



## February 3, 2016 Stakeholder Engagement

### *Nicholas Colucci's Remarks*

Good afternoon and welcome to our first engagement of 2016. It is nice to speak with you all again. As you have heard by now, the regional center program was extended through September 2016 without statutory change. Yesterday, I appeared before the Senate Judiciary Committee to provide information about the program. My testimony underscored recent enhancements to the program, while highlighting opportunities to make further improvements. I look forward to continuing to work with the Committee in the coming months and providing technical assistance, if requested, to any future EB-5 legislation.

I'd like to first announce some personnel changes within IPO leadership. We have two new division chiefs for our adjudications officers: David Leckenby and Edie Pearson. David was previously an IPO branch chief, and before that, served in USCIS's Office of Policy and Strategy, as well as in supervisory roles in the Sacramento Field Office and Texas Service Center. Edie has come back to USCIS after a few years at DHS' Office of Intelligence and Analysis, where she was Deputy Director of the Information Sharing and Intelligence Enterprise Management Division. Before that, Edie served USCIS as a branch chief within the Customer Service Directorate and as a unit chief within the Fraud Detection and National Security (FDNS) Directorate. One of IPO's former adjudications division chiefs, Lori MacKenzie, formerly Lori Melton, is now Chief of IPO's newly-created Policy and Performance Division. Lori will share a few policy updates a little later. IPO hired its first Chief of Staff, Duane Beaudoin, to assist Deputy Chief Julia Harrison and me with the strategy and operations of the Office. Duane comes to us from the Field Operations Directorate where he served as the Branch Chief for Performance, Quality and Data Integrity.

The past several months have been particularly busy for us as we continued to build our staff, adjudicate cases, work on policy-related issues, and review Form I-924A filings. Today we have 113 staff members, and our approved staffing level for FY 2016 has been increased to 171. We have issued job announcements and are in the process of hiring for most of these positions. Once fully staffed, we'll be well positioned to reduce the number of pending cases, many of which were received during the last six months, and specifically in September and December, when we

received unprecedented surges in EB-5 petitions and applications just before the two sunset dates.

As of January 26, 2016, our preliminary data shows pending cases of: 21,790 Forms I-526, 902 Forms I-924, and 4,314 Forms I-829. With the growth in the number of pending cases, we expect processing times to start to increase a bit and as of November 30 processing times stood at 15.5 months for Forms I-526, 7.9 months for Forms I-924, and 15.7 months for Forms I-829.

Unfortunately, as receipts surged, our rate of adjudication slowed a bit, but for good reason. We talked at our last stakeholder engagement about our efforts to adjudicate Form I-526 petitions filed in 2012 and 2013. Over the last several months we have worked to ensure that we had adjudicated the oldest pending cases, and I am happy to report that we have made tremendous progress. To achieve this, our most senior adjudicators spent significant time training each of our newer officers so that they too have the skills needed to adjudicate the most complex cases. This is an investment in our workforce that will pay great dividends going forward.

In the past few months, we also completed the transition of the Form I-829 workload to IPO, and spent time developing processes and training all of our officers on this workload. Having each officer fully trained in every aspect of the EB-5 program allows us maximum flexibility with our workforce, and I anticipate will result in an increased rate of adjudication.

In addition to adjudications training, we also trained all affected USCIS employees on EB-5 ethics and integrity protocols, which were issued by the Secretary, and served to guide the processing of EB-5 petitions and applications, and govern stakeholder communications. You may view the protocols and training on our website.

Now I'll talk a bit about our nearly 800 regional centers. We continue to review the Form I-924A filings from FY 2014 and have started to review the filings from FY 2015. As I mentioned at our August 2015 national engagement, we recently created a Compliance Unit. The team reviews Form I-924As for timeliness, accuracy and completeness, and prepares Notices of Intent to Terminate for regional centers that no longer meet program requirements. As a result of the review of FY 2014 Form I-924As, we issued 85 Notices of Intent to Terminate for failure to submit required information or failure to promote economic growth, and we terminated 9 regional centers. Apart from those, we've also issued 7 other Notices of Intent to Terminate to regional centers for failure to promote economic growth, including some to regional centers with underlying fraud or criminal concerns.

In recent months, the U.S. Securities and Exchange Commission (SEC) has filed complaints alleging that certain regional center principals and managers used EB-5 investor funds for expenses that were not properly disclosed to investors and not related to job creation at the New Commercial Enterprise or, more often, at the Job Creating Entity. These questionable expenses included payments for EB-5-related recruitment trips and to recruiting agents, and in some cases,

for personal gain, such as the purchase by a regional center principal of a residence or a car. We continue to work closely with SEC and other enforcement agencies on these actions. I'd like to take this opportunity to remind everyone just how important it is for regional centers to follow all laws, regulations, and applicable policies. As always, please bring bad behavior to our attention.

I'd also like to update you on our efforts to address problematic regional center naming conventions and the improper use of the DHS seal or USCIS logo. To date, more than 25 regional centers have changed their names and 18 have removed the seal or logo from their website or marketing materials in response to correspondence from USCIS.

While I'm on the topic of regional center names, with the increasing number of regional centers, we have seen an increase in similar-sounding names. To address this, we have added ID numbers to USCIS' web page listings of approved and terminated regional centers, and for those regional centers that change their names, our web page now includes both the new name and the most recent former name for historical purposes (for example ABC RC, former name XYZ RC).

Upcoming in FY 2016, we continue to take steps to increase program integrity. We are working with FDNS to expand the Administrative Site Visit and Verification Program (ASVVP) to include EB-5. Under the ASVVP, FDNS officers make unannounced visits to collect information as part of a compliance review. IPO also plans to increase the number of interviews conducted on Form I-829 petitions. Interview notices will be sent when cases are scheduled for interview and will indicate the date, time and place of the interview and contain other information, such as what to bring. Additionally, we are working to develop an audit program of regional centers to further promote compliance with Program requirements.

Finally, in response to your requests, in the coming weeks we will update the [Customer Service Support](#) section on the [USCIS EB-5 Website](#) to allow stakeholders to escalate their inquiries if our initial response does not resolve the issue. We will alert stakeholders when this is ready.