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United States Senate

COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

July 23, 2013

VIA ELECTRONIC TRANSMISSION

The Honorable Robert S. Mueller, III
Director
Federal Bureau of Investigation
935 Pennsylvania Avenue, N.W.
Washington, DC 20535

Dear Director Mueller:

I write today regarding U.S. Citizenship and Immigration Services' (USCIS) EB-5 Regional Center program.

Last night the Department of Homeland Security Office of Inspector General (DHS OIG) informed my office that in September 2012, it initiated an investigation of the EB-5 Regional Center program and of USCIS Director Alejandro Mayorkas. This investigation, the DHS OIG stated, is based on an investigative referral submitted by an FBI analyst in the Bureau's Counterintelligence Unit in Washington, D.C. The referral conveyed allegations that the Director of USCIS personally facilitated and assisted an applicant/petitioner with an EB-5 visa approval after the petitioner was initially found to be ineligible for the program.

The DHS OIG's preliminary investigative findings clarified an additional element of the referral, which were determined to involve an allegation that the USCIS Office of General Counsel obstructed an investigation of the EB-5 Regional Center program being conducted by the U.S. Securities and Exchange Commission. The DHS OIG also clarified that the allegations of improper involvement by Director Mayorkas involved Gulf Coast Funds Management, LLC, whose EB-5 Regional Center application was denied by both the USCIS California Service Center and the USCIS Administrative Appeals Office. Gulf Coast was started by Anthony Rodham, and shares a physical address in McLean, Virginia with the primary beneficiary of its EB-5 center funds, GreenTech Automotive, which was started by Terry McAuliffe.¹ I have obtained e-mails which indicate that one of the investors in Gulf Coast is a vice president of Huawei

¹ Gulf Coast Funds Management, <http://gulfcoastfunds.com/portfoliocompanies> (accessed June 24, 2013).

Technologies,² whose connections to Chinese intelligence have been documented by the House Intelligence Committee.³

I have also obtained March 2013 e-mails from FBI personnel with an “immediate request from . . . higher ups” of all investment LLCs under the EB-5 Regional Center program.⁴ The e-mail to USCIS states: “Let’s just say that we have a significant issue that my higher ups are really concerned about and this may be addressed way above my pay grade.”⁵ Another e-mail suggests that facilities funded by EB-5 Regional Centers will house “specific interests that we are concerned about.”⁶

It is unclear whether the concerns were connected in any way with the Counterintelligence Unit referral from September 2012 or whether they simply stemmed from USCIS’s failure to inform the FBI that the Bureau’s newly-constructed San Diego Field Office was built with funds from Chinese investors through the EB-5 Regional Center program.⁷

One of the FBI e-mails states: “I am going to use the S[an] D[iego] office as an example of the issues why FinCEN and National Security should be at the forefront of any adjudication.”⁸ Another asks: “[C]an you ask . . . if they can remember any other FBI or government facility that was funded through EB5 money?”⁹

The Molasky Group, the Las Vegas real estate firm that constructed the San Diego building, has also been responsible for building FBI field offices in Cincinnati, Minneapolis, and Portland, as well as buildings in Las Vegas for the Internal Revenue Service, the Social Security Administration, and the Secret Service.¹⁰ In order to attract investors, the Molasky Group apparently participates in seminars hosted in China by groups like Wailan Overseas Consulting Group. Wailan’s website includes a picture of the Molasky Group’s Chief Financial Officer, Brad Sher, speaking in front of

² Attachment 1.

³ “Investigative Report on the U.S. National Security Issues Posed by Chinese Telecommunications Companies Huawei and ZTE,” House Permanent Select Committee on Intelligence, Oct. 8, 2012, available at [http://intelligence.house.gov/sites/intelligence.house.gov/files/Huawei-ZTE%20Investigative%20Report%20\(FINAL\).pdf](http://intelligence.house.gov/sites/intelligence.house.gov/files/Huawei-ZTE%20Investigative%20Report%20(FINAL).pdf).

⁴ Attachment 2.

⁵ *Id.*

⁶ *Id.*

⁷ Wailan Overseas Consulting Group, <http://www.wailanvisa.com/site/html/432.html> (accessed July 19, 2013); see also Kristina Davis, “FBI moves into new Sorrento Valley HQ,” San Diego Union-Times (May 27, 2013), available at <http://www.utsandiego.com/news/2013/May/27/FBI-sorrento-valley-headquarter-building-san-diego>.

⁸ Attachment 2.

⁹ Attachment 2.

¹⁰ The Molasky Group of Companies, “About Molasky,” <http://www.molaskyco.com/company.html> (accessed July 19, 2013).

promotional materials in Chinese which include the English letters “FBI.”¹¹ Mr. Sher is also the manager of an entity known as “EB-5 FBI LLC,” which is used to solicit the EB-5 investment.¹² All told, one website states that the LLC has raised \$40 million from approximately 80 Chinese investors.¹³

In order to help Congress evaluate the integrity of the EB-5 Regional Center program and to assess the national security risks associated with it, please answer the following questions:

1. Is there any connection between the September 2012 Counterintelligence Unit referral to the DHS OIG and the March 2013 e-mails with USCIS?
2. Is the FBI conducting an assessment of all EB-5 Regional Center program participants or simply those relating to the construction of federal buildings?
3. How and when did the FBI learn that the San Diego Field Office and other federal buildings had been constructed with EB-5 funds?
4. What investigations, if any, have been conducted into the Molasky Group, any members of its board, or the Wailan Overseas Consulting Group?
5. If the FBI has determined whether any other federal buildings been constructed with any EB-5 funds, please provide further information.
6. How did the FBI become aware that its San Diego Field Office had been constructed in part through Chinese investments?
7. To your knowledge, have any of the EB-5 investor applicants associated with the Molasky Group been denied visas due to national security concerns?
8. What other national security concerns does the FBI have with the EB-5 Regional Center program?
9. Since the FBI has raised concerns with USCIS about the EB-5 Regional Center program, has the Bureau been involved in the adjudication of petitions or applications? Has the FBI received full cooperation from the USCIS in assessing risks and mitigating national security concerns?

¹¹ Wailan Overseas Consulting Group, <http://www.wailanvisa.com/site/UploadFiles/2012/admin/2012103115551297735.jpg> (accessed July 19, 2013).

¹² EB5 FBI LLC, Bizapedia.com, <http://www.bizapedia.com/nv/EB5-FBI-LLC.html> (accessed July 22, 2013).

¹³ Wailan Overseas Consulting Group, <http://www.wailanvisa.com/site/html/432.html> (accessed July 19, 2013).

I would appreciate a response by August 20, 2013. Should you have any questions regarding this letter, please contact Tristan Leavitt of my staff at (202) 224-5225. Thank you in advance for your cooperation in this matter.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Judiciary