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## Foreign Citizens Making Big Investments In U.S. In Exchange For Green Cards

By Kevin Sullivan, Published: March 21



Dutch couple bets their dairy farm for chance to stay in U.S.: Foreign citizens are investing in a visa program that allows them to gain permanent residence by investing \$500,000 in a U.S. project that creates at least 10 jobs.

Ubyly, Mich. — Sitting around the long, wooden kitchen table in their farmhouse on a Sunday afternoon, Rene and Judith Dekker were tired-eyed from rising before dawn to tend to their 1,200 dairy cows.

Their two older kids were packing up for the drive back to college — Bart wanted to know whether Mom had ironed his dress shirt, while Susanne gently scooped her live goldfish into a plastic bag. Mathias, 16, had algebra homework, and Benny the chocolate Lab bounced around outside.

They looked like any other family here in rural Michigan, but they are Dutch citizens. And they are faces of a fast-growing U.S. visa program in which foreigners can gain permanent residence by investing \$500,000 in a U.S. project that creates at least 10 jobs.

Through the program, known as [EB-5](#), the Dekkers have a half-million-dollar stake in the [Marriott Marquis Hotel](#) rising in the District next to the Washington Convention Center.

In return for their investment — and filing a foot-high stack of documents that includes bank and tax records, criminal background checks and even syphilis tests — they got five shiny new green cards in November.

The cards, emblazoned with their photos and an image of the Statue of Liberty, give them temporary residency that will become permanent in two years — so long as the Marriott project succeeds.

The Dekkers need it to keep their family together. Although they have lived on their farm off a country lane called Bad Axe Road since 2000, they had temporary visas that required their children to leave the country upon turning 21. Investing in the Marriott was their way to prevent that .

“We love our life here,” said Judith Dekker, 48. “We have invested so much money because we want to live here in Michigan. And we don’t want to split up our family.”

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## Selling admission

The EB-5 program is booming in popularity, driven largely by a struggling U.S. economy in which developers are searching for new sources of capital. It is also fueled by rising demand from foreigners looking for access to U.S. schools, safe investment in U.S. projects and — in the case of China, where most of the investors are from — greater freedom.

The program has broad bipartisan support in Congress, and key senators who are negotiating an overhaul of the immigration system have said they are leaning toward expanding visa programs that provide an immediate boost to the economy.

But others argue that the EB-5 program amounts to buying citizenship, and that it unfairly allows wealthy foreigners to cut the visa line ahead of others who have waited for years.

“I don’t think we should sell admission to the United States,” said [David North](#) of the Center for Immigration Studies, which favors reduced immigration.

Supporters call the program a no-brainer, because it creates jobs and attracts investment.

“If you get highly skilled, highly talented immigrants with money, who are paying and committing to things that are positive, I’m inclined to think it’s terrific,” former Treasury secretary Lawrence H. Summers said.

Since the EB-5 program began in 1992, more than 29,000 people have received visas, foreigners have invested more than \$6.8 billion and 50,000 American jobs have been created, U.S. officials said.

Three-quarters of all those visas have been issued since 2008, when the recession hit and developers started having trouble finding capital.

The program also provides cheap financing for U.S. developers. EB-5 investors are offered very small returns on their investment — usually about 1 to 3 percent — rather than the much higher rates developers would have to pay for traditional financing.

(The Washington Post/Sources: U.S. State Department; U.S. Government Accountability Office; U.S. Citizenship and Immigration Services)

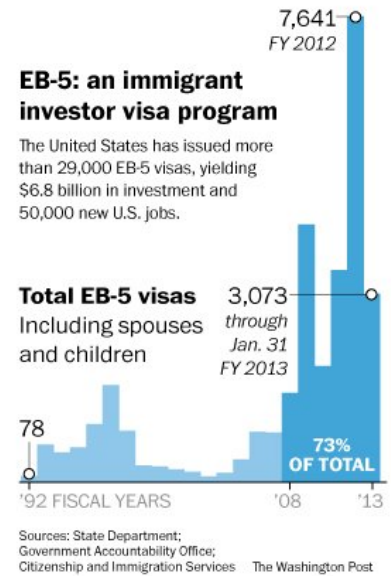
[Angelique Brunner](#), president of [EB5 Capital](#), a D.C. firm that coordinates EB-5 investments, said investors are far more interested in obtaining green cards than big returns.

State Department officials said they are on track to issue a record number of visas this year — more than 9,000, close to the annual limit of 10,000 mandated by Congress, out of a total of 140,000 employment-based immigrant visas.

More than 70 percent of those are going to Chinese investors, with many also coming from South Korea, Taiwan, India, the United Arab Emirates and Canada.

The program requires foreigners to invest \$1 million, unless a project is in a rural area or a place with a particularly high unemployment rate, where the required investment is \$500,000. The vast majority of visas issued are for the lower amount.

[Alejandro Mayorkas](#), director of U.S. Citizenship and Immigration Services (USCIS), which oversees the program, said the number of staff members reviewing EB-5 applications has grown from 10 to 50.



Mayorkas said he has added economists and business lawyers to review complex applications and hopes to shorten application processing times, which can take more than a year. That would help make the United States more competitive with Canada, Britain, Australia, New Zealand and other countries that have similar programs.

The U.S. hotel industry has been especially enthusiastic: Marriott International has raised \$500 million in EB-5 capital; Hilton Worldwide has raised \$100 million.

"I understand why the government has really pushed this," said William B. Fortier, Hilton's senior vice president for development in the Americas. "It's come out of nowhere in the past couple of years as a real help to get things going in this industry."

D.C. Mayor Vincent C. Gray and his predecessor, Adrian Fenty, have eagerly courted EB-5 investors.

When Gray traveled to China last summer seeking financing for projects in the District, he received a symbolic check in Shanghai for \$40 million, the amount that 80 Chinese EB-5 investors had invested in City Market at O, a huge hotel, grocery, retail and restaurant development near the Washington Convention Center.

Richard Lake, a partner in Roadside Development, which is developing the project, said the \$330 million complex eventually will raise about \$95 million from EB-5 investors and create 2,400 jobs.

Officials said that more than 300 investors, mainly from China, have put up more than \$150 million for four D.C. projects, including City Market at O, the Marriott Marquis, a Hilton hotel development on New York Avenue and a hotel on E Street that will include a fire station.

The EB-5 program was so poorly run in the 1990s that it was effectively shut down from 1998 to 2003. A 2005 GAO report found that problems arose when many investors were allowed to give promissory notes instead of cash. U.S. officials said the program also has suffered from state and local officials skirting the rules to make projects qualify for financing.

As EB-5 has grown, it has sprouted a huge network of recruiters and middlemen, who connect foreign investors who want visas with U.S. developers who want capital.

Last month, for example, the Securities and Exchange Commission brought fraud charges against Anshoo R. Sethi, 29, who ran a regional center in Chicago. The SEC alleged that Sethi bilked 250 mainly Chinese investors out of nearly \$11 million in administrative fees after getting them to put up EB-5 investments in a hotel project that did not have proper building permits.

Without a valid project, the SEC said in a statement, Sethi "exploited these investors' dream of earning legal U.S. residence."

### **'Our whole life is in there'**

Rene and Judith Dekker moved from the Netherlands to Denmark in 1990, bought a dairy farm and ran it for nearly a decade. But they yearned to move to a place with more open spaces, cheaper land, lower taxes and more adventure — Canada, maybe, or the United States.

So in 1999 they flew to Texas to pursue their dream. Way too hot.

Then they heard about Dutch farmers who had settled in central Michigan, in a place called the Thumb. On a map, Michigan looks like a mitten, and its thumb is a peninsula in Lake Huron. They visited. Cool breezes, endless pastures and rich soil. It felt like home.

In 2000, they received a visa called an E2, which allows citizens of countries that have commercial treaties with the United States to move here to run a business, provided they make a "substantial" investment and run the business themselves.

The E2 visa can be renewed every two years, but it does not offer a path to citizenship. Most significant for the Dekkers, children are covered only until they turn 21; after that, they must leave the country.

The Dekkers sold their farm in Denmark and paid \$250,000 for their farm in Uby. They moved into their small white farmhouse in 2000 and started their new life with three young children, a couple of ramshackle barns and 70 Holsteins.

Over the next decade they slowly built barns, added milking equipment, hired a dozen employees, and bought fields to grow corn and hay to feed their expanding herd. They paid their taxes and put their kids in public schools. And they grew their farm into a 1,000-acre operation that is one of the largest dairies in the area.

But in 2011, worried that their teenagers would soon turn 21, they called an immigration lawyer in Detroit. She told them about EB-5 and referred them to a company that advises U.S. firms and foreign investors.

That firm gave them a list of development projects that were seeking EB-5 investors, including a Florida shopping mall. The Dekkers have never been to Washington, but they chose the Marriott Marquis because they said they felt safe investing in a big-name hotel chain in the nation's capital.

They were then directed to Brunner, of EB5 Capital, who was working with Marriott. Brunner and her staff explained the project and led the Dekkers through the process.

On July 7, 2011, they placed \$500,000, which they had borrowed using their farm as collateral, into a government escrow account.

Over the next 18 months, USCIS and State Department officials examined every aspect of their lives, including checking for criminal records in the Netherlands, Denmark and the United States. The Dekkers submitted more than 10 years of tax returns and bank records to prove that their money was earned legally. A doctor gave them and their children drug tests and a Breathalyzer exam and evaluated their mental health.

Over an afternoon cup of coffee, Rene Dekker, 51, hoisted a copy of his visa application onto his kitchen table. It was nearly 12 inches high and landed with a thud. "Our whole life is in there," he said.

In addition to the \$500,000 investment, Dekker said he paid \$84,000 for his lawyer, the advisory company, the regional center and visa application fees. But, he said, all the expense and aggravation was worth it when the family's green cards arrived in the mail on Nov. 1.

They are provisional for two years. At that point, if the Marriott project has created the promised 10 jobs, their green cards will become permanent. If the project fails, the Dekkers could lose their green cards and their \$500,000. But if it prospers, they could receive their \$500,000 in principal back, plus interest, perhaps in about five or six years, Brunner said.

The arrival of her green card meant Susanne Dekker, 18, could legally get her first job — a minimum-wage position working at a car-rental office at Michigan State University, where she is a freshman.

"I plan on living here for the rest of my life," she said, noting that she has been here since she was 3. "So it's important that I actually belong in this country."

Bart Dekker, who will turn 21 next year, said he is relieved that he can stay in the United States and keep studying animal science at Michigan State, so he can eventually take over the family farm.

"I've got nothing anywhere else," he said. "I've got everything here."

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