

U.S. Department of Homeland Security  
U.S. Citizenship and Immigration Services  
*Immigrant Investor Program*  
131 M Street, NE, MS 2235  
Washington, DC 20529



**U.S. Citizenship  
and Immigration  
Services**

**TO:**

California Investment Immigration Fund, LLC  
Tat Chan  
Victoria Chan  
PO Box 1880  
San Gabriel, CA 91778

**DATE:** March 20, 2018

**Application: Form I-924**

**File Number: RCW1031910133**

**RCID: ID1031910133**

**NOTICE OF TERMINATION**

This letter shall serve as notification that U.S. Citizenship and Immigration Services ("USCIS") has terminated the designation of the California Investment Immigration Fund, LLC (the "Regional Center") as a regional center under the Immigrant Investor Program (the "Program") pursuant to Title 8 of the Code of Federal Regulations ("8 C.F.R.") section 204.6(m)(6). The reasons for the termination are explained, below:

**(SEE ATTACHED)**

If the Regional Center disagrees with this decision, or if the Regional Center has additional evidence that shows this decision is incorrect, the Regional Center may file a motion or an appeal to this decision by filing a completed Form I-290B, Notice of Appeal or Motion, along with the appropriate filing fee. A copy is enclosed. The Regional Center may also include a brief or other written statement and additional evidence in support of the motion or appeal. The Form I-290B must be filed within 33 days from the date of this notice. If a motion or appeal is not filed within 33 days, this decision is final.

The Regional Center must send the completed Form I-290B and supporting documentation with the appropriate filing fee to the address indicated below.

If using the U.S. Postal Service:

USCIS  
P.O. Box 660168  
Dallas, TX 75266

If using USPS Express Main/Courier:

USCIS  
Attn: I-290B  
2501 S. State Highway 121 Business  
Suite 400  
Lewisville, TX 75067

For an appeal, the Regional Center may request additional time to submit a brief within 30 calendar days of filing the appeal. Any brief, written statement, or evidence in support of an appeal that is not filed with Form I-290B must be directly sent within 30 days of filing the appeal to:

USCIS Administrative Appeals Office  
U.S. Citizenship and Immigration Services  
20 Massachusetts Avenue, NW, MS 2090

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(formerly ID1031910133)  
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For more information about the filing requirements for appeals and motions, please see 8 C.F.R. § 103.3 or 103.5, or visit the USCIS website at [www.uscis.gov](http://www.uscis.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Julia L. Harrison", with a long horizontal flourish extending to the right.

Julia L. Harrison  
Acting Chief, Immigrant Investor Program

Enclosure: (1) Form I-290B with instructions  
(2) Notice of Intent to Terminate issued on January 25, 2018

cc: Victoria Chan  
Harris Law Group USA LLC  
PO Box 1880  
San Gabriel, CA 91778

**NOTICE OF TERMINATION**  
**Termination of Regional Center Designation Under the Immigrant Investor Program**  
**CALIFORNIA INVESTMENT IMMIGRATION FUND, LLC**

The regulation at 8 C.F.R. § 204.6(m)(6) (*Continued participation requirements for regional centers*) provides:

(i) Regional centers approved for participation in the program must:

(A) Continue to meet the requirements of section 610(a) of the Appropriations Act.

(B) Provide USCIS with updated information annually, and/or as otherwise requested by USCIS, to demonstrate that the regional center is continuing to promote economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area, using a form designated for this purpose; and

(C) Pay the fee provided by 8 CFR 103.7(b)(1)(i)(XX).

(ii) USCIS will issue a notice of intent to terminate the designation of a regional center in the program if:

(A) A regional center fails to submit the information required in paragraph (m)(6)(i)(B) of this section, or pay the associated fee; or

(B) USCIS determines that the regional center no longer serves the purpose of promoting economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.

(iii) A notice of intent to terminate the designation of a regional center will be sent to the regional center and set forth the reasons for termination.

(iv) The regional center will be provided 30 days from receipt of the notice of intent to terminate to rebut the ground or grounds stated in the notice of intent to terminate.

(v) USCIS will notify the regional center of the final decision. If USCIS determines that the regional center's participation in the program should be terminated, USCIS will state the reasons for termination. The regional center may appeal the final termination decision in accordance with 8 CFR 103.3.

(vi) A regional center may elect to withdraw from the program and request a termination of the regional center designation. The regional center must notify USCIS of such

election in the form of a letter or as otherwise requested by USCIS. USCIS will notify the regional center of its decision regarding the withdrawal request in writing.

## **I. Procedural History**

On September 30, 2018, USCIS designated and authorized the Regional Center's participation in the Program. On January 25, 2018, USCIS issued a Notice of Intent to Terminate ("NOIT") to the Regional Center which afforded the Regional Center 30 days from receipt of the NOIT to offer evidence in opposition to the grounds alleged in the NOIT. To date, USCIS has not received a response from the Regional Center to the NOIT and the Regional Center has offered no evidence in opposition to the grounds alleged in the NOIT. Accordingly, USCIS has determined that the Regional Center's participation in the Program should be terminated. Pursuant to 8 C.F.R. § 204.6(m)(6)(v) and through this Notice of Termination, USCIS hereby terminates the Regional Center's participation in the Program.

### **A. Initial Designation**

On September 30, 2008, USCIS designated the Regional Center following approval of its application to participate in the Program (RCW1031910133). USCIS approved the Regional Center with the industry focus of financing and developing commercial and mixed-use real estate in five target areas, including hotel and hospitality, retail, mixed-use residential, commercial and industrial/warehousing, and restaurant and entertainment. Based on the initial designation, the Regional Center obtained approval to promote economic growth under the Program in the following geographic region:

<b>Name of State</b>	<b>Counties</b>
California	Los Angeles County

### **B. Amendments**

On July 23, 2009, the Regional Center filed an amendment (RCW1031910281) to its designation that sought to expand its geographic scope to include the California counties of Kern, Riverside, San Bernardino, and Imperial, and to amend the industry focus of the Regional Center to add:

1. Developing, financing, managing, and operating commercial enterprises in the previously approved industries of hotel/hospitality, retail, mixed-used residential, commercial and industrial/warehousing, and restaurant/entertainment;
2. Developing, financing, managing, and operating mixed-use real estate and assisted/senior living facilities.

The amendment's three project business plans included an office/retail center, a real estate investment and management consulting business, and an assisted living facility. USCIS approved the amendment on January 7, 2010.

### C. Regional Center Projects

(b)(4)

(b)(4) USCIS has received a total of [REDACTED] Forms I-526, Immigrant Petition by Alien Entrepreneur, filed by petitioners asserting that they have invested capital in 8 new commercial enterprises, each an "NCE," associated with the Regional Center, as shown in the table below. USCIS has approved [REDACTED] of these Form I-526 petitions.

TABLE 1

NCE Name	Job-Creating Entity	Number of I-526 Petitions Filed	Number of I-526 Petitions Approved to Date
California Investment Immigration Fund LP	N/A	[REDACTED]	[REDACTED]
CIIF Investment Group LP	N/A		
CIIF Hotel Group LP	Victoria Center		
Harris Group LP	N/A		
Harris Group II LP	N/A		
Harris Group III LP	The Harris Group III LP and Harris Group LP		
The Harris Group VIII LP	N/A		
Harris Group XVIII LP	N/A		

(b)(4)

\* However, one Visa application was refused by the State Department, as that individual was determined not to be qualified under Section 214(b) of the Immigration and Nationality Act.

(b)(4) USCIS has received a total of [REDACTED] Forms I-829, (b)(4) Petition by Entrepreneur to Remove Conditions on Permanent Resident Status filed by petitioners associated with the Regional Center. To date, [REDACTED] of the Forms I-829 have been approved and [REDACTED] relating to CIIF Investment Group, LP, has been denied.

#### 1. California Investment Immigration Fund LP (CIIF LP)

As part of USCIS's adjudication of a Regional Center amendment, USCIS reviewed organizational and transactional documents for California Investment Immigration Fund LP, an NCE. The NCE planned to pool [REDACTED] in capital investments from [REDACTED] EB-5 investors to [REDACTED]

(b)(4)

(b)(4) finance a business to analyze and manage the Regional Center's real estate investments. It was to screen real estate investment proposals submitted to the Regional Center, as well as oversee the (a) construction/remodel bid process of investment proposals chosen, and (b) management of completed real estate investments.<sup>1</sup> The enterprise planned to employ [REDACTED] full-time employees to screen at least [REDACTED] real estate investment proposals per year and manage the Regional Center's real estate projects.<sup>2</sup> The project was to create an estimated [REDACTED] total jobs in Los Angeles County.<sup>3</sup> (b)(4)

## **2. CIIF Investment Group LP**

As part of the Regional Center's amendment, USCIS reviewed organizational and transactional documents for CIIF Investment Group LP, an NCE. The NCE proposed to pool [REDACTED] (b)(4) from [REDACTED] investors to finance a project – the San Gabriel Valley Chinese Cultural Center (the "SGVCCC Project") – to construct, operate, and subsequently lease out commercial real estate. (b)(4) The project was to create a total of [REDACTED] jobs on vacant land in City of Industry, CA. Jobs were to be created via the operations of the SGVCCC Project itself and also by tenants of the facilities.

## **3. CIIF Hotel Group LP**

(b)(4) As part of USCIS's adjudication of a Form I-526 filing, USCIS reviewed organizational and transactional documents for CIIF Hotel Group LP, an NCE. The NCE originally planned to pool [REDACTED] in capital investments from [REDACTED] EB-5 investors and loan the funds to a JCE – Victoria Center Project. The NCE later reduced the scope and planned to pool [REDACTED] from [REDACTED] investors. The project planned to purchase 6 acres of land to construct a hotel and three (b)(4) restaurants in Indio, California and create [REDACTED] jobs. (b)(4)

## **4. Harris Group II LP**

(b)(4) As part of USCIS's adjudication of a Form I-526 filing, USCIS reviewed Form I-526 exemplar and related organizational and transactional documents for Harris Group II LP, an NCE. The (b)(4) NCE planned to pool [REDACTED] in capital investments from [REDACTED] EB-5 investors and invest the (b)(4) funds to develop, build, and operate a 41-room boutique hotel in Ontario, California. The project planned to create an estimated [REDACTED] jobs. (b)(4)

## **5. Harris Group LP and Harris Group III LP**

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<sup>1</sup> Comprehensive Business Plan for California Investment Immigration Fund, LP (real estate management project), page 23, TW+A Research, undated, submitted with I-924 amendment.

<sup>2</sup> Ibid., p. 1, 3, and 19.

<sup>3</sup> Ibid., p. 18 .

As part of USCIS's adjudication of a Form I-526 filing, USCIS reviewed Form I-526 exemplar and related organizational and transactional documents for Harris Group LP and Harris Group III LP, NCEs. The NCEs planned to pool [REDACTED] in capital investments from [REDACTED] EB-5 investors and invest the funds to develop and operate 3 restaurants on the same property in Rancho Cucamonga, California. According to the economic report submitted with the Form I-526 petitions, an estimated [REDACTED] jobs were to be created. (b)(4)

**6. The Harris Group VIII LP and Harris Group XVIII LP**

As part of USCIS's adjudication of a Form I-526 filing, USCIS reviewed organizational and transactional documents for The Harris Group VIII LP and Harris Group XVIII LP, NCEs. The NCEs planned to pool [REDACTED] in capital investments from [REDACTED] EB-5 investors to finance a project developing 16 houses on a nine-acre site<sup>4</sup>, featuring two-story 4,000 – 5,100 square foot, estate-style luxury homes, in Rancho Cucamonga, California. According to evidence submitted with the Form I-526 petition, the total project cost would be approximately [REDACTED] to fund construction over 24 months, creating [REDACTED] jobs. (b)(4)

**D. Annual Reports (Forms I-924A)**

The Regional Center has filed 6 Forms I-924A, Supplement to Form I-924. Table 4 below summarizes the information that the Regional Center provided to USCIS in those forms regarding the claimed aggregate amount of capital investment from EB-5 petitioners associated with the Regional Center and the aggregate number of direct and indirect jobs created and maintained as a result of those investments per year.

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<sup>4</sup> Parcel APN: 0227-051-03-0000, Grant Deed, County Of San Bernardino, Document 2016-0167062.

**TABLE 2**

<b>Fiscal Year (FY)</b>	<b>I-924A Receipt No.</b>	<b>Date Received</b>	<b>Aggregate EB-5 Capital Investment (in millions)</b>	<b>Aggregate Direct/ Indirect Job Creation</b>	<b>Aggregate Jobs Maintained</b>
2011	RCW1135650419	12/21/2011			
2012	RCW1236350959	12/28/2012			
2013	RCW1335851442	12/24/2013			
2014	RCW1500252320	12/29/2014			
2015	RCW1535653815	12/22/2015			
2016	RCW1635754934	12/20/2016			

(b)(4)

## **II. Key Legal Matters, Court Cases, and FBI Investigation**

### **A. Guilty Plea by CIIF RC Principal, Victoria Chan**

On November 27, 2017 the U.S. Justice Department announced that Victoria Chan, a principal of CIIF RC and the attorney representing the Regional Center, pleaded guilty to federal fraud and money laundering charges for participating in a multi-faceted scheme that collected over \$50 million from EB-5 investors through the CIIF RC.<sup>5</sup> The Justice Department announcement included the following:

- “Chan... pleaded guilty to conspiracy to commit visa fraud, conspiracy to commit wire fraud, and international money laundering.”<sup>6</sup> “The scheme related to CIIF started in 2008 in Garden Grove (CA) and was later relocated to San Gabriel (CA). The operation was shut down in April (2017) when federal authorities executed a series of search warrants on CIIF’s office and (Victoria) Chan’s residence.”<sup>7</sup>
- “Chan admitted that much of the money collected by CIIF (RC) from the primarily Chinese investors either was stolen by the conspirators<sup>8</sup> or was refunded to the foreign

<sup>5</sup> For the Justice Department announcement, see <https://www.justice.gov/usao-cdca/pr/attorney-pleads-guilty-federal-charges-stemming-50-million-scheme-defrauded-eb-5-visa>.

<sup>6</sup> Ibid., p. 2.

<sup>7</sup> Ibid., p. 2.

<sup>8</sup> The conspirators included Victoria Chan and her father, Tat Chan, the other CIIF RC principal.



nationals. This undermined one of the basic principles of the EB-5 program because the money was not actually invested in the United States, nor did it lead to the creation of 10 new American full-time jobs, as required under the program.”<sup>9</sup>

- “Chan admitted submitting about 130 fraudulent EB-5 visa applications to federal immigration authorities, and many of those applications falsely claimed that the foreign investments were being used to fund construction projects that were creating new jobs.”<sup>10</sup>

(b)(4)

- “As part of the wire fraud conspiracy, Chan admitted that she fraudulently used hundreds of thousands of dollars in EB-5 investor funds to purchase homes in her name, including residential properties each worth nearly \$1 million in Diamond Bar and Rancho Cucamonga (CA).”<sup>11</sup>
- “‘This fraud scheme subverted the federal immigration process, which resulted in dozens of foreign nationals obtaining green cards they were not entitled to receive’, said Acting United States Attorney Sandra R. Brown. ‘In addition to the millions of dollars they charged in fees, Chan and her father personally benefited by wrongfully using the EB-5 investment funds to purchase expensive homes in their names’.”<sup>12</sup>
- “‘Defendant Chan got rich by operating a long-term fraudulent scheme during which she manipulated a government program intended to encourage investors and stimulate the U.S. economy,’ said Danny Kennedy, the Assistant Director in Charge of the FBI’s Los Angeles Field Office.”<sup>13</sup>
- “In relation to this case, Chan, along with other people and entities related to her, agreed to forfeit to the government eight properties worth nearly \$25 million that federal prosecutors linked to the fraudulent scheme.”<sup>14</sup> A ninth property named in an asset

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<sup>9</sup> See the Justice Department announcement, p. 1.

<sup>10</sup> Ibid., p. 1.

<sup>11</sup> Ibid., p. 1.

<sup>12</sup> Ibid, p.1

<sup>13</sup> Ibid., p. 2.

<sup>14</sup> These were based on cases filed in the U.S. District Court for the Central District of California. The case numbers are CV 17-3901 MWF (RAO), EDCV 17-1031 MWF (RAO), EDCV 17-1034 MWF (RAO), EDCV 17-1033 MWF (RAO), CV 17-3887 MWF (RAO), EDCV 17-1030 MWF (RAO), CV 17-3890 MWF (RAO), and CV 17-3895 MWF (RAO).

forfeiture complaint<sup>15</sup> related to the scheme, a parcel in Rancho Cucamonga, is expected to be forfeited in the coming weeks.”<sup>16,17</sup>

- “Chan pleaded guilty to charges contained in a criminal information filed ...{in November 2017}. According to the information and a related plea agreement, Chan played a key role in the scheme by submitting fraudulent visa applications to U.S. Citizenship and Immigration Services and refunding the purported investments by wire transferring millions of dollars to Chinese nationals.”
- “Members of the conspiracy convinced more than 100 Chinese nationals to invest over \$50 million in CIIF (RC) and related companies, according to court documents. Some of the foreign nationals were on China’s ‘100 Most Wanted List’ after being charged with crimes such as bribery.”<sup>18</sup>

In addition, the April 4, 2017 Justice Department search warrant application<sup>19</sup> associated with this case, mentions the following specific alleged acts of malfeasance by the CIIF RC:

- According to the FBI investigation, Tat and Victoria Chan allegedly provided approximately 30 EB-5 investors full or partial refunds of their \$500,000 investments, totaling over \$10 million.<sup>20</sup> This violates the EB-5 rule that the full \$500,000 must be invested in the NCE and project. In fact, the search warrant application notes, “By doing so, VICTORIA (Chan) misrepresented to USCIS that those investors had met the minimum investment requirements, when in fact the investors no longer qualified for the EB-5 Program because they had received refunds”.<sup>21</sup>
- The warrant application also alleges how Victoria Chan filed EB-5 investors’ Forms I-829 with USCIS with various misrepresentations, including that (a) project work had occurred, when it actually had not, (b) the same “employees” were claimed on different I-

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<sup>15</sup> This was also filed in the U.S. District Court for the Central District of California. The case number is ED-CV 17-1029 MWF (RAO). This is to forfeit land owned by two NCEs, Harris Group LP and The Harris Group III LP.

<sup>16</sup> See the Justice Department announcement, p. 2.

<sup>17</sup> According to the complaints associated with these nine cases, these properties were purchased with EB-5 funds supposedly to be used for CIIF RC projects, but instead were misused to purchase personal residences for the principals and Fang Chen (Tat Chan’s female companion) or for vacant land which has never been developed for a project.

<sup>18</sup> Ibid., p. 2.

<sup>19</sup> Filed in the U.S. District Court for the Central District of California, Case No. 8:17-MJ-00088.

<sup>20</sup> See the search warrant application, p. 52-54.

<sup>21</sup> Ibid., p. 52.

829s (which violates EB-5 rules that each investor must create 10 separate jobs by him/herself), (c) full-time jobs were created when they were actually only part-time or short-term (e.g., 2 months), and (d) these “jobs” were not actually with the NCE or JCE, but instead with CIIF RC.<sup>22</sup> It states “VICTORIA (Chan) misrepresented to USCIS that the investors had met the EB-5 requirements, in order to trick USCIS into believing that the EB-5 investors qualified for the removal of conditions from the U.S. green cards, as noted in the subsequent I-829...petitions that VICTORIA (Chan) filed on behalf of those same EB-5 investors”.<sup>23</sup>

### **III. Analysis**

USCIS has determined that the Regional Center no longer serves the purpose of promoting economic growth, including increased export sales, improved regional productivity, job creation, or increased domestic capital investment as required by 8 C.F.R. § 204.6(m)(6).

#### **A. Failure to Submit Required Information to USCIS**

As indicated in the NOIT, the Regional Center failed to provide accurate and complete information to USCIS on its annual Form I-924A filing for Federal fiscal year 2016. Under 8 C.F.R. § 204.6(m)(6)(i)(B), a regional center must:

Provide USCIS with updated information annually, and/or as otherwise requested by USCIS, to demonstrate that the regional center is continuing to promote economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area, using a form designated for this purpose.

#### **1. *Failure to Provide Required Information***

##### **a. New Principal Omitted from Form I-924A**

The Regional Center failed to provide information to USCIS on its annual Form I-924A filing for federal fiscal year 2016. In Part 3, Information About the Regional Center, the form states “(Use a continuation sheet, if needed to provide information for additional management companies/agencies, regional center principals, agents, individuals, or entities who are or will be involved in the management, oversight, and administration of the regional center.)”

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<sup>22</sup> Ibid., p. 42-48.

<sup>23</sup> Ibid., p. 42-43.

According to a March 14, 2016 letter which the Regional Center principal signed and submitted to USCIS, Victoria Chan became an additional Regional Center principal, effective on that date. However, her name was omitted from the Form I-924A submitted by the Regional Center for fiscal year 2016, filed 9 months later on December 20, 2016. Regional center principals are required to submit on that form not only their name, but additional information, including their contact information and date of birth. By failing to provide the required information for the new Regional Center principal, CIIF RC failed to provide required information.

b. Agent Information Omitted from Form I-924A

The 2016 Form I-924A Instructions direct a regional center to provide a detailed statement for the last federal fiscal year which addresses topics including:

“Part 3. C. Information About the Regional Center – Name of Other Agent.”

As noted above, the directions for Part 3, Information About the Regional Center state, “(Use a continuation sheet, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)” Block C requires information for “Name of Other Agent”, as well as his/her contact information. However, Block C is blank. This information is inconsistent with public records. On February 1, 2016, the Regional Center filed a Statement of Information with the California Secretary of State, notifying the State that the Regional Center had an agent, Victoria Chan. Because the Regional Center omitted the agent information from Form I-924A, the Regional Center has failed to provide required information.

**B. Failure to Continue to Serve the Purpose of Promoting Economic Growth**

Regional centers are designated for the promotion of economic growth and must continue to meet the requirements of section 610(a) of the Appropriations Act as amended, and promote economic growth in a manner that does not conflict with requirements for classification under section 203(b)(5) of the Immigration and Nationality Act (“INA”), removal of conditions on lawful permanent residence under section 216A of the INA, and implementing regulations following their designation. According to section 610(a) of the Appropriations Act, economic growth includes increased export sales, improved regional productivity, job creation, or increased domestic capital investment. See also 8 C.F.R. § 204.6(m)(6)(ii) (“USCIS will issue a notice of intent to terminate the designation of a regional center in the program if. . . USCIS determines that the regional center no longer serves the purpose of promoting economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.”).

The reasons why a regional center may no longer serve the purpose of promoting economic growth are varied and “extend beyond inactivity on the part of a regional center.” 75 FR 58962. For example, depending on the facts, a regional center that takes actions that undermine investors’ ability to comply with EB-5 statutory and regulatory requirements such that investors cannot obtain EB-5 classification through investment in the regional center may no longer serve the purpose of promoting economic growth. See Section 610(a)-(b) of the Appropriations Act (stating that one purpose of a regional center is to concentrate pooled investment in defined economic zones and accomplishing such pooled investment by setting aside visas for aliens classified under INA 203(b)(5)). Likewise, a regional center that fails to engage in proper monitoring and oversight of the capital investment activities and jobs created or maintained under the sponsorship of the regional center may no longer serve the purpose of promoting economic growth in compliance with the Program and its authorities.

When derogatory information arises (such as evidence of inaction, mismanagement, theft, or fraud by the regional center or related entities), USCIS weighs all relevant factors in the totality of the circumstances to determine whether the regional center is continuing to serve the purpose of promoting economic growth. Such factors may include the seriousness of the derogatory information, the degree of regional center involvement in the activities described in the derogatory information, any resulting damage or risk imposed on investors and the economy, as well as any mitigating, corrective, or restorative actions taken or forthcoming to redress the situation.

As of the date of this notice, USCIS records indicate that the Regional Center has not provided a response to the NOIT. Thus, the Regional Center has not provided any evidence to overcome the grounds for termination contained in the NOIT. USCIS has considered all evidence in the record “for relevance, probative value, and credibility, both individually and within the context of the totality of the evidence,” in determining whether the Regional Center’s continued participation is justified under the regulations by a preponderance of the evidence. *See, Matter of Chawathe*, 25 I&N Dec. 369, 376 (AAO 2010). For the reasons set forth below, USCIS has determined by a preponderance of the evidence that the Regional Center no longer serves the purpose of promoting economic growth in compliance with the Program.

***1. Lack of Regional Center Job Creation Activity***

As detailed in the NOIT, the Regional Center’s Form I-924A filings for fiscal years 2013, 2014, 2015, and 2016 do not report any EB-5 job creation. Additionally, although the Regional Center’s Form I-924A filings report aggregate EB-5 investment of [REDACTED] in fiscal year 2013, (b)(4) [REDACTED] in fiscal year 2014, [REDACTED] in fiscal year 2015, and [REDACTED] in fiscal year 2016, there is insufficient evidence that these funds have actually been used to promote economic growth as specified by the Regional Center in its related business plans. As shown in

(b)(4)

the tables above containing information from CIIF RC's Form I-924A filings, there were [REDACTED] jobs created or maintained during these four years, despite the fact that EB-5 investors invested a total of [REDACTED] during that period. (b)(4)

The Regional Center's filings, as well as USCIS records, do not otherwise indicate that it has conducted activity that serves the purposes of the Program, including the "purpose of concentrating pooled investment" as required by section 610(a) of the Appropriations Act. In the absence of evidence of increased export sales, improved regional productivity, job creation, or increased domestic capital investment, USCIS concludes that the Regional Center no longer serves the purpose of promoting economic growth.

#### ***1. No Viable Projects For EB-5 Investors***

Based on the existing record, USCIS has determined that the Regional Center no longer serves the purpose of promoting economic growth because there appear to be no viable capital investment projects for EB-5 investors.

In general, capital investment projects sponsored by a regional center demonstrate its promotion of economic growth through the pooling of investment capital from EB-5 investors and resulting job creation. These capital investment projects and the resulting job creation form the basis of Program eligibility throughout the entire period of a regional center's participation in the Program, beginning with its initial designation and beyond. In order to be designated as a USCIS-approved regional center, the applicant must provide a proposal which, among other things, describes "in verifiable detail how jobs will be created indirectly." 8 C.F.R. § 204.6(m)(3)(ii). USCIS must be able to verify that an investor seeking an immigrant visa under the Program will be able to demonstrate that his or her qualifying investment will create jobs indirectly. *See* 204.6(m)(7).

##### **a. CIIF Investment Group LP**

(b)(4)

CIIF Investment Group LP was to pool [REDACTED] in EB-5 funds to finance a project – the San Gabriel Valley Chinese Cultural Center (the "SGVCCC Project") – to construct, operate, and subsequently lease out commercial real estate. SGVCCC was to create a total of [REDACTED] jobs on a (b)(4) site(s) in the City of Industry. Jobs were to be created via the operations of the SGVCCC Project and also by tenants of the facilities. USCIS approved a Form I-924 amendment for this project in January 2010.

According to the FBI search warrant application mentioned above, no activity was found at the three sites listed for this NCE.<sup>24</sup> With regards to the property at 120 S. Hacienda Blvd., City of Industry, CA, in December, 2016 an FBI Special Agent (SA) found only a vacant building surrounded by chain-linked fences with no active construction work.<sup>25</sup> The same result was photographed about 4 years earlier in January, 2013, by U.S. Immigration and Customs Enforcement Homeland Security Investigations (HSI), strongly suggesting no work had been done during that period.<sup>26</sup> Further, this property was one of those forfeited to the U.S. government as part of the asset forfeiture agreements discussed above, so this NCE cannot develop this site further.

Similarly, the FBI SA also found no signs of activity by this NCE at two other purported CIIF Investment Group LP project sites, 17545 and 17875 Colima Road, City of Industry, based on January, 2013 photographs from the HSI and the FBI SA's November, 2015 site visit.<sup>27</sup> In addition, because this NCE missed lease payments for these two properties, Kam Sang Company, the property management firm overseeing these sites, reclaimed the two properties from CIIF Investment Group around July, 2013.<sup>28</sup> Thus, there has been no evidence of project development or job creation by this NCE.

b. Harris Group LP and Harris Group III LP

(b)(4)

(b)(4) The Harris Group LP first proposed to pool [REDACTED] from [REDACTED] immigrant investors to develop, build and operate a 127-room extended-stay hotel and restaurant in Ontario, California. USCIS records show receipt of [REDACTED] I-526 petitions associated with this NCE, [REDACTED] denials, [REDACTED] pending, and [REDACTED] approvals. USCIS has denied at least [REDACTED] petitions due to the fact that petitioners did not provide a comprehensive business plan meeting the requirements of *Matter of Ho*. (b)(4)

(b)(4)

(b)(4) In response to the I-526 Notices of Intent to Deny (NOIDs), various petitioners submitted documents proposing an entirely new project. According to the new project documents, the NCE changed its plan to pool [REDACTED] from [REDACTED] immigrant investors to develop, build, and operate three restaurants on a site in Rancho Cucamonga, California in a joint venture with [REDACTED] additional EB-5 investors associated with Harris Group III, LP—another NCE connected with CIIF RC. According to the project business plan, the restaurants were to begin operating in October, 2016 and the required permits and licenses would be obtained from August –2015 to November, 2015. (b)(4)

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<sup>24</sup> See p. 46-47 of the warrant application.

<sup>25</sup> Ibid., p. 46.

<sup>26</sup> Ibid., p. 46.

<sup>27</sup> Ibid., p. 60.

<sup>28</sup> Ibid., p. 60-61.

After a careful review of the new evidence, USCIS denied petitions due to project-related concerns. Specifically, since the job creation estimates in the business plan and economic analysis were not based on reasonable projections of the JCE's revenues and costs, and were deemed not to be based on a reasonable methodology. Without reasonable job creation estimates, the investors did not establish that they met the requirements of the EB-5 Program and their petitions were subsequently denied.

An August 15, 2017 visit to the purported project site by a USCIS officer found only vacant, undeveloped land. In addition, the officer's September 1, 2017 report noted the City of Rancho Cucamonga had not received any application for operating any business on the project site, and the City had not issued or approved any business license, permit, certificate, or authorization to operate any business of any kind for Harris Group III LP/Harris Group LP. Again, there is no evidence of any project progress or job creation by these NCEs.

c. The Harris Group VIII LP and Harris Group XVIII LP

(b)(4)

The Harris Group VIII LP and Harris Group XVIII LP planned to pool [REDACTED] in EB-5 funds to finance a project developing 16 residential homes on a nine-acre site<sup>29</sup> at 6527 Etiwanda Avenue, Rancho Cucamonga, California. On or about April 29, 2016, these NCEs purchased vacant land at this site for approximately [REDACTED] (b)(4)

The USCIS officer's August 15, 2017 site visit found only a vacant, undeveloped property with a sign on the gate reading, "Notice of Unified Trustee's Sale and Personal Property". As before, this officer's September 1, 2017 report mentioned the City of Rancho Cucamonga had not received any application for operating any business on the project site, and the City had not issued or approved any business license, permit, certificate, or authorization to operate any business of any kind for these NCEs. Thus, for this "project" there is no sign of any development or job creation.

d. Harris Group II LP

(b)(4)

As discussed earlier, Harris Group II LP planned to pool [REDACTED] in EB-5 investments to help develop, build, and operate a 41-room boutique hotel at 4371 Ontario Mills Parkway in Ontario, California. All permits were to be obtained in October, 2014 and the hotel construction was to be completed by August, 2015. The project planned to create [REDACTED] jobs.

(b)(4)

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<sup>29</sup> Parcel APN: 0227-051-03-0000, Grant Deed, County Of San Bernardino, Document 2016-0167062.



Similar to above, the USCIS officer's August 15, 2017 property visit found only a vacant, undeveloped site with no sign of any construction or business activity. The officer's September 1, 2017 report noted the Ontario City Hall had no records on file for a Business License Application for this NCE, nor were there any building permits on file for this location. Therefore, there is no evidence of any progress on this project or job creation.

e. CIIF Hotel Group LP

(b)(4)

As described earlier, CIIF Hotel Group LP planned to pool [REDACTED] in EB-5 funds to purchase 6 acres of land to construct a hotel and three restaurants near Jefferson Street and Highway 111 in Indio, California and create [REDACTED] jobs. USCIS approved [REDACTED] Form I-526 petitions related to this project between December 2011 and February 2013. (b)(4)

However, during his visit to this property on December 20, 2016, the FBI SA found a large, undeveloped site devoid of any construction.<sup>30</sup> The FBI SA's report also stated that the City of Indio's Planning Department, Building and Safety Department, and Engineer Department, had no record of approved construction permits for this location.<sup>31</sup> This is despite the fact that EB-5 funds were available years before that due to the approval of [REDACTED] petitions related to this project. Thus, again there is no evidence of any project development or job creation.

(b)(4)

f. CIIF LP

(b)(4)

(b)(4) CIIF LP planned to pool [REDACTED] in EB-5 investments to finance a business to analyze and manage the Regional Center's real estate investments. The enterprise planned to employ [REDACTED] full-time employees to screen at least [REDACTED] real estate investment proposals annually, with the project creating an estimated [REDACTED] total jobs in Los Angeles County. The JCE planned to lease office space in Commerce, California.<sup>32</sup> (b)(4)

(b)(4) USCIS has adjudicated [REDACTED] Form I-829 petitions for this NCE. On June 19, 2017 USCIS issued Notices of Intent to Deny ("NOIDs") for the petitions due to the petitioners' failure to provide sufficient evidence that the JCE had created or would create the required number of full-time jobs for qualifying employees. The only relevant jobs information the petitioners supplied was for a period from 2011 through 2013.

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<sup>30</sup> FBI search warrant application, p. 30.

<sup>31</sup> Ibid., p. 31. This was also as of December 20, 2016.

<sup>32</sup> Comprehensive Business Plan for California Investment Immigration Fund, LP (real estate management project), page 19, TW+A Research, undated, submitted with I-924 amendment.

According to the City of Commerce’s Business License Office, there is no current business license for the NCE.<sup>33</sup> A previous business license for the NCE expired on December 31, 2011.<sup>34</sup> Therefore, there is no evidence to show that the NCE was ever lawfully able to conduct business in City of Commerce, CA.

As noted in the NOIDs, a USCIS officer conducted a site visit on May 31, 2017 at the NCE’s addresses of record.<sup>35</sup> The officer found that neither suite was occupied then by the NCE, and that the property manager said the NCE had leased both addresses in the past, one from March 2011 through February 2012, and the other from January 2011 through December 2015. The manager also said the NCE did not have a lot of ongoing activities at these locations and that there were very few office desks and computers.

On June 6, 2017 a USCIS officer also conducted a site visit at another address<sup>36</sup> listed for the NCE. However, the officer mentioned that the building appeared to be “a residential condominium” and that no one was present when the officer visited Suite 3313. Therefore, given the facts noted here, there is insufficient evidence that this NCE is operating according to its business plan or that it has actually created any of the required jobs.

g. No Viable Projects - Conclusion

As described above, a preponderance of the evidence shows that there are no viable projects for EB-5 investors with CIIF RC. As discussed earlier in this Notice, the Regional Center’s FY2013-16 Form I-924As show [REDACTED] jobs created or maintained during that period. Therefore, USCIS concludes that CIIF RC fails to continue to promote economic growth as required under the EB-5 Program. (b)(4)

**2. Material Misrepresentations**

During the course of its adjudications and the verification of information submitted by the Regional Center and individual Form I-526 petitioners, USCIS has discovered significant discrepancies between what the Regional Center represented in its filings and in documents provided to individual Form I-526 petitioners and what USCIS was able to determine

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<sup>33</sup> This information was provided by a City of Commerce Business License official in a telephone conversation on January 16, 2018. The official noted this information is not available on their public website.

<sup>34</sup> Ibid.

<sup>35</sup> According to the addresses listed on the related I-829 petitions and the NCE’s lease, the office was located at 6055 E. Washington Boulevard, Suites 490 and 1055, Commerce, CA.

<sup>36</sup> According to evidence submitted with an I-526 petition associated with the NCE, the NCE’s office address was 12688 Chapman Avenue, Suite 3313, Garden Grove, CA.

independently. As such, USCIS has determined that the Regional Center misrepresented material facts to USCIS through its filings and in documents provided to individual Form I-526 petitioners, particularly with regard to the NCEs under its sponsorship and the job-creating activities to be facilitated by EB-5 investments.<sup>37</sup>

As outlined below, Victoria Chan has admitted to a number of serious misrepresentations that CIIF RC or she made to USCIS, which undermine the goals of the EB-5 Program. These include:

- Chan acknowledged<sup>38</sup> filing about 130 fraudulent EB-5 visa applications to USCIS, with many of them falsely claiming that these investments were being used to fund projects that were creating new jobs and promote economic growth. [REDACTED]
- (b)(4) [REDACTED] This clearly contravenes the EB-5 Program's basic objectives of economic development and job creation.
- CIIF RC I-526s and/or I-829s submitted to USCIS either stated that EB-5 funds would be or were invested in projects, although some were (a) actually misappropriated by Victoria Chan and others to buy expensive personal residences, and (b) in fact refunded to EB-5 investors. According to the FBI search warrant application, Tat and Victoria Chan refunded over \$10 million in supposed EB-5 funds back to about 30 "investors".
  - As noted above, the warrant application mentions how Victoria Chan filed EB-5 investors' Forms I-829 with USCIS with various misrepresentations, including that (a) project work had occurred, when it actually had not, (b) the same employees were claimed on different I-829s, (c) full-time jobs were created when they were actually only part-time or short-term (e.g., 2 months), and (d) these jobs were not actually with the NCE or JCE, but instead with CIIF RC itself. It states "VICTORIA (Chan) misrepresented to USCIS that the investors had met the EB-5 requirements, in order to trick USCIS into believing that the EB-5 investors qualified for the removal of conditions from the U.S. green cards, as noted in the subsequent I-829...petitions that VICTORIA (Chan) filed on behalf of those same EB-5 investors". These alleged moves counter the fundamental EB-5 Program goal of promoting economic growth.

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<sup>37</sup> USCIS may verify information submitted by the Regional Center to establish its eligibility for regional center designation at any time to ensure compliance with applicable laws and authorities, pursuant to authority granted by 8 U.S.C. sections 1103, 1155, and 1357; the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1993 Pub. L. No. 102-395, section 610, 106 Stat 1828, 1874 (1992) (as amended).

<sup>38</sup> Justice Department announcement, see <https://www.justice.gov/usao-cdca/pr/attorney-pleads-guilty-federal-charges-stemming-50-million-scheme-defrauded-eb-5-visa>.

In addition to misleading USCIS, CIIF RC also placed the EB-5 investors who had staked their money and futures in the projects and Regional Center in jeopardy. For instance, investors were told their funds would be invested in projects, which would provide opportunities to receive U.S. Permanent Residence status. However, there is no evidence that any projects actually occurred or were developed to allow this. Instead, a substantial amount of EB-5 funds was embezzled by Victoria Chan to buy expensive homes or refunded to certain EB-5 “investors”. These actions undermine the EB-5 Program’s basic objective that investors achieve Permanent Residence Status through the Program regulations’ requirements.

The issues outlined above cast significant doubt on the credibility of the Regional Center’s filings and the legitimacy of its operations. For these reasons, USCIS has determined by a preponderance of the evidence that the Regional Center no longer serves the purpose of promoting economic growth in compliance with the Program.

### ***3. Illegal Activity Impacting the Regional Center’s Ability to Promote Economic Growth***

As mentioned earlier, Victoria Chan has pleaded guilty to conspiracy to commit visa fraud, conspiracy to commit wire fraud, and international money laundering in relation to actions taken as part of her involvement with the CIIF RC. Additional details have been provided above, including various ways in which these activities adversely affect the ability of the Regional Center to promote economic growth.

Victoria and Tat Chan’s wrongdoings present concerns regarding the regional center’s ability to promote economic development and create jobs in the future. For instance, clearly the Regional Center’s reputation is greatly damaged. Even if it were somehow to continue to operate, it is unclear if other firms (e.g., banks, construction companies, architects, developers, and etc.) would do business with them, and potential EB-5 investors would almost certainly not invest in their projects. We note that even after the guilty pleas of the principle, the Regional Center did not change management or ownership or take any other steps to remove the individuals who had committed these crimes. In fact, as a result of the guilty pleas, Victoria Chan faces a statutory maximum sentence of 45 years in federal prison, therefore it is unclear how she could continue to perform day to day oversight of the regional center.<sup>39</sup>

Likewise, the Justice Department announcement also claims that Tat Chan, the other principal, acted in a fraudulent manner. It notes, “In addition to the millions of dollars they charged in fees,

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<sup>39</sup> <https://www.justice.gov/usao-cdca/pr/attorney-pleads-guilty-federal-charges-stemming-50-million-scheme-defrauded-eb-5-visa>

(Victoria) Chan and her father (Tat Chan) personally benefited by wrongfully using the EB-5 investment funds to purchase expensive homes in their names”.<sup>40</sup> Tat Chan is also alleged in the FBI search warrant application to “have defrauded the United States (along with Victoria Chan) by exploiting the U.S. immigration ‘EB-5’ visa program”.<sup>41</sup>

Therefore it does not appear that the current principals and owners of the regional center are likely to be able to fulfill the Regional Center’s purpose of promoting economic growth in the future.

#### ***4. Diversion of EB-5 Funds***

Based on Victoria Chan’s guilty plea, it is more likely than not that EB-5 funds were used for purposes that are inconsistent with the business plans submitted to USCIS by the Regional Center and in furtherance of job creation.

Specifically, as detailed to USCIS in the relevant business plans submitted by the Regional Center and petitioners it sponsors, the job creation relating to the various NCEs/JCEs was supposed to be based on the projects discussed above, i.e., building and developing hotels, restaurants, and other businesses. However, as noted earlier, the Justice Department plea announcement mentioned that Victoria and Tat Chan instead used investors’ funds to purchase expensive homes in their names. It also states that the Regional Center refunded much of the EB-5 money back to various investors. The search warrant application alleges over \$10 million in investors’ funds given back to about 30 investors. The application also alleges that “CIIF fronted \$500,000 to some ‘investors’, who then wire-transferred those same funds back to CIIF as purported EB-5 investments, in an attempt to trick U.S. immigration into believing that the foreigners had actually made investments, when they had not”.<sup>42</sup> Thus, the use of EB-5 funds for purposes unrelated to these “projects” and the proposed job creation, not only casts doubt on the legitimacy of the Regional Center’s representations, but also potentially impacts their investors whose petitions rely on the job creation for Program eligibility.

A core requirement of the Program is that EB-5 capital must be placed at risk for the purpose of generating a return. In situations where the NCE is not the job-creating entity, *Matter of Izummi*, as well as USCIS policy, requires that, in order to be considered at-risk, the full amount of EB-5 capital “must be made available to the business(es) most closely responsible for creating the jobs

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<sup>40</sup> See p. 1 of the announcement.

<sup>41</sup> See p. 2 of the warrant application.

<sup>42</sup> *Ibid.*, p. 5.

upon which EB-5 eligibility is based.”<sup>43</sup> Specifically, CIIF RC refunded EB-5 funds back to the “investors”, misappropriated substantial sums to use for personal expenditures, including buying million-dollar homes, and allegedly fronted \$500,000 each to some “investors” (who then wired those same funds back to the Regional Center). These uses of EB-5 capital, as acknowledged by Ms. Chan and alleged in the warrant application, violate this “at risk” requirement because those funds are not going to the job creating activity upon which EB-5 eligibility is predicated and, consequently, the full amount of capital will not be made available to the business(es) most closely related to job creation.

Based on the evidence detailed above, it appears that the Regional Center, through its principals, used EB-5 funds for purposes unrelated to the supposed job creating activities of any of its NCEs or JCEs. Based on this apparent diversion and the seriousness of its consequences, USCIS has determined by a preponderance of the evidence that CIIF RC no longer serves the purpose of promoting economic growth in compliance with the Program.

#### ***5. Failure to Promote Economic Growth - Conclusion***

As of the date of this notice, USCIS records indicate that the Regional Center has not provided a response to the NOIT and the Regional Center’s filings do not otherwise indicate that it has conducted activity that serves the purposes of the Program, including the “purpose of concentrating pooled investment” as required by section 610(a) of the Appropriations Act<sup>44</sup>. Given this diversion of EB-5 funds, the many material misrepresentations made to USCIS and the investors, the admitted illegal activity, and the lack of evidence in the record of any real project development (beyond buying land), USCIS concludes that the Regional Center no longer serves the purpose of promoting economic growth.

#### **IV. Conclusion**

For the reasons described above and set forth in the NOIT and pursuant to 8 C.F.R. 204.6(m)(6), USCIS has determined that the Regional Center has failed to submit the required information to USCIS and that the Regional Center no longer serves the purpose of promoting economic growth and hereby terminates the Regional Center’s participation in the Program.

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<sup>43</sup> *Matter of Izummi*, 22 I&N Dec. 169, 179 (Assoc. Comm’r 1998). See also USCIS Memorandum, “EB-5 Adjudications Policy”, PM-602-0083, p. 16 (May 30, 2013); and USCIS Policy Manual, Volume 6, Part G, Chapter 2 on “Capital, Made Available” available online at <https://www.uscis.gov/policymanual/HTML/PolicyManual-Volume6-PartG-Chapter2.html>.

<sup>44</sup> USCIS Policy Manual, Volume 6, Part 6, Chapter 3.

If the Regional Center disagrees with this decision, or if the Regional Center has additional evidence that shows this decision is incorrect, the Regional Center may file a motion or an appeal to this decision by filing a completed Form I-290B, Notice of Appeal or Motion, along with the appropriate filing fee. A copy is enclosed. The Regional Center may also include a brief or other written statement and additional evidence in support of the motion or appeal. The Form I-290B must be filed within 33 days from the date of this notice. If a motion or appeal is not filed within 33 days, this decision is final.

The Regional Center must send the completed Form I-290B and supporting documentation with the appropriate filing fee to the address indicated below.

If using the U.S. Postal Service:

USCIS  
P.O. Box 660168  
Dallas, TX 75266

If using USPS Express Main/Courier:

USCIS  
Attn: I-290B  
2501 S. State Highway 121 Business  
Suite 400  
Lewisville, TX 75067

For an appeal, the Regional Center may request additional time to submit a brief within 30 calendar days of filing the appeal. Any brief, written statement, or evidence in support of an appeal that is not filed with Form I-290B must be directly sent within 30 days of filing the appeal to:

USCIS Administrative Appeals Office  
U.S. Citizenship and Immigration Services  
20 Massachusetts Avenue, NW, MS 2090  
Washington, DC 20529-2090

For more information about the filing requirements for appeals and motions, please see 8 C.F.R. § 103.3 or 103.5, or visit the USCIS website at [www.uscis.gov](http://www.uscis.gov).