

RNC Research BRIEFING

GreenTech Blues

A Company With Ties To Terry McAuliffe And The Clinton Family Is Ensnared In A Federal Investigation

Today, *The Associated Press* Reported That Alejandro Mayorkas, President Obama's Choice For A Top Homeland Security Post, Is Being Investigated For Helping A Chinese Investor Obtain A Visa. "President Barack Obama's choice to be the No. 2 official at the Homeland Security Department is under investigation for his role in helping a company secure an international investor visa for a Chinese executive, The Associated Press has learned." (Alicia Caldwell, "AP Newsbreak: Homeland Security Official Probed," [The Associated Press](#), 7/23/13)

- **Mayorkas Allegedly Helped A Company Run By Anthony Rodham, Hillary Clinton's Brother, Win An Investor Visa (EB-5) Even After It Had Been Denied.** "The email said the primary complaint against Mayorkas was that he helped a financing company run by Anthony Rodham, the brother of former Secretary of State Hillary Rodham Clinton, to win approval for an investor visa, even after the application was denied and an appeal was rejected. (Alicia Caldwell, "AP Newsbreak: Homeland Security Official Probed," [The Associated Press](#), 7/23/13)

Politico Headline: "Report: FBI Probes Firm With Ties To Terry McAuliffe" (Alexander Burns, "Report: FBI Probes Firm With Ties To Terry McAuliffe," [Politico](#), 7/23/13)

TERRY MCAULIFFE, THE CLINTON FAMILY AND GREENTECH ARE CENTRAL FIGURES IN THE UNFOLDING SCANDAL

Anthony Rodham's Company Is The Financing Arm Of GreenTech

Anthony Rodham Is The President And CEO Of Gulf Coast Funds Management. "Anthony Rodham is president and CEO of Gulf Coast Funds Management LLC in McLean, Va. The firm is one of hundreds of "Regional Centers" that pool investments from foreign nationals looking to invest in U.S. businesses or industries as part of the foreign investor visa program." (Alicia Caldwell, "AP Newsbreak: Homeland Security Official Probed," [The Associated Press](#), 7/23/13)

Gulf Coast Funds Management Lists GreenTech As Their Only "Current Project." "For more information about our current project, GreenTech Automotive, please visit their website." ([Gulf Coast Funds Website](#), Accessed 7/23/13)

Gulf Coast Funds Management's Board Is "Larded With Political Cronies Who Have Close Connections To Bill And Hillary Clinton." "GreenTech's conduit for EB-5 investors is Gulf Coast Funds

Management Ltd., a regional center authorized by the U.S. Citizenship and Immigration Services. The center's board of directors is larded with political cronies who have close connections to Bill and Hillary Clinton." (Kenric Ward, "Experts Question Source Of McAuliffe Car-Company Funding," [Watchdog.Org](#), 4/1/13)

- **Board Members Include Anthony Rodham, Clinton IRS Commissioner Margaret Richardson And Ex-Louisiana Governor Kathleen Blanco.** "He noted that its members – including president and CEO Anthony Rodham (Hillary Rodham Clinton's brother), Clinton IRS Commissioner Margaret Richardson and ex-Louisiana Gov. Kathleen Blanco – are distinguished by their long-time ties to the Democratic Party and the former president." (Kenric Ward, "Experts Question Source Of McAuliffe Car-Company Funding," [Watchdog.Org](#), 4/1/13)

GreenTech Is Heavily Reliant On The EB-5 Investment Funds Raised By Gulf Coast Funds Management

GreenTech Blamed The Two-Year Delay In Building It's Tunica Plant On The Government Refusing To Release The Funds Raised Through EB-5 Visas. "The delay involves a portion of the funding, which is to come from foreign investors through the U.S. government's EB-5 program, Arnold said. The program provides visas for foreigners who invest at least \$500,000 in U.S. ventures that create jobs. The federal government holds the money in escrow. 'To date, those funds have not been released,' Arnold said." ("Coffee Break: GreenTech Running Behind, But Tunica Assured Auto Plant Will Be Built," [The Memphis Commercial Appeal](#), 6/17/13)

EB-5 Investor Funds Were Considered "A Major Part" Of GreenTech's Financial Plan. "The emails show that a major part of GreenTech's financial plan relied on a federal immigration program called EB-5. It allows foreigners who invest \$500,000 into new enterprises in rural or struggling region, or \$1 million in new enterprises in any region, to receive U.S. residency if at least 10 full-time jobs are created within two years as a result of the investment." ("Terry McAuliffe Says Virginia Officials 'Decided Not To Bid' On His Electric Automobile Plant," [Politifact](#), 1/24/13)

When Gulf Coast Funds Management Ran Into Problems With The Federal Government, McAuliffe Intervened On Their Behalf

McAuliffe Wrote In A Letter To Homeland Security Secretary Janet Napolitano That GreenTech Was Being Funded By Gulf Coast Funds Management. "EB-5 investors in the GTA project are investing their money through Gulf Coast Funds Management (GCFM), an existing EB-5 regional center already approved by USCIS for the state of Louisiana and Mississippi." (Terry McAuliffe, [Letter To Homeland Security Secretary Janet Napolitano](#), 12/15/10)

McAuliffe Asked Napolitano To Expedite Gulf Coast Funds Management's EB-5 Petitions And To Allow The Company To Expand The Number Of States In Which It Operated. "GCFM's motion to reopen should be approved as soon as possible so that it can fund GTA's operations and job creation in Virginia and Tennessee. USCIS should also expedite adjudication of all EB-5 petitions for investors in Project Mastiff." (Terry McAuliffe, [Letter To Homeland Security Secretary Janet Napolitano](#), 12/15/10)

Virginia Passed On GreenTech Largely Due To Concerns That It Was A "Visa For Sale" Scheme

McAuliffe Originally Considered Locating GreenTech's Manufacturing Plant In Virginia. "McAuliffe replied that he wanted to bring the factory and jobs to the Old Dominion, but officials at the Virginia Economic Development Partnership -- the state's business recruitment agency -- weren't interested. 'They decided they didn't want to bid on it,' he said." ("Terry McAuliffe Says Virginia Officials 'Decided Not To Bid' On His Electric Automobile Plant," [Politifact](#), 1/24/13)

In Fact, Virginia Economic Development Partnership (VEDP) Officials Were Interested, But Had Expressed “Grave Concerns” About GreenTech’s Business Model. “Records showed VEDP staff were interested in the project and were in the process of its due diligence when GreenTech moved ahead with a plant in Mississippi. VEDP had “grave concerns” about GreenTech’s business plan. (“Terry McAuliffe Says Virginia Officials “Decided Not To Bid” On His Electric Automobile Plant,” [Politifact](#), 1/24/13)

One Of The Chief Concerns Of VEDP Officials Was GreenTech’s Reliance On EB-5 Investors. “We are concerned that the financing plan does not fit the rules for the EB-5 Program,” Anderson wrote. “If the rules of the EB-5 Program are not followed, the investors will not receive the visas that they thought they would receive. If all, or any significant portion, of the investors were to not ultimately receive the visas, that would give the commonwealth a black eye, in the view of other companies or investors looking for possible business connections with the commonwealth.” (“Terry McAuliffe Says Virginia Officials “Decided Not To Bid” On His Electric Automobile Plant,” [Politifact](#), 1/24/13)

VEDP Officials Considered GreenTech’s Decision To Locate In Mississippi A Move Geared Towards Getting The EB-5 Process Started For Chinese Investors. “In my opinion, the Mississippi announcement today was prompted by the need to quickly establish an alternative for Chinese investors who are growing tired of waiting for Wang to get the EB-5 process started in earnest somewhere,” he wrote.” (“Terry McAuliffe Says Virginia Officials “Decided Not To Bid” On His Electric Automobile Plant,” [Politifact](#), 1/24/13)

Liz Povar, Then Director Of Business Development At VEDP, Called GreenTech A “Visa-For-Sale Scheme With Potential National Security Implications.” “Even if the company has investors “lined up”, I maintain serious concerns about the establishment of an EB-5 center in general, and most specifically based on this company. Not only based on (lack of) management expertise, (lack of) market preparation, etc. but also still can't get my head around this being anything other than a visa-for-sale scheme with potential national security implications that we have no way to confirm or discount.” (Liz Povar, [Email To Robert McClintock, Mike Lehmkuhler And Roy Dahlquist](#), 11/17/09)

The EB-5 Visa Program – Which Benefits Mainly Wealthy Chinese Investors – Has Been Plagued By Fraud In Recent Years

The Number Of Foreign Investors, Most Of Them From China, Requesting EB-5 Visas Has Exploded In Recent Years. “Little-known or used for many years, the number of these EB-5 visas, as they are known, has taken off recently, nearly doubling each year since 2009, in large part because of demand from wealthy Chinese. The program is likely to approach its annual cap of about 10,000 this year.” (Don Lee and Frank Shyong, “Scams Blocking Chinese Investors’ Path To U.S. Green Cards,” [Los Angeles Times](#), 4/23/13)

- **80% Of The EB-5 Visas Awarded Last Fiscal Year Went To Chinese Investors.** “About 80% of the 7,641 EB-5 visas issued in the last fiscal year went to Chinese investors and their immediate families, according to the U.S. Citizenship and Immigration Services agency, which oversees the program. Officials said China's soaring demand could soon trigger a quota for any one country.” (Don Lee and Frank Shyong, “Scams Blocking Chinese Investors’ Path To U.S. Green Cards,” [Los Angeles Times](#), 4/23/13)

“The North American Securities Administrators Assn., An Advocacy Group, Now Ranks EB-5-Related Scams As One Of The Top New Threats To Investors.” (Don Lee and Frank Shyong, “Scams Blocking Chinese Investors’ Path To U.S. Green Cards,” [Los Angeles Times](#), 4/23/13)

Multiple EB-5 Financed Projects Have Been Shut Down By The Government For Failing To Meet Job Creation Goals. “But there is little regulation of how promoters market visas to would-be immigrants. A number of projects have been shut down for failing to meet the government's standards for job creation. (Don Lee and Frank Shyong, “Scams Blocking Chinese Investors’ Path To U.S. Green Cards,” [Los Angeles Times](#), 4/23/13)

- **“In Many Cases, Developers Have Allegedly Misrepresented Their Projects To Investors Or Have Misspent The Funds Collected.”** (Don Lee and Frank Shyong, “Scams Blocking Chinese Investors' Path To U.S. Green Cards,” [Los Angeles Times](#), 4/23/13)

Chinese Regulators Have Banned EB-5 Marketers From Advertising On Television, Radio Or The Internet. “Regulators in China, for their part, have responded to the EB-5 problems by tightening restrictions on marketers and banning them from using television, radio and the Internet to promote the program.” (Don Lee and Frank Shyong, “Scams Blocking Chinese Investors' Path To U.S. Green Cards,” [Los Angeles Times](#), 4/23/13)