

Congress Was Never Told of Recommendation to Terminate Immigration Program

House Committee on Oversight and Government Reform Chairman Jason Chaffetz (R-Utah) and Senate Judiciary Committee Chairman Chuck Grassley (R-Iowa) have authored a joint letter to the Secretary of Homeland Security Jeh Johnson.

In that letter, they ask why Congress was kept in the dark about a 2010 interagency working group that recommended discontinuing an immigration program due to widespread fraud and national security concerns. The working group included stakeholders from DHS, and other federal agencies with national security responsibilities, and recommended ending the EB-5 immigrant investment program's "regional center model."

The EB-5 program provides visas and a path to citizenship to foreign nationals in exchange for investments of \$1 million–\$500,000 in rural or high-unemployment areas—in U.S. commercial enterprises. The regional center model allows immigrants to pool their investments but has also suffered from widespread fraud, abuse and national security concerns.

Some of the working group's recommendations were never shared with Congress, though. Recent congressional interviews with some individuals involved in the internal working group reveal those fraud and national security concerns remain.

"It's beyond me why some in Congress are so reluctant to reform a program that has been the subject of so much fraud and abuse," Grassley said. "And it's even more alarming that certain recommendations by career federal agents who suggested ending EB-5's regional center model were hidden from Congress for years, while other recommendations have been selectively provided."

Grassley introduced bipartisan legislation last year to reform the regional center model, and recently called on Senate leadership to either overhaul the program or allow it to expire. Chaffetz' committee, on the other hand, conducted the interviews in which the recommendations finally were brought to light.

In those interviews, DHS employees involved in the working group explained that after careful analysis of the program's history, investigative efforts and proposed regulatory changes, the group identified "grave concerns about the program's integrity and our ability to secure it" The group's consensus in 2010 was to allow the regional center model to expire, and it remained that way until at least 2013, according to one special agent who was interviewed.

"As Congress decides how to proceed with the EB-5 program, we need a full picture of the recommendations made by the interagency working group and we need to know why those recommendations never reached Capitol Hill," Grassley added.

The EB-5 program is set to expire at the end of the month, and Grassley and Chaffetz are seeking DHS records regarding the working group and its findings. They want to know if there are any ways to reform the fraud-riddled program, or if it should simply be allowed to expire.