

Spotlight

Department of Homeland Security



Office of Inspector General

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Why This Matters

In 1990, Congress created the United States Citizenship and Immigration Services' (USCIS) Immigrant Investor Program, also known as the Employment-Based Fifth Preference (EB-5) Program. The program's intent was to stimulate the United States (U.S.) economy through job creation and capital investment by foreign investors.

Three years later, the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act, 1993 (The Appropriations Act) created the regional center pilot program for pooling investor money in a defined industry and geographic area.

DHS Response

USCIS agreed with three of the four recommendations, and acknowledged that additional statutory authorities would strengthen the program.

USCIS also acknowledged concerns with the consistency in EB-5 adjudications, the lack of clarity regarding program rules, and serious fraud and national security issues within the program.

For Further Information:

Contact our Office of Public Affairs at (202)254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

USCIS' Employment-Based Fifth Preference (EB-5) Regional Center Program

What We Determined

Our audit objective was to determine whether the USCIS' EB-5 regional center program is administered and managed effectively. The laws and regulations governing the program do not give USCIS the authority to deny or terminate a regional center's participation in the program based on fraud or national security concerns. The program extends beyond current USCIS mission to secure America's promise as a nation of immigrants. USCIS is unable to demonstrate the benefits of foreign investment into the U.S. economy.

Additionally, USCIS has difficulty ensuring the integrity of the EB-5 regional center program. USCIS does not always ensure that regional centers meet all program eligibility requirements, and USCIS officials differently interpret and apply Code of Federal Regulations and policies. Furthermore, when external parties inquired about program activities, USCIS did not always document their decisions and responses to these inquiries, making the EB-5 regional center program appear vulnerable to perceptions of internal and external influences. As a result, USCIS is limited in its ability to prevent fraud or national security threats that could harm the U.S.; and it cannot demonstrate that the program is improving the U.S. economy and creating jobs for U.S. citizens as intended by Congress.

What We Recommend

We made four recommendations to assist USCIS' management and administration of the Employment-Based Fifth Preference regional center program. Our recommendations focused on strengthening regulations for oversight authority and consistent program application; better coordination with other Federal entities; comprehensive reviews of the program; and quality assurance procedures for program integrity.