



Written by [Bob Adelman](#) on February 6, 2015

## Fraud in Wealthy Immigrant Visa Program Exposed

Five whistleblowers from the Department of Homeland Security related details to *ABC News* on Tuesday about how the “wealthy immigrant visa program” called EB-5 has been [consistently and deliberately subverted](#) to allow criminals, spies, and terrorists access to permanent residency in the United States without going through regular channels.



The EB-5 program, first begun in 1990 as a way to invite wealthy foreigners to invest in the United States and then receive permanent resident status, has been used for years by politicians to reward themselves and their friends. Those rewards included political donations, jobs for friends, skimming off outrageous fees to run the program, and visas for undesirables who wouldn't otherwise be allowed on American soil.

Critics call the program a “boutique immigration program” that allows wealthy foreigners to buy their way into permanent residency here. Supporters say the program, while having some problems, is justified by all the jobs those investments have created, using foreign money. According to Peter Joseph, executive director of the Association to Invest in the U.S.A., a lobbying group working to expand the EB-5 program, people shouldn't “let a few anecdotes cast a cloud over [the program].” He added, “It's a win for the investor, who's seeking to get an immigration benefit along with a return on their investment, along with the American worker who's able to get work, thanks to the capital investment coming through the program.”

Joseph noted that EB-5 investors helped fund a Brooklyn basketball arena, a California winery, a Vermont ski lodge, and a Hollywood movie studio that he says now support more than 40,000 jobs.

One of those “anecdotes” that Joseph prefers to ignore is how Senator Harry Reid (D-Nev.) was able to intervene directly and personally into the approval process of the U.S. Citizenship and Immigration Services (USCIS) section of Homeland Security. Two dozen wealthy Asian foreigners had wanted to obtain permanent residency in the United States by “investing” in the renovation of the old Sahara Casino on the Las Vegas Strip. But their I-526 (Immigrant Petition by Alien Entrepreneur) applications had been turned down flat by the USCIS in December, 2012. The agency stated that, based upon its investigation of the project and the backgrounds of the wealthy foreigners, “there is no appeal or reconsideration of this decision.”

Enter Senator Reid. He called USCIS Legislative Affairs official Mike Rodriguez about the “irrevocable” decision, and when Rodriguez informed the senator that there was nothing he could do about the decision, a shouting match between Reid and Rodriguez ensued. So outraged was Rodriguez over Reid's



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insistence that the decision be reversed that he complained to his bosses at Homeland Security, telling them, "This one is going to be a major headache for us all because Senator Reid's office/staff is pushing hard.... I just had a long yelling match on the phone."

Allegedly the new foreign capital that Reid was counting on would generate thousands of jobs in Las Vegas. The "official" version came from Michael Vannozzi, who at the time was one of Reid's top aides:

As you can imagine, this project is pretty important to Southern Nevada. It will probably be the only "new" property opening up on the Strip for some time, and if their \$300 million senior lending facility from JP Morgan Chase expires because these visas are [not] processed expeditiously, it will be a huge setback for the project and the 8,600 jobs associated with it.

Missing from Reid's official explanation of the importance of the project was the more than \$127,000 the two main companies involved in the renovation were planning to donate to various Democrat causes in the state.

At this point Reid went over Rodriguez' head to speak directly to Alejandro Mayorkas, the deputy secretary of Homeland Security and an Obama appointee who just happened to be part of Obama's Justice Department review team back in 2008. Within weeks, the "irrevocable decision" made by the USCIS was reversed, which allowed the funding, and the visas, to proceed apace.

The visas were approved despite evidence provided to *ABC News* by the whistleblowers at the agency that most of those "wealthy" Asians couldn't prove where the money was coming from. That's important, as other applicants have been using illegally-sourced (read: laundered) funds, or worse, government funds to pay for spying activities by those freshly granted permanent residents. In one case, an applicant's I-526 included bank statements had "eraser marks" on them, while another applicant provided information that was proved to be false. Yet another included documents that were forged.

Still, those visas were granted, thanks to the intervention by the senator from Nevada, whose only motive, according to his office, was to provide jobs for workers in Las Vegas.

Unfortunately, but not unsurprisingly, the temptation for fraud in the EB-5 program isn't limited to Reid's office, or to Las Vegas, or even to Nevada. One of the issues the new Republican senator from South Dakota, Mike Rounds, had to address during his election campaign last year was his support of an EB-5 project that went south, costing the state a million dollars and the foreign investors every cent of their capital, not to mention the alleged "suicide" of Rounds' good friend and head of state development, Richard Benda. Benda was found dead from a shotgun blast to the stomach just three days before he was to be indicted in a scheme to direct some \$600,000 of the EB-5 funds into his own personal account. His death was ruled a suicide by the state's attorney general.

And then there are the rebuilding projects in New Orleans following Hurricane Katrina that were funded but never built, with little forthcoming from the people involved. As David North, senior investigator for the Center for Immigration Studies, expressed it:

The problem in New Orleans is the non-utilization of the EB-5 monies for their stated purpose. A conference center and hotel in ... Algiers, just on the other side of the Mississippi from the French Quarter, has not been built as promised.

Chinese investors are suing to try to get back some of the \$15.5 million that has disappeared.

And there's the case that federal agents in Los Angeles are investigating concerning an Iranian who



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lives in the area under the EB-5 program, over “concerns that this particular program [EB-5] may be abused by Iranian operatives to infiltrate the United States.”

There’s the EB-5 funding from Chinese “investors” to build an FBI headquarters in San Diego, raising security questions that “pertain to Chinese investors having visibility to FBI blueprints,” according to *ABC News*.

The revelations released earlier this week illustrate just one more way immigration rules can be subverted, manipulated, or ignored altogether for political, economic, financial, or national security purposes by self-serving politicians as well as by enemies who want to buy their way into the United States.

*A graduate of an Ivy League school and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at [www.LightFromTheRight.com](http://www.LightFromTheRight.com), primarily on economics and politics.*



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