

Congress of the United States

Washington, DC 20510

April 6, 2017

The Honorable Mitch McConnell
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Paul Ryan
H-232 The Capitol
Washington, D.C. 20515

The Honorable Chuck Schumer
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
H-204 The Capitol
Washington, D.C. 20515

Dear Senator McConnell, Speaker Ryan, Senator Schumer, and Representative Pelosi:

We write today as the Chairman and former Ranking Member of the Senate Judiciary Committee, and as the Chairman and Ranking Member of the House Judiciary Committee, to oppose the straight reauthorization of the EB-5 Regional Center program in any continuing resolution or appropriations bill that will cover the remainder of fiscal year 2017. We have repeatedly expressed our concerns that this program is riddled with fraud and raises national security concerns. Moreover, the program's core purpose—directing investment to rural and high unemployment areas—has been eroded due to years of abusive gerrymandering practices. If this program is not reformed in a meaningful way, it should expire on April 28, 2017.

The rampant abuse of the EB-5 Regional Center program has been well documented in recent years. Internal Department of Homeland Security reviews, the Government Accountability Office, media outlets, and the House Oversight and Government Reform and Senate Judiciary Committees have uncovered serious problems with the program. Cases of fraud and securities violations, money laundering, exploitation of investors, abused program incentives, and failed projects have become all too common. It is well past time that Congress reformed the program.

Over the last two years we, along with Representatives Issa and Lofgren, have worked together in a bipartisan, bicameral fashion to produce much needed EB-5 reform. The proposals we made would have made it possible for rural and distressed urban areas, the very communities this program was originally intended to benefit, to compete for investment dollars with the affluent districts of metropolitan areas that currently dominate the program. These proposals also attempted to reach common ground on national security and fraud concerns by instituting numerous compliance measures, background checks, and transparency provisions.

Unfortunately, despite negotiating in good faith and making numerous concessions to ensure a careful balance between critical reforms and industry concerns, our reforms were not included as part of extensions of the program in December 2015 and December 2016. The latest reauthorization extended the program until April 28 of this year, and it did nothing to address the serious issues we have routinely identified.

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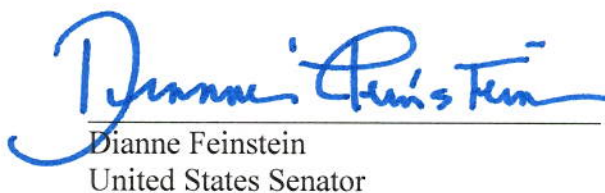
Washington, DC 20510

We hope that you will consider meaningful reforms in any continuing resolution or appropriations bill that extends the EB-5 program. Any extension of the program must include strong integrity and national security reforms—without loopholes—as well as meaningful investment differentials, adjusted investment amounts to appropriately account for inflation, proper set asides for rural and distressed areas, and an end to abusive gerrymandering practices. Absent these reforms, we believe this program should expire.

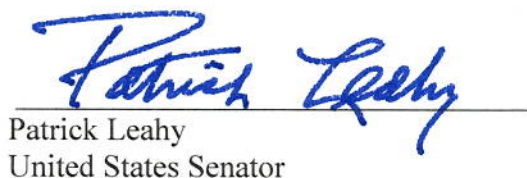
Sincerely,



Charles Grassley
United States Senator



Dianne Feinstein
United States Senator



Patrick Leahy
United States Senator



Bob Goodlatte
United States Representative



John Conyers
United States Representative