



October 23, 2014

VIA CERTIFIED MAIL & E-MAIL

Hon. Barbara Boxer, Chairman
Hon. Johnny Isakson, Vice Chairman
U.S. Senate Select Committee on Ethics
Senate Hart Office Building, Room 220
Washington, D.C. 20530

**Re: Phone Call With Committee Stating It Never Received Cause of Action's
December 16, 2013 Complaint Regarding Senator Harry Reid's Alleged
Ethics Violation With Respect To EB-5 Visas.**

Dear Senators Boxer and Isakson:

On October 20, 2014, Cause of Action wrote the Senate Select Committee on Ethics ("Committee") requesting "reasoned notice of the Committee's determination" on Cause of Action's December 16, 2013 complaint. This complaint alleged that Senator Harry Reid (D-NV) violated Rule 43 of the U.S. Senate Code of Official Conduct through inappropriate *ex parte* communications with then-U.S. Citizenship and Immigration Services ("USCIS") Director Alejandro Mayorkas and another official in USCIS's Office of Legislative Affairs, causing the approval of EB-5 visas for favored investors notwithstanding "suspicious" financial irregularities.¹ As Cause of Action pointed out at that time, Senator Reid's conduct was "especially troubling" because the principal entity involved in the scheme was a major Democratic Party contributor represented by the Senator's son, Rory Reid.

On October 22, 2014, after media reports of the determination request, John C. Sassaman, the Committee's Chief Counsel and Staff Director, called Cause of Action and indicated the Committee had "never received" the complaint. In light of the *National Journal's* findings regarding the Committee's ineffectiveness,² the notion that Committee staff may have lost or otherwise misplaced Cause of Action's complaint against the Majority Leader is plausible. However, the available evidence contradicts the Committee's claim.

To begin with, the complaint was sent certified mail and Cause of Action received a signed return receipt from the Senate dated December 20, 2013.³ But even if the Senate mails failed in this case, and the complaint was lost by Senate employees, the evidence is that the

¹ Letter from Cause of Action to Hons. Barbara Boxer & Johnny Isakson, U.S. S. Select Comm. on Ethics (Oct. 21, 2014), *available at* <http://causeofaction.org/assets/uploads/2014/10/2014-10-21-Ethics-Letter.pdf> (Exhibit 1).

² Sarah Mimms & Billy House, *Is the Senate Ethics Committee Working?*, NAT'L J. (Oct. 1, 2014), <http://www.nationaljournal.com/congress/is-the-senate-ethics-committee-working-20141001>.

³ Ethics Letter Delivery Record (Dec. 20, 2013) (Exhibit 2); Letter from U.S. Postal Serv. to Cause of Action (Oct. 22, 2014) (Exhibit 3).

Committee learned of the complaint's filing and allegations from direct press inquiries and likely obtained it directly from Cause of Action's website in January, 2014.⁴

Specifically, a January 21, 2014, story by *The Washington Times* reported that a "spokesman for the ethics committee and Chairwoman Barbara Boxer, California Democrat, said they couldn't comment on the details of any investigation."⁵ Frankly, it is difficult to conceive of a circumstance under which an experienced Senate Committee "spokesman" would have acknowledged a complaint that had not been received, or to imagine that the highly professional Senate Committee staff would have neglected to follow up on a direct press inquiry by obtaining a copy of the complaint from the Cause of Action website, where it had been publicly posted. And, as it happens, Google Analytics™ for Cause of Action's website posting of the complaint, <http://causeofaction.org/coa-requests-investigation-sen-harry-reid-uscis-eb-5-abuse/>, reveals several visits by Senate employees during the relevant time.⁶

In any event, attached is yet another copy of the December 16, 2013 complaint for the Committee's review.⁷ It alleges that Senator Reid violated the Senate's ethics rules and suggests that the EB-5 visa program, designed to help create jobs for American workers, may be a vehicle for moving foreign money of uncertain provenance into the United States to benefit politicians and their cronies.⁸ Given Mr. Sassaman's call and the Committee's record of inaction, the public certainly has reason to be concerned about the integrity and thoroughness of Committee review in this case. Nevertheless, Cause of Action trusts that the Committee will act promptly and in good faith with respect to this matter.

Please contact me if you have any questions.

Sincerely,



Daniel Z. Epstein
Executive Director

⁴ E.g., David Sherfinski, *Harry Reid on the hot seat: Ethics probe demanded by watchdog group*, WASH. TIMES (Jan. 21, 2014), <http://www.washingtontimes.com/news/2014/jan/21/watchdog-group-calls-ethics-investigation-reid/>; *Ethics Complaint Filed Against Harry Reid*, WASH. FREE BEACON (Jan. 21, 2014), <http://freebeacon.com/politics/ethics-complaint-filed-against-harry-reid/>; Kenric Ward, *Complaint: Reid meddled in casino visa-investor cases*, WATCHDOG.ORG (Jan. 21, 2014), <http://watchdog.org/124635/reid-visa-investor/>.

⁵ Sherfinski, *supra* note 4.

⁶ Google Analytics for <http://causeofaction.org/> (Dec. 16, 2013 – Jan. 30, 2014) (by service provider) (Exhibit 4).

⁷ Letter from Cause of Action to Hons. Barbara Boxer & Johnny Isakson, U.S. S. Select Comm. on Ethics (Dec. 16, 2013), available at <http://causeofaction.org/assets/uploads/2013/12/2013-12-16-Ltr-Sen-Ethics-Comm-Reid.pdf> (Exhibit 5).

⁸ See, e.g., John Solomon & David Sherfinski, *VEGAS RULES: Harry Reid Pushed Feds to Change Ruling for Casino's Big-money Foreigners*, WASH. TIMES (Dec. 10, 2013), <http://www.washingtontimes.com/news/2013/dec/10/harry-reids-visa-pressure-cooker/>.

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Hon. Johnny Isakson
October 23, 2014
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Encl.: Exhibits

cc: Hon. Harry Reid
U.S. Senate

Hon. Tom Carper, Chairman,
Hon. Tom Coburn, Ranking Member
U.S. Senate Committee on Homeland Security and Governmental Affairs

Hon. John Roth
Inspector General of the Department of Homeland Security

Mr. John C. Sassaman,
Chief Counsel and Staff Director, U.S. Senate Select Committee on Ethics

EXHIBIT 1



October 21, 2014

VIA CERTIFIED MAIL

Hon. Barbara Boxer, Chairman
Hon. Johnny Isakson, Vice Chairman
U.S. Senate Select Committee on Ethics
Senate Hart Office Building, Room 220
Washington, D.C. 20530

Re: Request for Notice of Committee Determination Regarding December 16, 2013, Complaint Regarding Senator Harry Reid's Interference with USCIS's Review of EB-5 Immigrant Investor Applications for the SLS Hotel & Casino Project.

Dear Senators Boxer and Isakson:

On December 16, 2013, Cause of Action, a non-profit, nonpartisan government accountability organization, submitted a letter to the Senate Ethics Committee ("Committee") alleging that Senator Harry Reid (D-NV) violated Rule 43 of the U.S. Senate Code of Official Conduct¹ through *ex parte* communications with the U.S. Citizenship and Immigration Services ("USCIS"). These communications were apparently for the purpose of altering or affecting USCIS's review of EB-5 immigrant investor applications related to the SLS Hotel & Casino project.

Over 300 days have passed since the Committee has received Cause of Action's complaint, but it apparently has taken no action. It may be that the Committee's silence reflects its decision that the complaint's allegations do not justify a preliminary inquiry.² Or it may be that the Committee's silence reflects a failure to properly discharge duties. Consequently, the purpose of this letter is to request a reasoned notice of the Committee's determination in this case.

¹ Letter from Cause of Action to Hons. Barbara Boxer & Johnny Isakson, U.S. S. Select Comm. on Ethics (Dec. 16, 2013), *available at* <http://causeofaction.org/assets/uploads/2013/12/2013-12-16-Ltr-Sen-Ethics-Comm-Reid.pdf>; *see also* U.S. S. SELECT COMM. ON ETHICS, SENATE ETHICS MANUAL (S. PUB. 108-1) 177-78 (2003), *available at* <http://www.ethics.senate.gov/downloads/pdf/manual.pdf> (discussing Senate Code of Official Conduct Rule 43); David Sherfinski, *Harry Reid on the hot seat: Ethics probe demanded by watchdog group*, WASH. TIMES (Jan. 21, 2014), <http://www.washingtontimes.com/news/2014/jan/21/watchdog-group-calls-ethics-investigation-reid/>; *Ethics Complaint Filed Against Harry Reid*, WASH. FREE BEACON (Jan. 21, 2014), <http://freebeacon.com/politics/ethics-complaint-filed-against-harry-reid/>; Kenric Ward, *Complaint: Reid meddled in casino visa-investor cases*, WATCHDOG.ORG (Jan. 21, 2014), <http://watchdog.org/124635/reid-visa-investor/>.

² U.S. S. SELECT COMM. ON ETHICS, S. PRT. 111-53, RULES OF PROCEDURE, RULE 3(b), (g)(1) (1999 ed., reprinted in 2010), *available at* http://www.ethics.senate.gov/public/index.cfm/files/serve?File_id=551b39fc-30ed-4b14-b0d3-1706608a6fcb.

Cause of Action's December 16, 2013 letter alleged Senator Reid inappropriately interfered with an agency adjudicative function³ when he lobbied then-USCIS Director Alejandro Mayorkas and another official in USCIS's Office of Legislative Affairs to reconsider and approve a number of EB-5 immigrant investor visa petitions after they had been rejected for expedited review due to "suspicious financial activity."⁴ Senator Reid's efforts are especially troubling because the principal entity receiving this foreign funding is a major contributor to the Democratic Party and, at the time, was represented by the Senator's son, Rory Reid, and his law firm, Lionel, Sawyer & Collins P.C.⁵

This letter was a "complaint or other allegation or information" under Rule 2(a) of the Committee's Rules of Procedure.⁶ It alleged a violation of the U.S. Senate Code of Official Conduct by Senator Reid and was submitted in the preferred form and content specified under Rule 2(c).⁷ Therefore, upon receipt the Committee should have conducted a preliminary inquiry to determine whether the complaint contained "substantial cause...to conclude that a violation within [its] jurisdiction" had occurred.⁸ However, there is no evidence that the Committee conducted such an inquiry or, in fact, did anything at all.

According to a recent report from the *National Journal*, the Committee has not "publicly acted on any violations by senators since May 2012."⁹ This claim is corroborated by the Committee's Annual Report, which states that it processed twenty-six complaints alleging the violation of Senate rules during 2013—perhaps including Cause of Action's complaint concerning Senator Reid's inappropriate interference in the EB-5 program—but dismissed them all for "lack of subject matter jurisdiction or in which, even if the allegations in the complaint are true, no violation of Senate rules

³ Under Senate ethics rules, Members are limited to "urg[ing] prompt consideration" when attempting to impress upon agency decision-making. SENATE ETHICS MANUAL, *supra* note 1 at 177. Members are directed to avoid interfering in "quasi-judicial, adjudicative, or enforcement matters," such as petitions for expedited review under the EB-5 Program. *Id.* at 178.

⁴ John Solomon & David Sherfinski, *VEGAS RULES: Harry Reid Pushed Feds to Change Ruling for Casino's Big-money Foreigners*, WASH. TIMES (Dec. 10, 2013) <http://www.washingtontimes.com/news/2013/dec/10/harry-reids-visa-pressure-cooker/>.

⁵ Ethics Letter, *supra* note 1 at 2-3; *see also* Solomon & Sherfinski, *supra* note 4. Rory Reid is no longer listed as an attorney at Lionel, Sawyer & Collins P.C. *See* <http://www.lionelsawyer.com/attorneys/>.

⁶ U.S. S. SELECT COMM. RULE OF PROCEDURE, *supra* note 2, at RULE 2.

⁷ *Id.* at RULE 2(c).

⁸ *See id.* at RULE 3(a)-(c). If the Committee dismissed the complaint for lack of substantial credible evidence after conducting a preliminary inquiry, it would have been required to provide notice of its dismissal to Cause of Action under RULE 3(g)(1).

⁹ Sarah Mimms & Billy House, *Is the Senate Ethics Committee Working?*, NAT'L J. (Oct. 1, 2014), <http://www.nationaljournal.com/congress/is-the-senate-ethics-committee-working-20141001>.

would exist” or for failure to “provide sufficient facts as to any material violation of the Senate rules beyond mere allegation or assertion.”¹⁰

The Committee’s failure to publicly provide reasoned notice for its apparent findings of insufficiency shows an unacceptable opacity. Government watchdogs have described the Committee’s review process as a “‘black hole’ into which allegations go to ‘cool off’ and perhaps disappear.”¹¹ The legitimacy of our constitutional order depends upon the ethical conduct of our elected representatives. Article 1, § 5, Clause 2 of the U.S. Constitution states, “[e]ach House may . . . punish its Member for disorderly behavior, and with the Concurrence of two thirds, expel a Member.” As the Committee itself has recognized, “a public office is a public trust” and its apparent failure to respond to the violations alleged here violates that trust.¹² When the Committee quietly dismisses a complaint without explanation where independent material evidence supports the allegations of misconduct, there is cause for concern.

By its silence in this case, the Committee has apparently disregarded the publicly-available evidence regarding Senator Reid’s inappropriate political interference with USCIS’s decision-making. At the very least, the Committee should have required Senator Reid to disclose all conflicts of interest he, or his son, might have had in the approval of EB-5 visa petitions for the SLS Hotel & Casino. Disclosure would have helped to maintain public faith our political institutions, avoided well-founded suspicions of executive branch politicization, and dispelled any appearance of impropriety by Senator Reid. Also, the Committee should have explained what happened to Cause of Action’s complaint (and all of the other complaints reviewed since May, 2012, for that matter) to protect public faith and confidence in the integrity of the Senate ethics process.

Cause of Action remains committed to exposing political misconduct, fraud and abuse in the EB-5 program.¹³ It will continue its investigation into the very credible allegations of political interference that it has received regarding this program. It will continue to petition the Department of Homeland Security Office of the Inspector General for an independent review. And, it will continue to demand that this Committee protect both the Senate and the public by investigating the wrongdoing alleged in this case.

¹⁰ U.S. S. SELECT COMM. ON ETHICS, ANNUAL REPORT OF THE SELECT COMMITTEE ON ETHICS—113TH CONGRESS (Jan. 30, 2014), *available at* http://www.ethics.senate.gov/public/index.cfm/files/serve?File_id=2e8ff6f6-7391-4abb-813e-3ad46af03580.

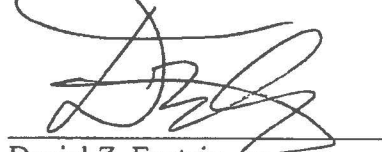
¹¹ Letter from the Campaign Legal Center & Public Citizen, to Hons. Barbara Boxer & Johnny Isakson, U.S. S. Select Comm. on Ethics (June 16, 2014), *available at* http://www.campaignlegalcenter.org/images/Boxer_Isakson_Ethics_Committee_Letter_6-16-14.pdf.

¹² *Jurisdiction*, U.S. S. SELECT COMM. ON ETHICS, *available at* <http://www.ethics.senate.gov/public/index.cfm/jurisdiction> (last visited Oct. 20, 2014).

¹³ *E.g.*, Letter from Cause of Action to Hon. Darrell Issa, U.S. House of Representatives (Sept. 24, 2013), *available at* <http://causeofaction.org/wp-content/uploads/2013/09/2013-9-24-Letter-to-Issa-w-Enclosures.pdf>; Letter from Cause of Action to Hon. Darrell Issa, U.S. House of Representatives (Dec. 9, 2013), *available at* <http://causeofaction.org/assets/uploads/2013/12/Letter-to-Issa-re-Forest-City.pdf>.

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Hon. Johnny Isakson
October 21, 2014
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Sincerely,


Daniel Z. Epstein
Executive Director

cc:

Hon. Harry Reid, U.S. Senate
Hon. Alejandro Mayorkas, Deputy Secretary of Homeland Security
Hon. John Roth, Inspector General of the Department of Homeland Security
Hon. León Rodríguez, Director, U.S. Citizenship & Immigration Services
Hon. Carolyn Lerner, Special Counsel, U.S. Office of Special Counsel

EXHIBIT 2

Transaction Details

Return Address: Cause of Action
1919 PENN AVE NW
STE 650
WASHINGTON, DC 20006

Delivery Address:
Hon. Barbara Boxer
Chair
Hon. Johnny Isakson
Vice Chair
U.S. Senate Select Committee on Ethics
220 Hart Building
United States Senate
Washington, DC 20530-0001

Print Date:
December 16, 2013 - 03:37:31 PM
Mail Date: December 16, 2013
User: COAstamps
Weight: 0 lbs 1 oz
Refund Type: E-refund
Printed Msg:

Cost Code:

Class/Service: First Class ®	\$0.92
Special Services: Certified Mail ®	\$3.10
<u>Electronic Return Receipt</u>	\$1.25

Insurance: N/A

TOTAL COST: \$5.27

Tracking: 9414811899560193445410

US	2013	07:10:00	MAILING PROCESSING COMPLETE
WASHINGTON, DC, 20510,	December 20,	08:56:00	DELIVERED
US	2013		
WASHINGTON, DC, 20018,	December 20,	07:31:00	ARRIVAL AT UNIT
US	2013		

EXHIBIT 3

Date: October 22, 2014

Moiria Smith:

The following is in response to your October 22, 2014 request for delivery information on your Certified Mail™/RRE item number 9414811899560193445410. The delivery record shows that this item was delivered on December 20, 2013 at 7:56 am in WASHINGTON, DC 20510. The scanned image of the recipient information is provided below.

Signature of Recipient :

Delivery Location	
Signature	W. Grove
Address	(X) W. Grove

Address of Recipient :

Address	SENATE 20510
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Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely,
United States Postal Service

EXHIBIT 4

Network

Dec 16, 2013 - Jan 30, 2014

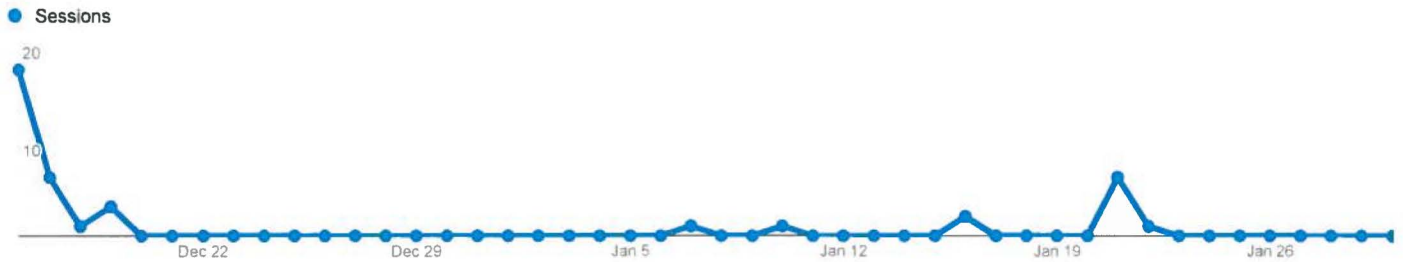
ALL » SERVICE PROVIDER: united states senate

 All Sessions
0.79%

+ Add Segment

Explorer

Summary



Service Provider	Page	Acquisition			Behavior			Conversions		
		Sessions	% New Sessions	New Users	Bounce Rate	Pages / Session	Avg. Session Duration	Goal Conversion Rate	Goal Completions	Goal Value
		38 % of Total 0.79% (4,830)	71.05% Site Avg 72.17% (-1.55%)	27 % of Total 0.77% (3,486)	60.53% Site Avg 58.49% (3.48%)	2.39 Site Avg 2.58 (-7.24%)	00:04:11 Site Avg 00:02:20 (79.88%)	0.00% Site Avg 0.00% (0.00%)	0 % of Total 0.00% (0)	\$0.00 % of Total 0.00% (\$0.00)
1. united states senate	/coa-requests-investigation-sen-harry-reid-us-cis-eb-5-abuse/	17 (44.74%)	70.59%	12 (44.44%)	88.24%	1.18	00:01:03	0.00%	0 (0.00%)	\$0.00 (0.00%)
2. united states senate	/	13 (34.21%)	84.62%	11 (40.74%)	23.08%	1.31	00:04:14	0.00%	0 (0.00%)	\$0.00 (0.00%)
3. united states senate	/about/work-with-us/communications-specialist/	2 (5.26%)	100.00%	2 (7.41%)	50.00%	1.00	00:00:38	0.00%	0 (0.00%)	\$0.00 (0.00%)
4. united states senate	/our-work/dhs-oig-charles-edwards/	2 (5.26%)	100.00%	2 (7.41%)	50.00%	4.00	00:14:50	0.00%	0 (0.00%)	\$0.00 (0.00%)
5. united states senate	/foia-request-and-complaint-regarding-dhs-oig-charles-edwards/	1 (2.63%)	0.00%	0 (0.00%)	100.00%	2.00	00:00:00	0.00%	0 (0.00%)	\$0.00 (0.00%)
6. united states senate	/press-kit/dan-epstein-executive-director/	1 (2.63%)	0.00%	0 (0.00%)	100.00%	1.00	00:00:00	0.00%	0 (0.00%)	\$0.00 (0.00%)
7. united states senate	/report-unfair-enrichment-forst-city-enterprises-acts-law/	1 (2.63%)	0.00%	0 (0.00%)	100.00%	1.00	00:00:00	0.00%	0 (0.00%)	\$0.00 (0.00%)
8. united states senate	/washington-post-senators-call-resignation-embattled-homeland-security-auditor/	1 (2.63%)	0.00%	0 (0.00%)	0.00%	3.00	00:55:26	0.00%	0 (0.00%)	\$0.00 (0.00%)

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EXHIBIT 5



December 16, 2013

VIA CERTIFIED MAIL

Hon. Barbara Boxer, Chair
Hon. Johnny Isakson, Vice Chair
U.S. Senate Select Committee on Ethics
Senate Hart Office Building, Room 220
Washington, D.C. 20530

Re: Request for Investigation of Conflicts of Interests

Dear Senators Boxer and Isakson:

Cause of Action is a non-profit, nonpartisan government accountability organization that fights to protect economic opportunity whenever federal regulations, spending, and cronyism threaten it. We seek, among other things, to ensure that elected officials are forthright about any attempts they make to use political influence to achieve ends that are personally profitable, but not in the public interest.

In January 2013, Senator Harry Reid (D-NV) contacted two officials at the U.S. Citizenship and Immigration Services (USCIS)—Office of Legislative Affairs Agent Miguel Rodriguez and USCIS Director Alejandro Mayorkas—in what *The Washington Times* characterized as an attempt to influence the approval of a number of EB-5 immigrant investor applications—some of which had not been approved due to “suspicious financial activity”¹—and to set them aside for expedited review.²

Despite the fact that these applications were ineligible for appeal,³ Senator Reid’s efforts to lobby USCIS resulted in the reconsideration and approval of these applications, as well as the subsequent securing of millions of dollars in foreign and domestic funds for the SLS Hotel & Casino and American Dream Fund EB-5 Regional Center—both of which are major contributors to the Democratic Party and its candidates.⁴ Even more

¹ All potential immigrant investors must demonstrate in the Form I-526 conditional application that the “capital” being used to invest in the EB-5 project has been “obtained through lawful means,” as demonstrated by “foreign business registration records,” “[foreign] tax returns,” and other forms of evidence. 8 C.F.R. § 204.6(j)(3). It is likely that the “suspicious financial activity” associated with the applications in the present case implicate this regulation.

² John Solomon & David Sherfinski, *VEGAS RULES: Harry Reid Pushed Feds to Change Ruling for Casino’s Big-money Foreigners*, WASH. TIMES (Dec. 10, 2013), available at <http://www.washingtontimes.com/news/2013/dec/10/harry-reids-visa-pressure-cooker/>.

³ See generally 8 C.F.R. § 204.6.

⁴ Solomon & Sherfinski, *supra* note 2.

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troublesome is the fact that Senator Reid's son, Rory Reid, and his law firm, Lionel, Sawyer & Collins P.C., are legal counsel to the SLS Hotel & Casino.

Rule 43 of the U.S. Senate Code of Official Conduct permits members "to assist petitioners before executive and independent government officials and agencies."⁵ Such advocacy, however, ought not to be undertaken for the sake of personal benefit and should avoid any semblance of "special treatment."⁶ Indeed, the Select Committee on Ethics has suggested that members avoid interfering in "quasi-judicial, adjudicative, or enforcement" matters, since an Executive agency decision should be "based only upon a record developed during a trial-like hearing."⁷

Ex parte communications of the kind made by Senator Reid arguably violate the Code of Official Conduct. Urging the expedited approval of a specific set of visa applications that are flagged for "suspicious financial activity" goes beyond "urg[ing] prompt consideration"⁸ or typical constituent advocacy. This is especially the case given the relationship between Senator Reid and legal counsel for the SLS Hotel & Casino.

As you are no doubt aware, the rules and administration of the EB-5 program have been subject to increasing public concern. Career employees at the U.S. Department of Homeland Security, for example, have claimed that "top managers have given . . . politically connected applicants special treatment."⁹ Further misconduct has been reported at the state and local levels, where officials have manipulated U.S. Census data to accommodate favored corporations¹⁰ or abused the program under the guise of "economic development" while embezzling funds.¹¹ Even individuals who make their living representing Regional Centers or companies participating in the Pilot Program have been found guilty of fraud¹² and subjected to actions bought by the U.S. Securities and Exchange Commission.¹³

⁵ U.S. SEN. SELECT COMM. ON ETHICS, SENATE ETHICS MANUAL (S. PUB. 108-1) 177 (2003), available at <http://www.ethics.senate.gov/downloads/pdf/files/manual.pdf>.

⁶ *Id.* at 178.

⁷ *Id.*

⁸ *Id.* at 177.

⁹ Tom Hamburger & Peter Wallsten, *GreenTech Fits Pattern of Investment That Has Made Big Profits for Terry McAuliffe*, WASH. POST (Sept. 21, 2013), available at http://www.washingtonpost.com/politics/greentech-formulahas-made-big-profits-for-mcauliffe/2013/09/21/3c6e332c-2136-11e3-b73c-aab60bf735d0_print.html.

¹⁰ CAUSE OF ACTION, POLITICAL PROFITEERING: HOW FOREST CITY ENTERPRISES MAKES PRIVATE PROFITS AT THE EXPENSE OF AMERICA'S TAXPAYERS (Dec. 9, 2013), available at <http://causeofaction.org/assets/uploads/2013/12/131204-FINAL-Forest-City-Report-III.pdf>.

¹¹ See, e.g., Scott Waltman, *More Answers Wanted: Area Lawmakers Call for More Investigations of State Economic Development Efforts*, ABERDEEN NEWS (Dec. 15, 2013), available at http://www.aberdeennews.com/news/local/some-lawmakers-call-for-more-investigation-of-eb--state/article_39f49d3e-ddfa-5745-a99e-e7f82983aa25.html.

¹² See, e.g., Aisling Swift, *Former Naples Attorney Sentenced on Fraud Charge in Immigration Cases*, NAPLES NEWS (Dec. 9, 2013), available at <http://www.naplesnews.com/news/2013/dec/09/former-naples-attorney-sentenced-fraud-charge-immi/>.

¹³ See, e.g., Complaint at 18 ¶ 57, *Sec. Exch. Comm. v. A Chicago Convention Center, LLC* (N.D. Ill. Feb., 2013), available at <http://www.sec.gov/litigation/complaints/2013/comp-pr2013-20.pdf>; see also 15 U.S.C. § 77q(a)(2).

These concerns—in addition to others we have raised to the attention of your colleagues in the House of Representatives¹⁴—demonstrate the extent to which EB-5 is abused. Indeed, a recent U.S. Immigration and Customs Enforcement memo released by Senator Grassley (R-IA) details how the program “inherently creates an opportunity for fraud” and may pose a serious threat to national security.¹⁵ Further, the program can be abused as a tool to finance local, state, or federal elections as Federal Election Campaign Act regulations permit contributions from foreign nationals who have obtained a green card.¹⁶

The American people deserve better. It is unfair for politicians to attempt to influence the enforcement of our laws, especially when they—or their close family members—stand to benefit. Even more importantly, such unethical efforts threaten the integrity of our immigration system and our national security.

Consequently, we request that the Select Committee on Ethics investigate this matter and ask Senator Reid to disclose all conflicts of interests he, or his son, might have had in the approval of EB-5 visa petitions for the SLS Hotel & Casino. Senator Reid’s full and honest disclosure will help to maintain public faith in the integrity of our political and legal institutions, avoid suspicion of the politicization of the Executive branch, and dispel any appearance of impropriety amongst members of the Senate.

Sincerely,



Daniel Z. Epstein
Executive Director

cc: Hon. Harry Reid, U.S. Senate

Hon. Alejandro Mayorkas, Director, U.S. Citizenship & Immigration Services

¹⁴ E.g., Letter from Cause of Action to Hon. Darrell Issa, U.S. House of Representatives (Sept. 24, 2013), available at <http://causeofaction.org/wp-content/uploads/2013/09/2013-9-24-Letter-to-Issa-w-Enclosures.pdf>; Letter from Cause of Action to Hon. Darrell Issa, U.S. House of Representatives (Dec. 9, 2013), available at <http://causeofaction.org/assets/uploads/2013/12/Letter-to-Issa-re-Forest-City.pdf>.

¹⁵ Letter from Hon. Charles E. Grassley, U.S. Senate, to John Sandweg, Acting Director, U.S. Immigration & Customs Enforcement (Dec. 12, 2013) (ICE Memo included as Attachment 1), available at <http://www.grassley.senate.gov/judiciary/upload/EB-5-12-12-13-ICE-memo-security-vulnerabilities.pdf>.

¹⁶ See Issa Letters, *supra* note 14.