



Committee on
HOMELAND SECURITY
Chairman Michael McCaul

Opening Statement

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**Statement of Chairman Michael McCaul (R-Texas)
Committee on Homeland Security**

“Leadership Challenges at the Department of Homeland Security: Allegations of Improper Influence Regarding Special Visas”

Remarks as Delivered

As public servants, trust, integrity and honesty mean everything. As Members of Congress, we must have the trust of our constituents and carry out our jobs without the perception of impropriety.

Without these qualities, we cannot be seen as effective leaders, simply put, a public office is a public trust. The same holds true for all public servants including the top leadership at the Department of Homeland Security.

In an April 2010 memo to USCIS employees, then Director Mayorkas stated, “Each USCIS employee has the duty to act impartially in the performance of his or her official duties. Any occurrence of actual or perceived preferential treatment, like treating similarly situated applicants differently, can call into question our ability to implement our Nation’s immigration laws fairly, honestly, and properly,” and that is his words.

I am extremely troubled by the findings of the DHS Inspector General’s report on the EB-5 program. The alleged exertion of undue influence and special processes established by Deputy Secretary Alejandro Mayorkas during his tenure as Director of USCIS that resulted in benefits for politically-connected and powerful individuals is extremely concerning.

The list of individuals involved in the allegations raised in the report reads like an A-list political powerhouses:

Ed Rendell – former Democratic Governor of Pennsylvania, former chair of the Democratic National Committee and long-time Clinton advocate;

Terry McAuliffe – current Democratic Governor of Virginia, former chair of the Democratic National Committee (after Ed Rendell), co-chairman of President Bill Clinton's 1996 re-election campaign, and chairman of Hillary Clinton's 2008 presidential campaign;

Anthony Rodham – younger brother of Hillary Clinton; and

Harry Reid – Senate Minority Leader.

The findings show that Mr. Mayorkas' intervention in three specific examples, involving the individuals I just mentioned gave the appearance that he played favorites with these Democratic political operatives capable of opening doors in Washington. Specifically, according to the Inspector General's report:

- 1) Mr. Mayorkas intervened in an administrative appeal related to an application to receive EB-5 funding to manufacture electric cars through investments in a company at the behest of Terry McAuliffe, a former board chairman, and Anthony Rodham, who was listed as the CEO of Gulf Coast, an entity that managed related investments.
- 2) Mr. Mayorkas intervened in a case involving a Las Vegas hotel that was of interest to Senator Reid. He also took the extraordinary step of requiring staff to brief Senator Reid's staff on a weekly basis for several months.
- 3) Mr. Mayorkas intervened in the LA Films Regional Center cases by ordering that a USCIS decision to deny a proposal to fund a series of movie projects in LA be reversed after he was in contact with Ed Rendell.

Mr. Mayorkas overruled career staff in numerous instances and according to the report, "communicated with stakeholders on substantive issues" and influenced the outcome of the cases.

Although there are a lot of details and technical specifics in this report, I am troubled by many aspects that allegedly occurred under the watch, and with the direct intervention of Mr. Mayorkas.

As I read the report, I was struck by four main themes. Here are some quotes from the Inspector General's report:

- 1) **Special Access:** "Their allegations were unequivocal: Mr. Mayorkas gave special access and treatment to certain individuals and parties."

Furthermore, the report states that "... Mr. Mayorkas' communication with external stakeholders on specific matters outside the normal procedures...created an appearance of favoritism and special access."

- 2) **Political Favoritism:** "We received complaints from USCIS employees that the application for a politically connected regional center, Gulf Coast Funds Management, received extraordinary treatment as a result of Mr. Mayorkas' intervention." Additionally, "USCIS staff...understood that these applicants were prominent or politically connected."
- 3) **Created or Went Around the Established Process and Career Staff Decisions:** "Mr. Mayorkas was in contact, outside of the normal adjudication process, either directly or through senior DHS

leadership, with a number of stakeholders having business before USCIS.....According to the employees, but for Mayorkas' actions, the staff would have decided these matters differently.”

- 4) **Misplaced Priorities:** “Mr. Mayorkas’ focus on a few applicants and stakeholders was particularly troubling to employees given the massive scope of his responsibilities as Director of USCIS.”

As a formal federal prosecutor in the public integrity section for the Department of Justice, I appreciate the thorough review conducted by the DHS Inspector General.

Mr. Roth, thank you for your work on this report. I was struck by the sheer number and variety of the whistleblowers who contributed to this report. More than 15 DHS employees stepped forward. I can't think of any report in the past that has had as many.

They varied in responsibility and authority and included "very senior managers" who were in a position to witness the events in Washington, DC and experts who handle this program in the field. This really drove home the gravity of their allegations. In addition, I know your office conducted more than 50 interviews, reviewed more than 40,000 phone records and obtained more than one million documents and emails.

As the committee continues its rigorous oversight of the Department, we must review these findings to determine if Congressional action is needed to ensure proper systems are placed to effectively manage the EB-5 program. We also need to ensure that the program strikes a balance between national security and commerce.

Today, as chairman of the Committee on Homeland Security, I want listen to the facts and findings of your report and determine if further oversight by my committee is warranted. In fairness, I also look forward to hearing from Mr. Mayorkas and hearing his side of the story in the near future.

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