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## steps to take now to avoid the eb-5 dragnet

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The Securities and Exchange Commission (SEC) is keeping an eagle eye on EB-5 projects these days, as evidenced by a dramatic increase in the number of fraud cases the agency has filed in federal courthouses across the country. EB-5 refers to the type of visa the government issues to immigrants who invest large sums in U.S. commercial projects that create or maintain a minimum of 10 jobs.

After filing only one EB-5 fraud case in 2014 and two the year before, the SEC filed five EB-5 fraud cases in 2015 and another two so far this year. MSK's Corporate & Business Transactions attorneys, who practice in this area of law, are noticing that most of these cases accuse issuers of EB-5 offerings of defrauding foreign investors by making misrepresentations in securities offering documents.

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