



Highlights of [GAO-05-256](#), a report to congressional committees

### Why GAO Did This Study

In 1990, Congress established an investor visa category, referred to as EB-5, whereby immigrants are granted conditional residence and after 2 years, permanent residence status in the United States if they invest in a commercial enterprise that will benefit the U.S. economy and create at least 10 full-time jobs. The Basic Pilot Program Extension and Expansion Act of 2003 (P.L. 108-156) mandates that GAO provide certain information regarding the EB-5 employment category. In response to the mandate, this report provides information on immigrant participation, including the number of participants, their countries of origin, and the number who sought U.S. citizenship. Also, this report includes information about the types of business established and where they were established.

### What GAO Recommends

To better achieve the economic benefits of the EB-5 visa category, GAO recommends that the Secretary of the Department of Homeland Security finalize and issue regulations necessary to provide final adjudication to those cases dependent on these regulations.

In commenting on our recommendation, DHS stated that the regulations have been, and remain a priority within the department.

[www.gao.gov/cgi-bin/getrpt?GAO-05-256](http://www.gao.gov/cgi-bin/getrpt?GAO-05-256).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Paul Jones at (202) 512-8777 or [jonesp@gao.gov](mailto:jonesp@gao.gov).

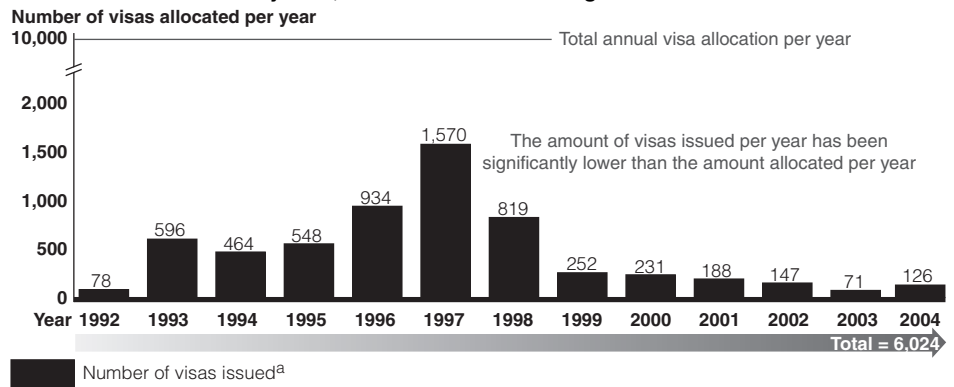
## IMMIGRANT INVESTORS

### Small Number of Participants Attributed to Pending Regulations and Other Factors

#### What GAO Found

The number of visas granted under the EB-5 category has been a small fraction of the approximately 10,000 allocated annually by the authorizing legislation. According to State Department records, a total of 6,024 visas have been issued to immigrant investors and their dependents since 1992. As of June 2004, 653 investors (not including dependents) had met this immigration category's requirements and received permanent legal resident status.

**Number of Visas Issued by Year, Fiscal Years 1992 through 2004**



Source: GAO analysis of State Department data.

<sup>a</sup>Since decisions for applications are not necessarily rendered the same year they are received, numbers of visas issued in a year may be from applications submitted in prior years.

The immigration officials and lawyers who represent immigrant investors that we interviewed attribute the low participation to the rigorous application process and the uncertainty of meeting the requirements that can result in the permanent residency benefit. They also cited, as a potentially negative impact on future applicants, the failure to issue implementing regulations to adjudicate hundreds of EB-5 permanent residence applications that have left investors in conditional resident status—some for as long as 10 years. In 2002, Congress mandated that the regulations be issued by March 2003. The regulations were initially drafted but continue to be under review by the Department of Homeland Security. DHS cited many difficult and competing demands associated with establishing the new department and meeting its mission challenges as reasons the regulations have not been completed.

About 83 percent of investors and their dependents who were granted permanent resident status through the EB-5 category are from Asia. EB-5 participants have invested an estimated \$1 billion in a variety of businesses (e.g., hotels/motels, manufacturing, restaurants, real estate, and farms). GAO estimates that 41 percent of the businesses were established in California.