

UNITEHERE! Local 11

October 20, 2021

Ur M. Jaddou
Director, U.S. Citizenship and Immigration Services
20 Massachusetts Ave NW
Washington, DC 20001

Re: Use of EB-5 Program by Relevant Group

Dear Director Jaddou,

We write to encourage your agency to examine questions and provide information regarding Relevant Group and affiliates' usage of the EB-5 Immigrant Investor Program. As outlined below, the firm has made public statements indicating that major financing for hotel development has been obtained from Chinese investors through EB-5.

As you know, the EB-5 program makes immigrants eligible for Green Cards if they invest a minimum of \$900,000 in a U.S. commercial enterprise and “plan to create or preserve 10 permanent full-time jobs for qualified U.S. workers” for each investor.ⁱ The controversial program has been criticized as vulnerable to misuse.

Marketing materials for Relevant Hospitality Fund 1 released in April 2018 state that Relevant Group “is widely recognized as one of the most important drivers of Hollywood’s re-gentrification” with five fully funded hotel and entertainment projects and over \$250 million in lower-cost Chinese Capital raised.ⁱⁱ They list the Dream Hotel, Selma Hotel, Thompson Hotel and Citizen News as existing assetsⁱⁱⁱ and also included the Schrader Hotel and Hotel Barclay in the fund’s portfolio.^{iv}

As of April 2018, Relevant Hospitality Fund 1’s Management Team included Thomas J. Barrack, Jr, Executive Chairman of the Board to Colony Northstar.^v According to the *Los Angeles Business Journal* in 2017, Relevant Group received a minority investment from Colony Northstar in December 2016.^{vi} According to this reporting, the deal was in the works for a year and a half, Relevant Group co-founder Grant King said, spurred on with support from Scott Barrack, Relevant’s China director and a cousin of Thomas Barrack.^{vii} As of August 11, 2021, real estate firm Space Global listed Hollywood International Regional Center (“HIRC”) as its U.S. Partner and Scott Barrack as its Managing Director.^{viii} Relevant Group is the parent company to HIRC, which it calls “a successful EB5 immigration fundraising company.”^{ix}

In July 2021, Thomas Barrack, a billionaire who chaired the former president’s inaugural committee in 2016, was reportedly arrested by the U.S. Department of Justice and charged in a federal court with seven counts of unlawful efforts to advance the interests of the United Arab Emirates, obstruction of justice, and making false statements to federal law enforcement agents.^x

Relevant Group co-founder Grant King stated in 2017 that the \$110 million Dream Hotel relied on funding from 180 “mostly high-net-worth” Chinese investors.^{xi} According to USCIS rules, each EB-5 investor must “plan to create or preserve 10 permanent full-time jobs for qualified U.S. workers” in order to be eligible to apply for a Green Card.^{xii} See 8 CFR § 204.6(J). If there are 180 EB-5 investors in the Dream Hotel project and each investor is eligible as a result of their investment to apply for a Green Card, the Dream Hotel project would have to create 1,800 jobs. However, in 2020 and 2021, 6417 Selma Hotel LLC received two Paycheck Protection Program loans at the Dream Hotel’s address tied to only 183 jobs.^{xiii} Given this information, while we do not know the precise number of permanent workers the Dream Hotel project has employed or plans to employ, we believe the issue merits attention.

We encourage the agency examine the project to ensure full compliance with the EB-5 program’s requirements. Additionally, for every Relevant Group project that has used EB-5 financing, we ask that you provide the following information:

- How much EB-5 financing the project used, and how many immigrant investors financed the project.
- How many jobs the project created and the duration of those jobs.
- The project’s anticipated timeline as presented to USCIS and investors and the project’s current timeline, including whether the project has been completed and is in operation.
- How many investors have received a Green Card.
- A description of how Thomas Barrack, Scott Barrack or other employees of Colony NorthStar or Space Global were involved in fundraising for the project, including any interactions with Chinese government officials.

Regards,



Kurt Petersen
Co-President

CC:

Senator Dianne Feinstein
Senate Judiciary Committee Member

Senator Alex Padilla
Senate Judiciary Committee Member

Representative Ted Lieu

House Judiciary Committee Member

Representative J. Louis Correa
House Judiciary Committee Member

Representative Greg Stanton
House Judiciary Committee Member

Representative Ro Khanna
House Oversight Committee Member

Representative Katie Porter
House Oversight Committee Member

Representative Jimmy Gomez
House Oversight Committee Member

i “USCIS Policy Manual, Chapter 2 - Eligibility Requirements” <https://www.uscis.gov/policy-manual/volume-6-part-g-chapter-2>

ii “Relevant Hospitality Fund 1,” April 2018 ,Page 26, https://www.relevantgroup.com/wp-content/uploads/2020/07/RHF1_CONFIDENTIAL_4.11.18-1.pdf

iii Ibid

iv Ibid, Page 7

v Ibid, Page 27

vi “Hospitality: Road to Hotels Ran Through China,” March 28, 2017, <https://www.relevantgroup.com/wp-content/uploads/2017/04/LA-Business-Journal-3.28.17.pdf>

vii Ibid

viii “Partners,” Space Global website, <http://www.spaceglobal.com/partners>

ix Relevant Group website, <https://www.relevantgroup.com/>

x “US charges Trump ally with undisclosed lobbying for UAE,” July 21, 2021, <https://www.aljazeera.com/news/2021/7/20/us-charges-trump-ally-with-undisclosed-lobbying-for-uae>

xi “Hospitality: Road to Hotels Ran Through China,” March 28, 2017, <https://www.relevantgroup.com/wp-content/uploads/2017/04/LA-Business-Journal-3.28.17.pdf>

xii “USCIS Policy Manual, Chapter 2 - Eligibility Requirements”

xiii “Tracking PPP,” ProPublica, <https://projects.propublica.org/coronavirus/bailouts/loans/6417-selma-hotel-llc-2641287203>

MAIN OFFICE

464 LUCAS AVE., SUITE 201
LOS ANGELES, CA 90017
213.481.8530
FAX 213.481.0352

GARDEN GROVE OFFICE

13252 GARDEN GROVE BLVD., SUITE 200
GARDEN GROVE, CA 92843
714.750.4373
FAX 714.750.5638

AIRPORT OFFICE

4634 W. IMPERIAL HWY.
INGLEWOOD, CA 90304
310.671.0720
FAX 310.671.5021

PHOENIX OFFICE

1021 S 7th Ave.
PHOENIX, AZ 85007
480.795.5330
FAX 480.795.5326