

Senator Tim Ashe Comment on Opinion Piece by former Douglas Administration official Tom Evslin

The author is wrong that no legislative committee meetings have been held re: EB-5, though he is correct that more needs to be done to understand precisely what went wrong, be it in the Pavilion Building, the Agency of Commerce or the EB-5 Office. We need to know this both to hold government accountable, and to ensure similar problems don't happen in the future.

The opinion piece says not a single legislative committee meeting has been held to try to get to the bottom of this. Not true. In April and May of 2016, the Senate Finance Committee held a series of committee meetings on EB-5. As a result of those hearings, the Legislature passed changes to the law that implemented new rules governing all aspects of the EB-5 program. These rules included formal investor complaint protocols, strict financial standards, and project cancellation guidelines. The Administration did not welcome this law, but the Legislature insisted and acted.

At the time, our focus was on establishing clear rules governing EB-5 which had enjoyed a fairly lax run under two Administrations. We did NOT try to score political points, and were very concerned with not interfering with the various legal actions and investigations that were then underway. We would have been rightly criticized for interfering or making more difficult the investigations.

This April and May, the Senate Appropriations Committee through its committee hearing process blocked the Administration from expending any money on EB-5 marketing and promotion, expenditures which were and are impossible to justify under the cloud hanging over the EB-5 office.

And finally, this summer the Government Accountability Committee (a joint committee of House and Senate members) held hearings precisely in the spirit of the piece below. They held committee meetings with state and non-state professionals to begin to undertake

a "What Went Wrong" inquiry. That work will continue in the upcoming months.

We do need to dig deeper into this scandalous episode to avoid repeating it in the future, whether in the Agency of Commerce or any other agency. Vermont's reputation, hard-earned and long-sustained, has been damaged by the EB-5 program and we cannot fail to learn our collective lessons from this.