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U.S. Citizenship
and Immigration
Services

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FILE: WAC 03 087 53022 Office: CALIFORNIA SERVICE CENTER Date: **JAN 25 2005**

IN RE: Petitioner: [Redacted]
Beneficiary: [Redacted]

PETITION: Immigrant petition for Alien Worker as a Skilled Worker or Professional pursuant to section 203(b)(3) of the Immigration and Nationality Act, 8 U.S.C. § 1153(b)(3)

ON BEHALF OF PETITIONER: SELF-REPRESENTED

INSTRUCTIONS:

This is the decision of the Administrative Appeals Office in your case. All documents have been returned to the office that originally decided your case. Any further inquiry must be made to that office.

Robert P. Wiemann, Director
Administrative Appeals Office

DISCUSSION: The Director, California Service Center, denied the preference visa petition that is now before the Administrative Appeals Office on appeal. The appeal will be dismissed.

The petitioner is a private duty nursing services company. It seeks to employ the beneficiary permanently in the United States as a registered nurse. As required by statute, a Form ETA 750, Application for Alien Employment Certification accompanied the petition. The director determined that the petitioner had not established that it had the continuing ability to pay the beneficiary the proffered wage beginning on the priority date of the visa petition and denied the petition accordingly.

On appeal, the petitioner submits a statement.

Section 203(b)(3)(A)(i) of the Immigration and Nationality Act (the Act), 8 U.S.C. § 1153(b)(3)(A)(i), provides for granting preference classification to qualified immigrants who are capable, at the time of petitioning for classification under this paragraph, of performing skilled labor (requiring at least two years training or experience), not of a temporary nature, for which qualified workers are not available in the United States.

8 C.F.R. § 204.5(g)(2) states:

Ability of prospective employer to pay wage. Any petition filed by or for an employment-based immigrant which requires an offer of employment must be accompanied by evidence that the prospective United States employer has the ability to pay the proffered wage. The petitioner must demonstrate this ability at the time the priority date is established and continuing until the beneficiary obtains lawful permanent residence. Evidence of this ability shall be either in the form of copies of annual reports, federal tax returns, or audited financial statements. In a case where the prospective United States employer employs 100 or more workers, the director may accept a statement from a financial officer of the organization which establishes the prospective employer's ability to pay the proffered wage. In appropriate cases, additional evidence, such as profit/loss statements, bank account records, or personnel records, may be submitted by the petitioner or requested by the Service.

The petitioner must demonstrate the continuing ability to pay the proffered wage beginning on the priority date, the day the completed, signed petition, including all initial evidence and the correct fee, was filed with CIS. See 8 CFR § 204.5(d). Here, the petition was filed with CIS on January 21, 2003. The proffered wage as stated on the Form ETA 750 is \$26 per hour, which equals \$54,080 per year.

On the petition, the petitioner stated that it was established during 1984 and that it employs 100 workers. On the Form ETA 750B, signed by the beneficiary, the beneficiary did not claim to have worked for the petitioner.

In support of the petition, the petitioner submitted a letter, dated January 10, 2003, from its immigration specialist. That letter stated that the petitioner has the ability to pay the proffered wage. The petitioner provided its 2001 Form 1120S, U.S. Income Tax Return for an S Corporation. That return shows ordinary income of \$58,234 during that year. The corresponding Schedule L shows that at the end of that year the

petitioner's current liabilities exceeded its current assets. The petitioner also submitted its compiled 2001 financial statements, which show net income from operations of \$399,739 during that year.

On May 20, 2003, the California Service Center issued a request for, *inter alia*, additional evidence pertinent to the petitioner's ability to pay the proffered wage.

The petitioner responded with a letter, dated June 24, 2003, which stated that it had not yet filed its 2002 tax returns. The petitioner provided an additional copy of its 2001 tax return. In addition, the petitioner provided a letter, dated October 24, 2002, from the Director, Hospital and Community Care Operations, Division of State Operations of the Centers for Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS). That letter states that CMS accepted the petitioner's agreement to participate as a home health agency in the Medicare program. The proposition that letter was intended to demonstrate is unclear.

On July 14, 2003, the California Service Center issued another request for evidence pertinent to the petitioner's continuing ability to pay the proffered wage beginning on the priority date. The Service Center requested copies of annual reports, federal tax returns, or audited financial statements to show ability to pay the proffered wage. The Service Center requested that the documentation provided show the continuing ability to pay the proffered wage beginning on the priority date.

In response, the petitioner submitted a letter, dated August 12, 2003, from its administrator. That letter states that the petitioner's income during 2001 was low because it deferred some billing to reduce its tax liability. That letter also states that the petitioner's income would have been much higher except that it was unable to accommodate some clients because of a shortage of nurses.

In addition, the petitioner submitted its 2002 Form 1120S, U.S. Income Tax Return for an S Corporation and its 2002 compiled financial statements. The 2002 financial statements show net income of \$345,538. The 2002 tax return shows ordinary income of \$345,538. The Schedule L attached to the 2002 return shows that at the end of that year the petitioner's current liabilities exceeded its current assets.

The director determined that the evidence submitted did not establish that the petitioner had the continuing ability to pay the proffered wage beginning on the priority date, and, on August 28, 2003, denied the petition. The director noted that the petitioner's 2002 net income of \$345,548 would be sufficient to pay the proffered wage to six new employees, but that the petitioner has recently had petitions for six alien workers approved.

On appeal, the petitioner submits an undated letter. That letter notes that the basis for the decision below assumes that the petitioner will derive no income from hiring the beneficiary or other nurses. The letter states that the petitioner is able to charge \$40.57 per hour for skilled nursing services and makes a profit on each nurse it employs. The letter notes that California has a critical shortage of nurses and further states that the petitioner has been forced to turn away potential clients because of its own insufficient supply of nurses. The petitioner also provides a fee schedule from California's Department of Health Services confirming that \$40.57 is the hourly rate that department authorizes for registered nurses.

The administrator's August 12, 2003 letter states that the petitioner's income would have been much higher but for a shortage of nurses. That letter appears to imply, and the petitioner's statement on appeal also implies, that hiring the beneficiary will result in a net gain, even after the petitioner pays her wages and the expenses incidental to her hiring and employment. The administrator provides no evidence to support that assertion, however. The petitioner's implicit assertion is insufficient to show the ability to pay the proffered wage.

The petitioner stated that it employs 100 workers. That threshold number triggers the clause in 8 C.F.R. § 204.5(g)(2) stating that, in such a case, the statement of a financial officer may suffice to show the ability to pay the proffered wage. The January 10, 2003 statement in this case is not from a financial officer, but from the petitioner's immigration specialist. It does not accord with the requirements of 8 C.F.R. § 204.5(g)(2).

The undated statement submitted on appeal is from an administrator. Whether that administrator is a financial officer of the company is unclear. In either event, that letter does not unequivocally state that the petitioner has the ability to pay the proffered wage. That letter does not meet the requirements of 8 C.F.R. § 204.5(g)(2). Therefore, the petitioner is obliged to demonstrate its continuing ability to pay the proffered wage beginning on the priority date with copies of its annual reports, federal tax returns, or audited financial statements.

The petitioner's reliance on the compiled financial statements submitted is misplaced. The regulation at 8 C.F.R. § 204.5(g)(2) makes clear that where a petitioner relies on financial statements to demonstrate its ability to pay the proffered wage, those financial statements must be audited. The accountant's report that accompanied those financial statements makes clear that they were produced pursuant to a compilation rather than an audit. As that report also makes clear, financial statements produced pursuant to a compilation are the representations of management compiled into standard form. The unsupported representations of management are not reliable evidence and are insufficient to demonstrate the ability to pay the proffered wage.

Typically, in determining the petitioner's ability to pay the proffered wage during a given period, CIS will examine whether the petitioner employed the beneficiary during that period. If the petitioner establishes by documentary evidence that it employed the beneficiary at a salary equal to or greater than the proffered wage, the evidence will be considered *prima facie* proof of the petitioner's ability to pay the proffered wage. In the instant case, the petitioner did not establish that it employed and paid the beneficiary.

If the petitioner does not establish that it employed and paid the beneficiary an amount at least equal to the proffered wage during that period, ordinarily the AAO will, in addition, examine the net income figure reflected on the petitioner's federal income tax return, without consideration of depreciation or other expenses. CIS may rely on federal income tax returns to assess a petitioner's ability to pay a proffered wage. *Elatos Restaurant Corp. v. Sava*, 632 F.Supp. 1049, 1054 (S.D.N.Y. 1986) (citing *Tongatapu Woodcraft Hawaii, Ltd. v. Feldman*, 736 F.2d 1305 (9th Cir. 1984); see also *Chi-Feng Chang v. Thornburgh*, 719 F.Supp. 532 (N.D. Texas 1989); *K.C.P. Food Co., Inc. v. Sava*, 623 F.Supp. 1080 (S.D.N.Y. 1985); *Ubeda v. Palmer*, 539 F.Supp. 647 (N.D. Ill. 1982), *aff'd*, 703 F.2d 571 (7th Cir. 1983).

The proffered wage is \$54,080 per year. The priority date is January 13, 2003.

The director stated that six petitions submitted by the instant petitioner have recently been approved. Those petitions are not currently available to this office. This office, however, has ten other appeals from denials of Form I-140 petitions now pending before it, each at the same proffered wage as that in the instant case. The proffered wages in the approved cases are likely the same. In order to win approval, the petitioner must show, at the very least, the ability to pay the proffered wages of the six recently approved petitions and that of the instant petition.¹ Those proffered wages, in the aggregate, equal \$378,560.²

The petitioner has provided tax returns for 2001 and 2002. Those documents, of course, contain no information directly relevant to the petitioner's ability to pay the proffered wage beginning on the priority date. The appeal in this matter, however, was submitted during 2003. Having not yet closed out the year, the petitioner's 2003 tax returns and other end-of-year data were clearly unavailable. Information from the 2001 and 2002 returns will be accorded some evidentiary value in this case, as it is the only evidence from which this office may extrapolate.

The petitioner's tax return shows that during 2001 it declared \$58,234 in ordinary income. If the petitioner had been obliged to demonstrate the ability to pay the wages proffered to the beneficiaries of the six approved petitions and the proffered wage in the instant case, it would have been unable to show that ability with its ordinary income. At the end of that year, the petitioner had negative net current assets. The petitioner would have been unable, therefore, to show the ability to pay any portion of those wages out of its net current assets. The petitioner has not submitted reliable evidence of any other funds available to it with which it might have paid the proffered wage during that year. The evidence submitted does not indicate that the petitioner was able, had it been obliged, to pay the proffered wage during 2001.

The petitioner's 2002 tax return shows that it declared \$345,538 in ordinary income. If the petitioner had been obliged to demonstrate the ability to pay the wages proffered to the beneficiaries of the six approved petitions and the proffered wage in the instant case, it would have been unable to show that ability with its ordinary income. At the end of that year, the petitioner had negative net current assets. The petitioner would have been unable, therefore, to show the ability to pay any portion of those wages out of its net current assets. The petitioner has not submitted reliable evidence of any other income available to it with which it might have paid the proffered wage during that year. The evidence submitted does not indicate that the petitioner was able, had it been obliged, to pay the proffered wage during 2002.

The petitioner has not demonstrated that it was able to pay the proffered wage during 2001 and 2002. Extrapolating from that evidence, the only reliable evidence in the record pertinent to ability to pay the proffered wage, this office must find that the petitioner has not demonstrated the continuing ability to pay the proffered wage beginning on the priority date. Therefore, the petition may not be approved.

¹ The petitioner might be obliged to demonstrate the ability to pay the proffered wages of the ten aliens for whom it has appeals pending as well as any aliens for whom it has petitions pending at the Service Center. This office, however, need not reach that issue.

² \$54,080 x 7.

The burden of proof in these proceedings rests solely upon the petitioner. Section 291 of the Act, 8 U.S.C. § 1361. The petitioner has not met that burden.

ORDER: The appeal is dismissed.