

Investor alert: Investment scams exploit Immigrant Investor Program

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The U.S. Securities and Exchange Commission's Office of Investor Education and Advocacy and U.S. Citizenship and Immigration Services are jointly issuing this Investor Alert to warn individual investors about fraudulent investment scams that exploit the Immigrant Investor Program, also known as "EB-5."

The U.S. Securities and Exchange Commission's ("SEC") Office of Investor Education and Advocacy and U.S. Citizenship and Immigration Services ("USCIS") are aware of investment scams targeting foreign nationals who seek to become permanent lawful U.S. residents through the Immigrant Investor Program ("EB-5"). In close coordination with USCIS, which administers the EB-5 program, the SEC has taken emergency enforcement action to stop allegedly fraudulent securities offerings made through EB-5.

The EB-5 program provides certain foreign investors who can demonstrate that their investments are creating jobs in this country, with a potential avenue to lawful permanent residency in the United States. Business owners apply to USCIS to be designated as "regional centers" for the EB-5 program.

These regional centers offer investment opportunities in "new commercial enterprises" that may involve securities offerings. Through EB-5, a foreign investor who invests a certain amount of money that is placed at risk, and creates or preserves a minimum number of jobs in the United States, is eligible to apply for conditional lawful permanent residency.

Toward the end of the two-year period of conditional residency, the foreign investor is eligible to apply to have the conditions on their lawful permanent residency removed, if he or she can establish that the job creation requirements have been met. Foreign investors who invest through EB-5, however, are not guaranteed a visa or to become lawful permanent residents of the United States. For more details, read the EB-5 Immigrant Investor section of [USCIS's website](#).

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