.oig.dhs.gov/>
 [@DHSOIG](https://twitter.com/DHSOIG)

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United States Senate

COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

July 18, 2013

VIA ELECTRONIC TRANSMISSION

The Honorable Alejandro Mayorkas
Director
U.S. Citizenship and Immigration Services
111 Massachusetts Ave NW
Washington, DC 20529

Dear Director Mayorkas:

The EB-5 Immigrant Investor Program is an employment-based immigration program designed to stimulate the U.S. economy and job creation through foreign capital investments.¹ The program allows U.S. Citizenship and Immigration Services (USCIS)-approved “Regional Centers” to coordinate investments within a geographic area in an effort to promote economic growth and create jobs.² Through a capital investment of at least \$500,000 in a Regional Center, foreign entrepreneurs can obtain an EB-5 visa and ultimately apply for permanent residency in the U.S.³ Each investment made through the program must result in the verifiable creation or preservation of at least ten jobs.⁴

Gulf Coast Funds Management, LLC (Gulf Coast), a USCIS-approved Regional Center serving Louisiana and Mississippi, originally targeted shipbuilding, food processing, and manufacturing projects for EB-5 investment funding.⁵ Today, Gulf Coast funnels investments to GreenTech Automotive (GreenTech), a producer of environmentally-friendly, energy-efficient vehicles.⁶ GreenTech is a McLean, Virginia-

¹ U.S. Citizenship and Immigration Services (USCIS), <http://www.uscis.gov/portal/site/uscis>, (Jun. 24, 2013).

² *Id.* A Regional Center is defined as “any economic entity, public or private, which is involved with the promotion of economic growth, improved regional productivity, job creation and increased domestic capital investment.”

³ *Id.*

⁴ *Id.*

⁵ Gulf Coast Funds Management Regional Center Approval and Designation Memorandum, Aug. 18, 2008, <http://gulfcoastfunds.com/pdf/GCFM-RC%20Approval%202008-08-18%5b9%5d.pdf>.

⁶ USCIS, (Jun. 24, 2013).

based company with manufacturing operations in Mississippi.⁷ In 2010, GreenTech acquired EuAuto Technology, a Hong Kong-based automaker that produces the neighborhood electric vehicle known as MyCar.⁸ GreenTech plans called for MyCar production in their Mississippi based plants. However, the Wall Street Journal suggests there is little to no evidence that GreenTech is actually meeting production promises or has done much to spur economic growth or job creation.⁹

Furthermore, records indicate that Gulf Coast and GreenTech share office space in McLean. A second Regional Center, the Virginia Center for Foreign Investment and Job Creation (Virginia Center), shares the same corporate suite. However, the relationship between these organizations is unclear.

As you know from my previous communications with you, I am concerned about the integrity of the EB-5 Regional Center program. To ensure that Gulf Coast is meeting its statutory requirements, and to better understand the role of USCIS in overseeing the EB-5 program, please provide answers to the following questions:

1. What is the relationship between Gulf Coast, the Virginia Center and GreenTech?
2. Please provide copies of the Gulf Coast and Virginia Center business plans provided to USCIS upon application for regional center status.
3. Please provide copies of all records, data, and information obtained from Gulf Coast and the Virginia Center related to mandatory record keeping for each Federal Fiscal Year, including forms I-924A.
4. How many Forms I-526 affiliated with Gulf Coast and the Virginia Center have been filed with USCIS? Of these, how many petitions resulted in the issuance of an EB-5 visa? Of those denied, what was the reason for denial?
5. What is the total capital investment generated for Gulf Coast and the Virginia Center through the EB-5 program?
6. How many EB-5 program participants investing through Gulf Coast and the Virginia Center applied for legal permanent status in the United States? How

⁷ WM GreenTech Automotive, <http://www.wmgta.com/en/>, (Jun. 24, 2013).

⁸ MyCar, <http://www.introducingmycar.com/#mycar>, (Jun. 24, 2013).

⁹ Kimberley A. Strassel, *Terry McAuliffe's Solyndra*, The Wall Street Journal (Apr. 11, 2013), <http://online.wsj.com/article/SB10001424127887323741004578416821313987276.html>.

- many were approved? What evidence did Gulf Coast and the Virginia Center provide to demonstrate the applicant's investment created at least 10 jobs?
7. How many direct and indirect jobs were created as a result of EB-5 investments affiliated with Gulf Coast and the Virginia Center? How many were created as a result of investments in GreenTech? What evidence was provided to corroborate these statistics?
 8. What is the total investor capital allocated to GreenTech? Of this, what is the breakdown of domestic and EB-5 investments?
 9. Specifically, to what other commercial enterprise activities or projects have Gulf Coast and the Virginia Center invested EB-5 funding?
 10. I understand the Office of the Inspector General is investigating the EB-5 Regional Center program. Did you personally play any role in the approval of Gulf Coast or the Virginia Center for regional center status, or of any visa related to investments in Gulf Coast or the Virginia Center? If so, please explain.
 11. Do you ever have any personal involvement in the approval of any other regional centers or of EB-5 visas? If so, please explain.

Thank you in advance for your cooperation in this matter. Please respond to these questions by July 24, 2013. Should you have any questions regarding this letter, please contact Tristan Leavitt of my staff at (202) 224-5225. I look forward to your prompt response.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Judiciary

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United States Senate

COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

July 23, 2013

VIA ELECTRONIC TRANSMISSION

The Honorable Janet Napolitano
Secretary
Department of Homeland Security
3801 Nebraska Avenue, N.W.
Washington, D.C. 20528

Dear Secretary Napolitano:

This week, the Department of Homeland Security, Office of the Inspector General (DHS OIG) informed my office that it was conducting an investigation into U.S. Citizenship and Immigration Services (USCIS) Director Alejandro Mayorkas, the USCIS EB-5 Regional Center Program (EB-5), and Gulf Coast Funds Management, LLC (Gulf Coast), an EB-5 Regional Center located in McLean, Virginia.

Gulf Coast directs EB-5 immigrant investor funds to GreenTech Automotive, a manufacturer of neighborhood electric vehicles.¹ An internal USCIS e-mail obtained by my office indicates that you may have been personally involved with this matter in the past. The e-mail states:

The last note I would like to highlight, and not that I think it matters because it shouldn't impact how we do our job, but from a political standpoint this R[egional] C[enter] is 'well connected.' The Principal is the brother of former First Lady and Senator and current Secretary of State Hillary Rodham Clinton. The Chairman of Greentech Automotive is Terence (Terry) McAuliffe who has worked for the DNC and both Clinton Presidential Campaigns. **There is a long history with these cases which included an inquiry from Terry McAuliffe to the Secretary of Homeland Security when USCIS denied an**

¹ Gulf Coast Funds Management, <http://gulfcoastfunds.com/portfoliocompanies> (accessed July 23, 2013).

amendment for Gulf Coast Funds Management, LLC a few years back.²

According to the DHS OIG, its investigation revolves around allegations that Director Mayorkas allegedly assisted with the approval of Gulf Coast's Regional Center application after it was denied by both the USCIS California Service Center and the USCIS Administrative Appeals Office.

So that I may better understand your role, and the role of DHS and USCIS, in the oversight and administration of Gulf Coast, please answer the following questions:

1. Please explain in detail the actions taken by you and your office in response to the inquiry submitted by Terry McAuliffe related to any USCIS appeal filed by Gulf Coast.
2. Please provide all correspondence between DHS and USCIS related to Gulf Coast.
3. Did you or anyone at DHS instruct Director Mayorkas to review or reconsider the decision made by the USCIS Administrative Appeals Office to deny the Gulf Coast appeal? If so, provide a detailed explanation of why and what resulted from the review or reconsideration.

I would appreciate a response by August 6, 2013. Should you have any questions regarding this letter, please contact Tristan Leavitt of my staff at (202) 224-5225. Thank you in advance for your cooperation in this matter.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Judiciary

ATTACHMENT

² Attachment [emphasis added].

ATTACHMENT

From: USCIS9

Sent: Monday, November 19, 2012 9:56 AM

To: USCIS4, USCIS5, USCIS7, USCIS11, USCIS15, USCIS16, USCIS18, USCIS19, USCIS20, USCIS21

Subject: RE: Telecon: EB-5 Regional Center / Hybrid Kinetic

All:

You will see that it is general in nature. I was seeking support since learning of the CLASSIFIED reporting that was part of the other HK related CFIUS transaction that we have all been working on. This RC appears to have a specific project with HK, which, in my opinion, might be a significant enough relationship to at least recognize that we have CLASSIFIED reporting on HK and make sure that USCIS does all it can before adjudicating (i.e. vet all that is within our authorities, even if it doesn't impact actual adjudication, it may be worth finding/noting for other partners), and upon adjudication, all we can do to make sure our partners know what we have (i.e. putting a memo to file for DOS to make sure that they do SAO's on any investor.)

Here is some information and background. Putting it all together would require days of work so I am sending this today for your review.

Name of Regional Center: GULF COAST FUNDS MANAGEMENT, LLC
Address of Regional Center: 1650 TYSONS BLVD., 8TH FLOOR, SUITE 810
MCLEAN, VA 22102
Principal of Regional Center: RODHAM, Anthony (DOB MM/DD/YYYY - DOB1 (also uses DOB2 on one filing...))
Web Site of Regional Center: WWW.GULFCOASTFUNDS.COM
Industry Category: AUTOMOBILE MANUFACTURING
Commercial Enterprises: GREENTECH AUTOMOTIVE AKA [HYBRID KINETIC AUTOMOTIVE CORP](#)
GREENTECH AUTOMOTIVE PARTNERSHIP A-3, LP
Investor Spreadsheet Attached

They are in the business of Automobile Manufacturing and Hybrid Cars specifically. There are all sorts of open source articles which discuss a possible relationship between Greentech Automotive (<http://www.wmgta.com/en/>) and Hybrid Kinetic. As a sample, here is one I found at (<http://wheels.blogs.nytimes.com/2011/09/08/greentech-intends-to-build-e-v-s-in-mississippi-for-chinese-drivers/>) which states in part:

The Truth About Cars, an automotive news and commentary Web site, recently recounted GreenTech's history as an offshoot of Hybrid Kinetic Motors...

There might have been a falling out, but I am not sure. Either way, the first enterprise they had investors file under includes Hybrid Kinetic in the name and appears to be a joint project. I don't think there is any issue of foreign ownership, which I shared with DHS FIRM over the phone, and which is why I think they said it isn't something in their area; however, when you read the reporting we did for the ACFI CFIUS transaction, almost all of the concerns are present in HK and their CEO as well as the more general concern regarding abuse by other countries. Greentech Automotive is well connected in China...

The open source reporting also mentions that this project might be on hold for a myriad of reasons, which we will need to flush out at the 829 stage when they have to show actual job creation. We do have a few 829's already filed so we will start looking at those in more detail just from a normal adjudications standpoint.

It should also be noted, that these same folks have another Regional Center which also is getting into the automobile manufacturing business...

Name of Regional Center: VIRGINIA CENTER FOR FOREIGN INVESTMENT AND JOB CREATION, LLC
Address of Regional Center: 1650 TYSONS BLVD., 8TH FLOOR, SUITE 810
MCLEAN, VA 22102
Principal of Regional Center: RODHAM, Anthony (DOB MM/DD/YYYY - DOB1 [REDACTED])
Web Site of Regional Center: WWW.VIRGINIAEB5.COM
Industry Category: AUTOMOBILE MANUFACTURING, PROFESSIONAL SCIENTIFIC AND TECHNICAL SERVICES, MACHINERY MANUFACTURING, THE HEAVY AND CIVIL ENGINEERING CONSTRUCTION INDUSTRY
Commercial Enterprises: None to Date. No investors filings yet.

The last note I would like to highlight, and not that I think it matters because it shouldn't impact how we do our job, but from a political standpoint this RC is "well connected." The Principal is the brother of former First Lady and Senator and current Secretary of State Hillary Rodham Clinton. The Chairman of Greentech Automotive is Terence (Terry) McAuliffe who has worked for the DNC and both Clinton Presidential Campaigns. There is a long history with these cases which included an inquiry from Terry McAuliffe to the Secretary of Homeland Security when USCIS denied an amendment for Gulf Coast Funds Management, LLC a few years back. Needless to say, a lot of folks were involved with that inquiry.

USCIS9

+++++

USCIS9
Threat Assessment Branch
Service Center Operations
U.S. Citizenship and Immigration Services
Department of Homeland Security
Office: (949) [REDACTED]
Cell: (202) [REDACTED]

-----Original Appointment-----

From: USCIS15
Sent: Friday, November 16, 2012 6:15 AM
To: USCIS4, USCIS5, USCIS7, USCIS9, USCIS11, USCIS15, USCIS16, USCIS18, USCIS19, USCIS20, USCIS21
Subject: Telecon: EB-5 Regional Center / Hybrid Kinetic
When: Tuesday, November 20, 2012 12:00 PM-12:30 PM (GMT-08:00) Pacific Time (US & Canada).
Where: USCIS15's Office/Dial in: [REDACTED]

Please forward this invite to anyone else that should be included that I may have missed.

SCOPS – can you please provide background materials on this case for the meeting?

Thank you,
[REDACTED]

PATRICK J. LEAHY, VERMONT, CHAIRMAN

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RITA LARI JOCHUM, *Republican Deputy Staff Director*

United States Senate

COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

July 23, 2013

VIA ELECTRONIC TRANSMISSION

The Honorable Robert S. Mueller, III
Director
Federal Bureau of Investigation
935 Pennsylvania Avenue, N.W.
Washington, DC 20535

Dear Director Mueller:

I write today regarding U.S. Citizenship and Immigration Services' (USCIS) EB-5 Regional Center program.

Last night the Department of Homeland Security Office of Inspector General (DHS OIG) informed my office that in September 2012, it initiated an investigation of the EB-5 Regional Center program and of USCIS Director Alejandro Mayorkas. This investigation, the DHS OIG stated, is based on an investigative referral submitted by an FBI analyst in the Bureau's Counterintelligence Unit in Washington, D.C. The referral conveyed allegations that the Director of USCIS personally facilitated and assisted an applicant/petitioner with an EB-5 visa approval after the petitioner was initially found to be ineligible for the program.

The DHS OIG's preliminary investigative findings clarified an additional element of the referral, which were determined to involve an allegation that the USCIS Office of General Counsel obstructed an investigation of the EB-5 Regional Center program being conducted by the U.S. Securities and Exchange Commission. The DHS OIG also clarified that the allegations of improper involvement by Director Mayorkas involved Gulf Coast Funds Management, LLC, whose EB-5 Regional Center application was denied by both the USCIS California Service Center and the USCIS Administrative Appeals Office. Gulf Coast was started by Anthony Rodham, and shares a physical address in McLean, Virginia with the primary beneficiary of its EB-5 center funds, GreenTech Automotive, which was started by Terry McAuliffe.¹ I have obtained e-mails which indicate that one of the investors in Gulf Coast is a vice president of Huawei

¹ Gulf Coast Funds Management, <http://gulfcoastfunds.com/portfoliocompanies> (accessed June 24, 2013).

Technologies,² whose connections to Chinese intelligence have been documented by the House Intelligence Committee.³

I have also obtained March 2013 e-mails from FBI personnel with an “immediate request from . . . higher ups” of all investment LLCs under the EB-5 Regional Center program.⁴ The e-mail to USCIS states: “Let’s just say that we have a significant issue that my higher ups are really concerned about and this may be addressed way above my pay grade.”⁵ Another e-mail suggests that facilities funded by EB-5 Regional Centers will house “specific interests that we are concerned about.”⁶

It is unclear whether the concerns were connected in any way with the Counterintelligence Unit referral from September 2012 or whether they simply stemmed from USCIS’s failure to inform the FBI that the Bureau’s newly-constructed San Diego Field Office was built with funds from Chinese investors through the EB-5 Regional Center program.⁷

One of the FBI e-mails states: “I am going to use the S[an] D[iego] office as an example of the issues why FinCEN and National Security should be at the forefront of any adjudication.”⁸ Another asks: “[C]an you ask . . . if they can remember any other FBI or government facility that was funded through EB5 money?”⁹

The Molasky Group, the Las Vegas real estate firm that constructed the San Diego building, has also been responsible for building FBI field offices in Cincinnati, Minneapolis, and Portland, as well as buildings in Las Vegas for the Internal Revenue Service, the Social Security Administration, and the Secret Service.¹⁰ In order to attract investors, the Molasky Group apparently participates in seminars hosted in China by groups like Wailan Overseas Consulting Group. Wailan’s website includes a picture of the Molasky Group’s Chief Financial Officer, Brad Sher, speaking in front of

² Attachment 1.

³ “Investigative Report on the U.S. National Security Issues Posed by Chinese Telecommunications Companies Huawei and ZTE,” House Permanent Select Committee on Intelligence, Oct. 8, 2012, available at [http://intelligence.house.gov/sites/intelligence.house.gov/files/Huawei-ZTE%20Investigative%20Report%20\(FINAL\).pdf](http://intelligence.house.gov/sites/intelligence.house.gov/files/Huawei-ZTE%20Investigative%20Report%20(FINAL).pdf).

⁴ Attachment 2.

⁵ *Id.*

⁶ *Id.*

⁷ Wailan Overseas Consulting Group, <http://www.wailanvisa.com/site/html/432.html> (accessed July 19, 2013); see also Kristina Davis, “FBI moves into new Sorrento Valley HQ,” San Diego Union-Times (May 27, 2013), available at <http://www.utsandiego.com/news/2013/May/27/FBI-sorrento-valley-headquarter-building-san-diego>.

⁸ Attachment 2.

⁹ Attachment 2.

¹⁰ The Molasky Group of Companies, “About Molasky,” <http://www.molaskyco.com/company.html> (accessed July 19, 2013).

promotional materials in Chinese which include the English letters “FBI.”¹¹ Mr. Sher is also the manager of an entity known as “EB-5 FBI LLC,” which is used to solicit the EB-5 investment.¹² All told, one website states that the LLC has raised \$40 million from approximately 80 Chinese investors.¹³

In order to help Congress evaluate the integrity of the EB-5 Regional Center program and to assess the national security risks associated with it, please answer the following questions:

1. Is there any connection between the September 2012 Counterintelligence Unit referral to the DHS OIG and the March 2013 e-mails with USCIS?
2. Is the FBI conducting an assessment of all EB-5 Regional Center program participants or simply those relating to the construction of federal buildings?
3. How and when did the FBI learn that the San Diego Field Office and other federal buildings had been constructed with EB-5 funds?
4. What investigations, if any, have been conducted into the Molasky Group, any members of its board, or the Wailan Overseas Consulting Group?
5. If the FBI has determined whether any other federal buildings been constructed with any EB-5 funds, please provide further information.
6. How did the FBI become aware that its San Diego Field Office had been constructed in part through Chinese investments?
7. To your knowledge, have any of the EB-5 investor applicants associated with the Molasky Group been denied visas due to national security concerns?
8. What other national security concerns does the FBI have with the EB-5 Regional Center program?
9. Since the FBI has raised concerns with USCIS about the EB-5 Regional Center program, has the Bureau been involved in the adjudication of petitions or applications? Has the FBI received full cooperation from the USCIS in assessing risks and mitigating national security concerns?

¹¹ Wailan Overseas Consulting Group, <http://www.wailanvisa.com/site/UploadFiles/2012/admin/2012103115551297735.jpg> (accessed July 19, 2013).

¹² EB5 FBI LLC, Bizapedia.com, <http://www.bizapedia.com/nv/EB5-FBI-LLC.html> (accessed July 22, 2013).

¹³ Wailan Overseas Consulting Group, <http://www.wailanvisa.com/site/html/432.html> (accessed July 19, 2013).

I would appreciate a response by August 20, 2013. Should you have any questions regarding this letter, please contact Tristan Leavitt of my staff at (202) 224-5225. Thank you in advance for your cooperation in this matter.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Judiciary

Attachment

From: USCIS5
Sent: Thursday, February 07, 2013 2:14 PM
To: USCIS2, USCIS15, USCIS16
Cc: USCIS4, USCIS9
Subject: RE: Gulf Coast investor affiliated with Huawei

Thank you for including me, USCIS11, but please remove me from the discussions of how to proceed in the processing of the particular case. Would like to be looped in if it is determined there is a significant NS concern warranting front office attention or if broader policy issues are implicated. Thanks.

USCIS5
Senior Counselor to the Director
U.S. Citizenship and Immigration Services
20 Massachusetts Ave., N.W.
Washington, D.C. 20529
(202) [REDACTED]
[REDACTED]@uscis.dhs.gov

From: USCIS11
Sent: Thursday, February 07, 2013 2:08 PM
To: USCIS2, USCIS5, USCIS15, USCIS16
Cc: USCIS4, USCIS9
Subject: RE: Gulf Coast investor affiliated with Huawei
Importance: High

USCIS2,

The below email from USCIS9 states that a VP of Huawei Technologies has filed an EB5 filing under Gulf Coast Regional Center. This is the same company that in September that was forced to testify on the Hill concerning espionage, an excerpt from news concerning the hearing is:

“Huawei Technologies Co. and ZTE Corp. (763), China’s two largest phone-equipment makers, provide opportunities for Chinese intelligence services to tamper with U.S. telecommunications networks for spying, according to a congressional report released today.

The House intelligence committee report said the companies failed to cooperate with a yearlong investigation and to adequately explain their U.S. business interests and relationship with the Chinese government.

“Huawei and ZTE seek to expand in the United States, but as a result of our investigation, we do not have the confidence that these two companies with their ties to the Chinese government can be trusted with infrastructure of such critical importance,” the committee’s chairman, Michigan Republican Mike Rogers, said.

[REDACTED]

The U.S. government should block acquisitions or mergers by Huawei and ZTE, the report said. Government agencies and contractors shouldn't use equipment from the companies, and U.S. intelligence agencies should "remain vigilant and focused on this threat," the report recommended.

The House investigation found credible reports of illegal behavior by Huawei, including immigration violations, bribery and corruption, based on statements from current and former employees, according to the report. Allegations will be referred to federal agencies including the Homeland Security and the Justice departments, according to the report, which didn't provide full details or identify the accusers. "

//////////And//////////

"The House Intelligence Committee brought executives from two Chinese telecommunications gear makers to Capitol Hill today to press them on potential threats they pose to national security, but came away with little satisfaction.

"I can say that I am a little disappointed today," committee chairman Mike Rogers (R-Mich.) said at the end of the hearing investigating Huawei and ZTE. (CNET viewed the hearing via Webcast.) "I was hoping for a little more transparency... Other inconsistencies worry me greatly."

Rogers and his fellow committee members pressed executives from the two Chinese companies repeatedly, raising allegations that the companies either take orders from the Chinese government or are at least influenced by it. Their fear is that the Chinese government will be able to use the companies' networking gear to snoop on American companies and individuals.

"How will you deal with your Chinese government if they order you to give information about your customers in the United States?" C.A. Dutch Ruppertsberger, (D-Md.), the ranking Democrat on the committee, asked Huawei Senior Vice President Charles Ding."

I highly recommend that this information be considered prior to granting the expedite request to this Regional Center. Also, there are several classified reports that are directly related to this, you may want to review:

[REDACTED] January 2013
[REDACTED] january 2013
[REDACTED] january 2013

These reports may be reviewed in the SCIF on the [REDACTED]

Thanks,

USCIS
11

From: USCIS9 [REDACTED]
Sent: Thursday, February 07, 2013 1:09 PM
To: USCIS11 [REDACTED]
Subject: FW: Gulf Coast investor affiliated with Huawei
Importance: High

We have a VP of Huawei filing under Gulf Coast... We have reached out to FDNS to talk about this more broadly for USCIS and to date, we haven't chatted (1st attachment). Also, CSC-CFDO is working with Dallas FBI (2nd attachment) which I can share a little bit about where they are at.

[REDACTED]

From: USCIS9 [REDACTED]
Sent: Thursday, February 07, 2013 1:03 PM
To: USCIS22 [REDACTED]
Cc: USCIS23, USCIS24, USCIS25, USCIS26, USCIS27, USCIS28 [REDACTED]
Subject: RE: Gulf Coast investor affiliated with Huawei

I wasn't and THANKS. I suggest whoever is supporting the CDRC investors case to inform the FBI and I will reach out my HQ folks.

USCIS9 [REDACTED]

+++++

USCIS9 [REDACTED]
Threat Assessment Branch
Service Center Operations
U.S. Citizenship and Immigration Services
Department of Homeland Security
Office: (949) [REDACTED]
Cell: (202) [REDACTED]

From: USCIS22 [REDACTED]
Sent: Thursday, February 07, 2013 1:00 PM
To: USCIS9 [REDACTED]
Cc: USCIS23, USCIS24, USCIS25, USCIS26, USCIS27, USCIS28 [REDACTED]
Subject: Gulf Coast investor affiliated with Huawei

Hi USCIS9 [REDACTED],

Not sure if you are aware of this already. USCIS 25&26 [REDACTED] and I are compiling the FinCEN batch request for the Gulf Coast cases you identified and I came across the investor, Zhenjun (Richard) Zhang, associated with receipt number [REDACTED]. The record shows that he is currently the Vice President of Huawei Technologies Co. Ltd., Head of Product & Solutions Sales Dept., South East Asia Region. He indicates that the source of his investment capital is his income, dividends, and bonuses from Huawei Technologies. A search of CCD gave me no results for him or his spouse, and none of the other Gulf Coast investors included in this FinCEN report claims any association with Huawei. Based on this information, other Huawei executives may be filing under different regional centers outside City of Dallas.

FYI - there is substantial documentation regarding Huawei in this record including the business license, 2011 annual report (which includes a list of several executive bios), an employment agreement, and Applicant Zhang's business card.

Best regards,

USCIS22 [REDACTED]

Immigration Officer | DHS | USCIS | Fraud Detection & National Security | CFDO - California Service Center | ☎: (949) [REDACTED]
| 📠: (949) [REDACTED] | ✉: [REDACTED]@uscis.dhs.gov

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[REDACTED]

Attachment 2

From: FBI1 [mailto: [redacted]@ic.fbi.gov]
Sent: Tuesday, March 12, 2013 07:23 AM
To: USCIS9 [redacted]
Cc: USCIS11 [redacted]
Subject: RE: Information Needed

One of the big questions that the higher ups are going to ask is – can you guys train the economists to notify us if there are any federal buildings to be built or occupied. Also – can you forward the information on the Vermont DoD issue?

FYI – I am going to use the SD office as an example of the issues why FinCEN and National Security should be at the forefront of any adjudication. Going to have a sit down with my chain this week regarding the sensitive issues involved too. Lets say that many more people are very concerned and this should hopefully push the issue.

Please know that I am trying to do the best I can on this end.

FBI1

From: USCIS9 [mailto: [redacted]@uscis.dhs.gov]
Sent: Monday, March 11, 2013 3:57 PM
To: FBI1 [redacted]
Cc: USCIS11 [redacted]
Subject: RE: Information Needed

FBI1 :

See attached economists reports which clearly mention the project details. Password to follow.

As an FYI, in our current ECN folder, there are 731 economist reports. Since this is on our ECN, we might be able to grant access to the web-based site. USCIS11?

USCIS9

From: FBI1 [mailto: [redacted]@ic.fbi.gov]
Sent: Monday, March 11, 2013 3:11 PM
To: USCIS9 [redacted]
Cc: USCIS11 [redacted]
Subject: Information Needed
Importance: High

Hello USCIS9 :

[redacted]

Left you a message. I have an immediate request from my higher ups on a list of all the investment LLCs of the EB-5 program. This would not be the regional center but the actual investment people are investing in. For example in The Century American Regional Center – the Chinese have invested in EB-5 FBI LLC. Lets just say that we have a significant issue that my higher ups are really concerned about and this may be addressed way above my pay grade. I know you didn't have anything besides what you gave me with the Molasky group, but can you please check again. Thank you.

Respectfully,

FBI1

202-



From: FBI1 [mailto:]@ic.fbi.gov]
Sent: Tuesday, March 12, 2013 08:34 AM
To: USCIS9, USCIS11
Subject: Briefing

Hello!

Just came back from a meeting with the higher ups. I am to sprint forward with several things on EB-5. Finally got the traction. USCIS9, when you get together with the economists – can you ask them if they can remember any other FBI or government facility that was funded through EB5 money? And can I get those companies and regional center names? As soon as you can do this would be great.

In particular, has an LLC where they are building . I think they have three different LLCs – Any and all information that you can give me on those would be great.

Crossing fingers.

FBI1



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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

July 23, 2013

Mr. Alejandro Mayorkas
Director
U.S. Citizenship and Immigration Services
111 Massachusetts Avenue NW
Washington, DC 20529

Dear Director Mayorkas:

Through a whistleblower, I have been provided with a copy of a draft multi-agency memo raising serious questions about the U.S. Citizenship and Immigration Services' (USCIS) 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 fraud and document fraud. Preparers of the draft memo also cite concerns that the program's "statute and regulations do not expressly prohibit persons with criminal records from owning, managing, or recruiting for regional centers."

Furthermore, the memo highlights one example of the extreme abuse of the EB-5 Regional Center program. In this example, there were concerns that a company receiving EB-5 regional center funds could use the program to allow "Iranian operatives to infiltrate the United States" and did transfer "sensitive electronics from U.S. firms with a suspected ultimate destination of Iran", for which an individual was indicted. In addition, an employee was arrested in Malaysia for leading "assassination and terrorist operations in Sri Lanka, Thailand, and the country of Georgia," while another employee was recently arrested for smuggling opium.

As a result of these security vulnerabilities, the memo states that U.S. Immigration and Customs Enforcement's Homeland Security Investigations

recommended a number of changes to the program, including sunseting its authorization, raising the investment level required by investors, increasing the focus on direct jobs, and only allowing active investors to benefit (as opposed to the current passive investor model).

Given the abuse of the EB-5 Regional Center program documented in this memo, it is essential that Congress receive information about problems with the program. Therefore please provide answers to the following questions:

1. At whose request was this memo drafted? When was the request made?
2. When was this draft memo written?
3. When did the forensic assessment begin?
4. What was the duration of the forensic assessment?
5. Was this memo ever finalized? If so, please provide the final version of this memo. If it was not finalized, please explain why it was not completed.
6. What was the result of the forensic assessment? Were any policy changes implemented? If not, why not?
7. What actions did USCIS take in all instances of alleged abuse that are outlined in the draft memo? Were arrests made? Were petitions revoked? Were regional centers closed down? Please provide a summary of all actions taken with regard to the allegations of fraud and abuse referenced in the memo.
8. Please provide all records related to this memo.

Thank you in advance for your cooperation in this matter. Please respond to these questions by August 6, 2013. Should you have any questions regarding this letter, please contact Chris Lucas or Tristan Leavitt of my staff at (202) 224-5225. I look forward to your prompt response.

Sincerely,



Charles E. Grassley
Ranking Member
Senate Committee on the Judiciary

ATTACHMENT OMMITTED

PATRICK J. LEAHY, VERMONT, CHAIRMAN

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United States Senate

COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

July 24, 2013

VIA ELECTRONIC TRANSMISSION

The Honorable Alejandro Mayorkas
Director
U.S. Citizenship and Immigration Services
111 Massachusetts Ave NW
Washington, DC 20529

Dear Director Mayorkas:

As you know, I have considerable interest in the EB-5 Regional Center program and rooting out fraud and abuse in all of our immigration programs. I write out of concern on a number of issues, including the role you have played with particular EB-5 Regional Center applications and the fact that EB-5 applications appear to have been moved forward through your agency, and in your office particularly, without sufficient regard to security concerns.

In documents provided to my office, one e-mail exchange shows that in response to requests to expedite SLS's EB-5 Regional Center application, USCIS staff intended to send a Request for Further Evidence (RFE).¹ When this information was forwarded to you, e-mail correspondence indicates that you replied on January 25, 2013, that you were "surprised by our response."² Your e-mail references some evidence that was requested in the RFE and states, "Are we imposing that condition ourselves now?"³ The e-mail presents the impression that you are unhappy with the fact that USCIS adjudicators are imposing a high standard of proof in EB-5 cases.

Further, although you claimed that you "did not wish to get involved in the case itself," you then stated: "I mentioned to you the Department of Commerce letter, which I read, because it underscores our need to develop expertise on a fast/urgent track (the

¹ Attachment 1.

² *Id.*

³ *Id.*

Department with the relevant expertise [Commerce] believes that, contrary to our adjudication, the expedite criteria have been met).”⁴

Despite having cited the independent authority of the Commerce letter to question your own agency’s decision, Department whistleblowers have alleged that you actually requested the Department of Commerce letter from Steve Olson, the Executive Director of SelectUSA. Mr. Olson was formerly an Assistant U.S. Attorney under your chain of command in the U.S. Attorney’s Office for the District of California and followed you to O’Melveny & Myers LLP.

USCIS determined to expedite the SLS Regional Center application. This decision is particularly troubling in light of security concerns which emerged with SLS. Days after the e-mail correspondence where you appear to have pushed for an expedite decision in the SLS matter, a different e-mail chain indicates that USCIS staff had concerns that the decision had been made without conducting the proper security checks.⁵ One USCIS employee wrote on January 29, 2013:

You indicated that the expedite request has been approved, is this true? I don’t know of any circumstance in which expedite requests are approved prior to security checks being conducted and cleared; are you sure that the request was approved? We have received information that there are significant security/criminal suspicions on several of the I-526 applicants. This is just on the few that we have checked, there is high side information on one applicant and others have highly suspicious money transfers[] such that the FBI has recommended that USCIS review the BSA data prior to approving these cases. Due to these findings, I highly recommend denying the request and submitting every applicant filing under this Regional Center for TIDE and NCTC checks and BSA data request and reviewed prior to adjudications. Obviously, if we are to request these security checks and FinCEN intelligence reports on these applicants, we cannot expedite the request.⁶

Ultimately, you claimed to support resolving the substantive issues prior to finalizing the petitions. However, you nevertheless directed that correspondence be issued to SLS granting their expedite request, preserving the impression—at least with SLS—that you were granting a favor.⁷

⁴ *Id.*

⁵ Attachment 2.

⁶ *Id.*

⁷ *Id.*

These security concerns seem to be part of a pattern. One March 12, 2013, e-mail to you relates the concerns with four separate EB-5 regional centers, including the SLS Las Vegas Regional Center, GreenTech (Gulf Coast Regional Center), the New York City Regional Center, and the New York Metropolitan Regional Center.⁸ The report on SLS states: “Although there are security concerns with some of the filers related to SLS Las Vegas, we hav[e] a sufficient number where there are no security concerns to meet the request.”⁹ The portion on GreenTech states: “The Automotive Partnership NCE has 21 related pending I-526 cases. There is a Fraud/National Security hold on all 21 of these cases.”¹⁰

Despite the fact that New York Metropolitan Regional Center application was placed on hold based on a request from the FBI and multiple Significant Activity Reports from FinCEN, the summary states: “We received an expedite request from Tom Rosenfeld last week regarding this regional center and that request was approved.”¹¹

The e-mail that you apparently sent in response states: “Thank you very much . . . **I will give some thought to how I should respond to the inquiry I rec’d from the Dept about these matters, as I want to keep the FDNS concerns close hold.**”¹²

To more fully explain your role in these matters, please respond to the following questions:

1. What inquiry did you receive from the Department on these matters as referred to in your March 12, 2013, e-mail?
2. Please produce all communications related to your involvement with SLS’s EB-5 Regional Center application.
3. According to the e-mails, the SLS request could be granted despite the security concerns with “some of the filers” because there was a “sufficient number where there are no security concerns.” What percentage of the filers had security concerns? What percentage of filers without security concerns is sufficient to grant a request and why?

⁸ Attachment 3.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.* (emphasis added).

4. Please describe all interactions and produce all written communications connected with Steve Olson's letter in support of SLS's EB-5 Regional Center application, including any interactions prior to the letter being written.
5. Please produce all written communications with Tom Rosenfeld and describe all interactions with him, including phone calls or other meetings.
6. Please produce all communications related to your involvement with the New York City Regional Center's EB-5 application.
7. Please produce all communications related to your involvement with the New York Metropolitan Regional Center's EB-5 application.

Thank you in advance for your cooperation in this matter. Please respond to these questions by August 1, 2013. Should you have any questions regarding this letter, please contact Tristan Leavitt of my staff at (202) 224-5225. I look forward to your prompt response.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Judiciary

ATTACHMENTS

Attachment 1

From: Mayorkas, Alejandro N
Sent: Friday, January 25, 2013 1:16 PM
To: USCIS4
Cc: USCIS2, USCIS5, USCIS6, USCIS7, USCIS8
Subject: RE: Expedite Request for SLS Lender, LLC

USCIS4 I mentioned to you the Department of Commerce letter, which I read, because it underscores our need to develop expertise on a fast/urgent track (the Department with the relevant expertise believes that, contrary to our adjudication, the expedite criteria have been met). I did not wish to get involved in the case itself. Having now read your email, I am surprised by our response. For example, the petitioner has to present evidence of a request for an extension of time from the funder, or an explanation of why such a request was not submitted? Are we imposing that condition ourselves now? I will defer to those with adjudications experience. I must ask whether, based on the deal document and given the Department of Commerce's view, are we following the law applicable to the standard of proof? I would like each of your views.

Thanks. Ali

Alejandro N. Mayorkas
Director
U.S. Citizenship and Immigration Services
20 Massachusetts Ave., N.W.
Washington, DC 20529
(202) [REDACTED]
[REDACTED]@dhs.gov

From: USCIS4
Sent: Friday, January 25, 2013 12:56 PM
To: Mayorkas, Alejandro N
Cc: USCIS2, USCIS5, USCIS6, USCIS7
Subject: FW: Expedite Request for SLS Lender, LLC

I spoke with CSC a few minutes ago. They had already taken steps to expedite even though they have asked for evidence in support of the expedite requests. The files were delivered to the economists yesterday for their review with an understanding of the urgency. The thinking was that they wanted to be positioned to meet the deadline assuming the requested evidence would be provided.

From: USCIS2
Sent: Wednesday, January 23, 2013 8:34 PM
To: USCIS1
Cc: USCIS3, USCIS4
Subject: Re: Expedite Request for SLS Lender, LLC

Hi USCIS1

This looks great. Thanks for all your hard work on this.

Thanks,
USCIS2

From: USCIS1
Sent: Wednesday, January 23, 2013 08:26 PM Eastern Standard Time
To: USCIS2
Cc: USCIS3, USCIS4
Subject: FW: Expedite Request for SLS Lender, LLC

USCIS2
We have received several expedite requests submitted for the Las Vegas Regional Center (NCE SLS Lender, LLC). My last count was 17 requests. (There also appears to be several different names being used for the NCE, but we have confirmed all the requests are related.) We are planning to send the same response to all requesters using the

Immigrant Investor Mailbox. Just as a side note, there are currently only 47 of the potential 230 I-526 petitions filed at this time.

USCIS1

Mr. / Ms. ,

At this time, additional information is required to facilitate the adjudication of your request for expedited processing of the I-526 petition(s) associated with SLS Lender, LLC. Please provide the following:

- Copies of the executed agreement with JP Morgan securing funds held in escrow awaiting twenty three (23) EB-5 approvals.
- Explanation and evidence of efforts made to obtain an extension on the agreement with JP Morgan. If this is not an option for SLS Lender LLC, please provide an explanation with supporting evidence as to why this is not feasible.
- The expedite request indicates potential for severe financial loss and that expediting the adjudication of the petitions is of compelling interest to the US. Considering the nature and investment requirements of the immigrant investor program, please explain and provide evidence that demonstrates how this potential for loss is extraordinary and should mandate the prioritization of these petitions over other EB-5 investor petitions.

Respectfully,
USCIS Immigrant Investor Program

Attachment 2

From: USCIS2
Sent: Thursday, January 31, 2013 5:05 PM
To: USCIS4
Cc: USCIS5, USCIS6, USCIS7, USCIS9, USCIS10, USCIS11
Subject: FW: SLS Las Vegas USCIS Response Letters

Hi USCIS4.

The Director would like us to issue correspondence to the regional center to let them know that we granted their expedite request, but in our preliminary review of the files we have identified substantive issues that will need to be resolved before we can finalize processing of the petitions. While these issues will not be resolved prior to February 4th (the date the conditions for the Senior Loan are to be satisfied), we will continue to expedite the petitions.

Please let me know if you would like me to coordinate with USCIS4 in regards to this correspondence.

Thanks,

USCIS2

From: Mayorkas, Alejandro N
Sent: Wednesday, January 30, 2013 8:05 PM
To: USCIS5, USCIS12
Cc: USCIS2, USCIS4, USCIS5, USCIS6, USCIS7, USCIS9, USCIS10, USCIS12, USCIS13, USCIS14
USCIS15, USCIS16, USCIS17

Subject: RE: SLS Las Vegas USCIS Response Letters

Thank you, USCIS5. I have taken the liberty of adding everyone to my response, plus USCIS17.

I appreciate everyone's approach to the issues.

I agree that to grant an expedite request means only that we have agreed, based on some articulated and supported time sensitivity, to review the case on an accelerated basis. It does not mean or in any way suggest that we have rendered any decision on the merits of the petition. If, for example, a security issue arises that will take time to resolve, then – regardless of whether we have agreed to expedited review – we will take the time needed to resolve the security issue and we will not act until we have achieved resolution.

I agree that we need to run enhanced security and integrity checks.

From my review of the chronology outlined below, I am concerned that a process breakdown occurred in this case. I think we should review and discuss the chronology to better understand the process and whether we need to make adjustments system-wide. I look forward to discussing.

Thank you again.

Ali

Alejandro N. Mayorkas
Director
U.S. Citizenship and Immigration Services
20 Massachusetts Ave., N.W.
Washington, DC 20529
(202) [REDACTED]
[REDACTED]@dhs.gov

From: USCIS5
Sent: Wednesday, January 30, 2013 6:42 PM
To: Mayorkas, Alejandro N; USCIS12
Subject: FW: SLS Las Vegas USCIS Response Letters

Ali and USCIS12.

FYI, I'm forwarding the below email chain to you, [USCIS12], for visibility given the legislative interest, and you, Ali, given your interest in enhancing EB-5 security vetting and program integrity in general.

[USCIS5]

From: [USCIS2]
Sent: Tuesday, January 29, 2013 4:49 PM
To: [USCIS6, USCIS9, USCIS11]
Cc: [USCIS4, USCIS5, USCIS7, USCIS10, USCIS12, USCIS13, USCIS14, USCIS15, USCIS16]
Subject: RE: SLS Las Vegas USCIS Response Letters

The request in these cases involved multiple I-526 petitions (I believe there are about 47 currently pending and they requested that we expedite 23). It is my understanding that the decision to expedite a case just means that it will be moved up in the order in which it was received, but that the integrity of the process and the decision would remain the same. As far as I am aware CSC has already begun moving these cases up in the order but is otherwise processing them the same as they otherwise would be (e.g. holding those with security concerns in abeyance, issuing RFEs if the evidence is insufficient, etc).

Thanks,

[USCIS2]

From: [USCIS11]
Sent: Tuesday, January 29, 2013 4:42 PM
To: [USCIS2, USCIS6, USCIS9]
Cc: [USCIS4, USCIS5, USCIS7, USCIS10, USCIS12, USCIS13, USCIS14, USCIS15, USCIS16]
Subject: Re: SLS Las Vegas USCIS Response Letters

I must disagree, we do not approved an expedite request prior to reviewing the case for security issues. As in this case, there are significant security concerns that will cause significant delays in having the security checks completed.

If USCIS informs the requestor that the request to expedite was approved, the requestor will expect some sort of action rather soon. In this case, we need FinCEN reports that could take a month or two, therefore the request should be denied so the requestor doesn't start to question why they have not receiving any actions by USCIS.

Has there been a decision on this request?

Thanks,

[USCIS11]

From: [USCIS2]
Sent: Tuesday, January 29, 2013 04:20 PM
To: [USCIS6, USCIS9, USCIS11]
Cc: [USCIS4, USCIS5, USCIS7, USCIS10, USCIS12, USCIS13, USCIS14, USCIS15, USCIS16]
Subject: RE: SLS Las Vegas USCIS Response Letters

[USCIS9]

Thanks for that important clarification.

[USCIS2]

From: [USCIS9]
Sent: Tuesday, January 29, 2013 4:09 PM
To: [USCIS6, USCIS11]
Cc: [USCIS2, USCIS4, USCIS5, USCIS7, USCIS10, USCIS12, USCIS13, USCIS14, USCIS15, USCIS16]

[REDACTED]
Subject: RE: SLS Las Vegas USCIS Response Letters

All:

I think it is important to note that any decision to expedite solely means that we will make a decision on a case as expeditiously as possible, but will still require security checks to be cleared, case otherwise must be approvable, etc. As such, even if the decision to expedite was granted, we still would work each case to 100% completion before issuing a decision. That means that some might get expedited RFE's, approvals, denials, security checks, etc., but it shouldn't mean that we have otherwise determined every case is approvable.

Hope that helps.

USCIS9

+++++

USCIS9
Threat Assessment Branch
Service Center Operations
U.S. Citizenship and Immigration Services
Department of Homeland Security
Office: (949) [REDACTED]
Cell: (202) [REDACTED]

From: USCIS6
Sent: Tuesday, January 29, 2013 4:04 PM
To: USCIS11
Cc: USCIS2, USCIS4, USCIS5, USCIS7, USCIS9, USCIS10, USCIS12, USCIS13, USCIS14
Subject: RE: SLS Las Vegas USCIS Response Letters

[REDACTED] – can you confirm that the expedite request has been granted?

From: USCIS11
Sent: Tuesday, January 29, 2013 3:51 PM
To: USCIS6
Cc: USCIS2, USCIS4, USCIS5, USCIS7, USCIS9, USCIS10, USCIS12, USCIS13, USCIS14
Subject: Re: SLS Las Vegas USCIS Response Letters
Importance: High

USCIS6

You indicated that the expedite request has been approved, is this true?
I don't know of any circumstance in which expedite request are approved prior to security checks being conducted and cleared; are you sure that the request was approved?
We have received information that there are significant security/criminal suspicions on several of the I-526 applicants. This is just on the few that we have checked, there is high side information on one applicant and others have highly suspicious money transfers such that the FBI has recommended that USCIS review the BSA data prior to approving these cases. Due to these finding, I highly recommend denying the request and submitting every applicant filing under this Regional Center for TIDE and NCTC checks and BSA data request and reviewed prior to adjudications.
Obviously, if we are to request these security checks and FinCEN intelligence reports on these applicants, we cannot expedite the request.

Thanks

USCIS6
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[REDACTED]

Attachment 3

From: USCIS3 [REDACTED]
Sent: Tuesday, March 12, 2013 8:51 AM
To: Mayorkas, Alejandro N
Cc: USCIS4 [REDACTED]
Subject: RE: EB5 Update

[REDACTED] has completed her review of the TO templates and has provided edits that should improve clarity and specificity. As I mentioned, I'd like these to get to California in final form this week.

We can discuss the reversals you mentioned. Since we have added the economist review, the adjudication has changed. The sophisticated review of the economic models used has resulted in some questions that were not previously asked. This did represent a shift in our adjudicative approach that made clear that previously approved cases may have been approved in error. At this point, we are on a more even keel with respect to case decisions. The economic review has provided the rigor and clarity that we had hoped.

There is good news. While we do not talk much about approval rates, they are 75% and 72% for I-526s and I-924s, respectively, during this fiscal year. We are very close to releasing the RFE template that will allow us to proceed on additional cases, and the economists that were relatively newly hired are beginning to hit their stride. We are training additional resources to get the program in the best possible shape prior to the transition.

I am hopeful that you will begin to see continued progress in the weeks and months ahead.

USCIS3 [REDACTED]
[REDACTED]

Department of Homeland Security | U.S. Citizenship and Immigration Services

From: Mayorkas, Alejandro N
Sent: Tuesday, March 12, 2013 8:34 AM
To: USCIS3 [REDACTED]
Cc: USCIS4 [REDACTED]
Subject: Re: EB5 Update

Thank you very much, USCIS3&4 [REDACTED]. I will give some thought to how I should respond to the inquiry I rec'd from the Dept about these matters, as I want to keep the FDNS concerns close hold.

I did not know we were awaiting TO templates, and am troubled by the length of time that has passed between resolution of TO issues and the preparation of the templates. In addition, I would like to make sure that Adriana is engaged on these issues, given her level of expertise.

Separately, the mistaken decisions on 526s and the consequent reversals continue to be deeply troubling. I intend to

[REDACTED]

address in our meeting.

Thank you again.

Ali

From: USCIS3 [REDACTED]
Sent: Tuesday, March 12, 2013 08:14 AM Eastern Standard Time
To: Mayorkas, Alejandro N
Cc: USCIS4 [REDACTED]
Subject: EB5 Update

USCIS4 [REDACTED] asked that I forward you an update on a few issues. Please let me know if you have questions or concerns.

New York Metropolitan Regional Center:

The regional center filing was received on 9/28/2012. We received an expedite request from Tom Rosenfeld last week regarding this regional center and that request was approved. Shortly thereafter, based on a request from the FBI, the Regional Center and related cases were placed on hold due to multiple Significant Activity Reports from FinCen. As a side note, we did receive an expedite request from Governor Cuomo's Office and Mayor Bloomberg's office for a project related to this regional center, but we were unable to process the request because it was not sent by the petitioner, applicant, or attorney of the Regional Center. Communication to the governor's office and the mayor's office has been managed through CSCPE.

New York City Regional Center:

New York City Regional Center Waterfront II was placed on a CFDO hold that was released in late December. The amendment is pending economist review. Several related I-526 petitions were received and two were approved in error. The approved I-526s were called back from NVC. Once the economic review is completed, we can proceed with the I-526 adjudication.

SLS Las Vegas Regional Center:

The initial economic review indicated that there were tenant occupancy concerns. The case has been routed back for economist review to confirm if a TO issue exists. Once we get a read on that, we will be able to proceed. If there IS tenant occupancy where the evidence establishes that facilitation has been met, we will be able to proceed. If facilitation has not been met, we will need to RFE. The request was to move on 23 I-526 petitions. Although there are security concerns with some of the filers related to SLS Las Vegas, we have a sufficient number where there are no security concerns to meet the request, provided the TO issues are resolved.

Green Tech Regional Center:

The Automotive Partnership NCE has 21 related pending I-526 cases. There is a Fraud /National Security hold on all 21 of these cases.

Deference Review Board:

Through the Immigrant Investor Mailbox, we will correspond today with [REDACTED] to provide a response to their questions related to the Deference Board Hearing on Friday. [REDACTED] and I finalized some language for that response yesterday.

Tenant Occupancy Status:

I have asked for an expedited final review process to get the RFE templates to the CSC for use. There are a number of cases on hold awaiting the release of the templates. I hope they will be final as early as Thursday so we can start moving these cases. There are four categories of TO cases. Group 2 and Group 4 are on hold pending the release of the templates. We are working Groups 1 and 3.



Group 1 – TO Issues Removed : The RC has amended the job creation analysis to remove any and all TO issues. Of the 47 cases in this Group, 12 have been approved, 2 denied, 6 withdrawn, and 27 are in process but still pending.

Group 2 – Facilitation Not resolved: A determination has not been made that the investment has facilitated the job creation

All 22 remain pending awaiting the RFE template.

Group 3 – Facilitation Resolved: A determination has been made that the investment has facilitated the job creation.

All 23 have completed Economist review. One was approved and 22 are pending officer review. They are in process but still pending.

Group 4 – Pending Initial RFE or Response to RFE not Reviewed. Pending review of whether facilitation has been met.

77 Cases – 5 approved, 1 withdrawn.

USCIS3