

For Some Immigrants, The Ticket To A Visa Is A Check

by ROB SCHMITZ

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You've got half a million dollars. You crave the American dream. May I interest you in a green card?

This may sound like a back-alley deal, but this is the arrangement thousands of wealthy foreigners have made with the U.S. government. The EB-5 visa offers a path to citizenship in exchange for investing in an American business. The numbers of these types of visas issued in the past two years have tripled, and around half of the visas are being snatched up by wealthy Chinese.

You know those mini malls you see off rural freeway exits? Developer Justin Huang and his company YK America used to build them before the recession. These days, Huang's office feels kind of like a mini-mall purgatory. Huang points to one of the many project blueprints covering the walls — all of them are in limbo.

"In late '08, we got Bank of America to commit \$50 million on this project, and in '09 they just said we can't help you anymore," Huang says. "That's it."

Getting Foreign Investment

Huang's now discovered a bail-out of sorts in the form of a tiny, obscure U.S. immigration program. The EB-5 visa offers permanent residency to immigrants in return for a half a million dollar investment into an American business, creating at least 10 new jobs in the process.

Businesses looking for these investors have to register with the U.S. government to be designated a so-called regional center. And that's what YK America has been doing to fund its projects.

"It's not really our primary job or business that we'd like to do. It's just, again, right now, we're in survival mode," Huang says.

At YK America's office in southern California, an employee discusses a project with a Chinese EB-5 visa holder. The office is located in a Chinese-themed mall. They've just hired five Mandarin-speaking employees to help find investors. They've recruited 14 so far and hope to have a hundred by the end of the year.

The Debate

Cornell University immigration law professor Stephen Yale-Loehr, says in this economy, the program is a win-win-win.

"It's a win for U.S. workers because they're able to get jobs through this program. It's a win for project developers and cities and states because they are able to get money that they wouldn't be able to tap into otherwise to fund their projects. And it's a win obviously for the foreign investors because it allows them to get a green card," he says.

But not everyone is a fan of EB-5 investors.

"Sure, we want their money, but that doesn't mean we want them," says Dan Stein, the president of the Federation for American Immigration Reform.

He adds, "If there was some evidence that they were actually doing something besides just ponying up some cash in exchange for a green card. But it's essentially a pay-to-play system: You put up the money, you get a green card."

Who Is Applying?

Even though the applicant pool has grown in recent years, there were only around 4,000 EB-5 visas issued last year. The U.S. estimates the program has generated \$1 billion for the economy in its 20-year history. Lawyer Linda Lau helps companies with EB-5 applications. She point out that eight of 10 EB-5 visa applicants these days are Asian, and they're less interested in a green card for themselves — it's for their children.

"They would love to have them to be able to come here and be exposed to the U.S. way of living, education and doing business," Lau says.

Back at YK America headquarters, Huang has a chat with his newest EB-5 applicant: 22-year-old Wang Wei. Wei's student visa set to expire this spring, so his father is giving him a half a million dollars to invest in a mini-mall in the city of El Centro so that he can stick around.

The tall, spikey-haired Wei admits Dad's money may be helping him stay here, but it's not a job. These days, finding one of those is an entirely different challenge.

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