

Question#:	1
Topic:	Regional Center Program Reforms
Hearing:	The Failures and Future of the EB-5 Regional Center Program: Can it be Fixed?
Primary:	The Honorable Patrick J. Leahy
Committee:	JUDICIARY (SENATE)

Question: For more than two years, I have worked closely with USCIS to develop comprehensive reforms to the Regional Center program. Last year, USCIS provided invaluable input on the legislation I worked on with Chairman Grassley, House Judiciary Chairman Goodlatte and Ranking Member Conyers, and others (referred to herein as the "EB-5 Omnibus bill"). Does the EB-5 Omnibus bill that we worked on with your office through December last year make the changes to the program that you and Secretary Johnson have requested?

Response: Secretary Johnson's letter to the Senate Judiciary Committee outlined the key areas where the agency believed additional statutory authority would be beneficial for the program, including enhanced authority to terminate regional centers for fraud and/or national security concerns, to deny regional center applications if USCIS determines there is a significant fraud risk, and to ban regional center principals with certain criminal violations and fraud- or securities-related civil violations, among other authorities. While the Department has not taken an official position on this legislation, the bill does make changes related to each of the concerns raised in Secretary Johnson's letter.

Question: You testified that the "EB-5 Integrity Act of 2015" (S.2415) included some of the statutory reforms that the Department would like to see included in an EB-5 Regional Center Program reauthorization bill. What reforms are not included in that bill that the Department would like to see made?

Response: As discussed in the response above, the Department has not taken an official position on this legislation. Secretary Johnson's letter to the Senate Judiciary Committee has, however, outlined the key areas where the agency believed additional statutory authority would be beneficial for the program. For example, the recommendations made by Secretary Johnson included Congressional authorization for USCIS to:

- Terminate a regional center for criminal or national security concerns;
- Deny a regional center application if USCIS determines there is significant fraud risk;
- Ban regional center principals with certain criminal violations and fraud- or securities-related civil violations;
- Deny or revoke petitions due to fraud, misrepresentation, criminal misuse or threats to national security;
- Require enhanced reporting and auditing as well as certification of compliance with U.S. securities laws and disclosure of any pending litigation; and

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- Impose additional sanctions in addition to termination of regional center designation when appropriate, such as fines and suspensions, to promote compliance.

Question#:	2
Topic:	TEA Gerrymandering
Hearing:	The Failures and Future of the EB-5 Regional Center Program: Can it be Fixed?
Primary:	The Honorable Patrick J. Leahy
Committee:	JUDICIARY (SENATE)

Question: I am concerned about the rampant abuse of Targeted Employment Areas (TEAs), where a census tract in an affluent area that contains an EB-5 project is strung together with otherwise unrelated high unemployment census tracts to achieve the requisite unemployment rate. This abuse undermines the intent of TEAs, which is to promote investment and generate jobs in distressed communities that often struggle to raise significant capital and create jobs. Secretary Johnson described this practice as "gerrymandering," and I understand from your testimony that is still the Department's position. What specific steps can the Department take to ensure that EB-5 projects that qualify for incentives intended for high unemployment areas are actually located in such distressed areas?

Response: In Secretary Johnson's letter, he provided a recommendation that legislative reforms be made to improve the integrity of targeted employment areas. USCIS welcomes such legislative reform, and stands ready to provide technical assistance on any relevant legislation. In the meantime, USCIS is considering regulatory changes to TEA designations to the extent authorized by current law.

Question#:	3
Topic:	Ownership Structure
Hearing:	The Failures and Future of the EB-5 Regional Center Program: Can it be Fixed?
Primary:	The Honorable Patrick J. Leahy
Committee:	JUDICIARY (SENATE)

Question: Does USCIS currently distinguish the level of oversight applied to and the financial reporting obligations required of EB-5 projects based on whether the new commercial enterprise or job-creating entity is owned or managed by the associated regional center? That is, under current policies, are some EB-5 projects subject to less agency scrutiny depending solely on their management or ownership structure?

Response: No, USCIS does not apply less scrutiny based on the management structure of the regional center. The level of oversight applied to and the financial reporting obligations required of designated regional centers is the same regardless of whether the new commercial enterprise or job-creating entities are owned or managed by the associated regional center.

Question#:	4
Topic:	Single Year Increase
Hearing:	The Failures and Future of the EB-5 Regional Center Program: Can it be Fixed?
Primary:	The Honorable Dianne Feinstein
Committee:	JUDICIARY (SENATE)

Question: I appreciate that USCIS has taken steps to improve the integrity of the EB-5 program. The Immigrant Investor Program Office (IPO) has increased its staff dramatically; in-house economists now analyze proposed business plans; and fraud detection and national security staff now sit side-by-side with adjudicators. When do you expect the IPO to be fully staffed? Although a thorough vetting of petitions is the paramount concern, when do you expect processing times for EB-5 related petitions to decrease and reach the Department's goals of 4-6 months?

Response: By the end of FY2016, IPO should have a complement of 171 full time employees. In addition, IPO has embedded a dedicated Fraud Detection and National Security (FDNS) division of 22 employees and is in the process of hiring three additional FDNS personnel.

With respect to processing times, USCIS anticipates seeing a moderate but steady decrease in processing times over time as more staff are brought onboard. At this time, given the surge of submitted applications and petitions in 2015, it is very difficult to provide a timeframe for reaching the desired four- to six-month goal.