Reid & Wise Warns Chinese EB-5 Investors of Rising National Security Denials—and Why They Are Uniquely Hard to Fight

Immigration attorney Fankai Oliver Yang explains why national security denials increasingly affect EB 5 investors and why preparation before filing is critical.

NEW YORK, NY, UNITED STATES, June 29, 2026 /EINPresswire.com/ -- Reid & Wise LLC, a U.S.-based immigration law firm with extensive experience in employment-based and investor immigration, is warning that national security denials have become one of the most significant—and least understood—risks facing certain EB-5 immigrant investors, particularly Chinese nationals whose backgrounds, or whose source of funds, intersect with sectors the U.S. government considers sensitive.

Unlike denials over documentation gaps or project compliance, national security denials are exceptionally difficult to challenge: the EB-5 Reform and Integrity Act (RIA) gives U.S. Citizenship and Immigration Services (USCIS) broad discretion and limits judicial review, narrowing the usual avenues of appeal.

“Many investors spend enormous effort polishing their own educational and professional story, and far too little asking whether a sensitive entity sits somewhere back in the family’s source-of-funds chain,” said Fankai Oliver Yang, Esq., a leading attorney at Reid & Wise. “Given how scrutiny is trending, that question needs to be asked at the planning stage—not after a Request for Evidence has already arrived.”

— Fankai Oliver Yang, Esq., Reid & Wise LLC

The Risk Often Traces to the Source of Funds, Not the Investor

Drawing on the firm's case experience, Yang notes that national security scrutiny clusters around a few consistent profiles: Chinese nationality; backgrounds in sectors the U.S. has designated as sensitive technology; and ties to Chinese universities, research institutions, or companies viewed as connected to the Chinese government or military.

One scenario catches investors off guard most often. National security concerns can surface during the source-of-funds review—where USCIS is not questioning the investor's own background, but whether the money itself is tainted because the person who earned it (often a parent) works for a state-owned enterprise, a sanctioned company, or an entity such as Huawei that has drawn U.S. government attention.

Why These Denials Are So Hard to Fight

Two features of the RIA set national security denials apart. The statutory language is written broadly, so USCIS can base a finding on relatively tenuous connections. And a no-judicial-review limitation means federal courts have constrained authority to second-guess those findings.

The result, Yang explains, is that the usual appellate ladder—motion to reopen or reconsider, the Administrative Appeals Office, federal court—has rungs missing. With a standard source-of-funds or project-compliance denial, that ladder generally holds. Under the national security provision, the statute itself has weakened it.

Built on "Association," Not "Conduct"
A defining feature of these denials, according to the firm, is that they rest on association rather than conduct. The reasoning typically runs: the applicant attended a particular university—that university is deemed connected to the Chinese government or military—the applicant's employer or industry falls in the same category—therefore a national security concern exists.

"Every link in that chain is an association finding, not a conduct allegation. USCIS never says 'you did X.' That is exactly what makes these denials so hard to rebut—you're left trying to disprove a negative against evidence that is deliberately vague."
— Fankai Oliver Yang, Esq.

Timing Changes Everything: I-526E vs. I-829

The same denial plays out very differently depending on the stage at which it lands. A denial at the I-526E petition stage typically funnels the investor to the Administrative Appeals Office, with further federal court review potentially blocked by the no-judicial-review provision—a narrow set of options.

A denial at the I-829 stage, by contrast, moves the matter into removal proceedings. That sounds like the worse outcome, but in this context often is not: in immigration court the investor can actually hear and contest the evidence, the government carries a burden of proof, and expert testimony becomes available. Paradoxically, the more alarming-sounding path can offer more procedural protection.

The Strongest Defense Is Built Before Filing

Because adjudicators—and any reviewing court—work only from the record, Reid & Wise emphasizes anticipating the association-based questions and answering them in the initial filing. The firm recommends building the record across several layers:

• A clear account of the source-of-funds person's role. Spell out the specific title, actual responsibilities, and scope of authority—and make explicit, where accurate, that the person is not in leadership and has no hand in sensitive decision-making.
• An explanation of the income itself. Establish that it is ordinary employment income, not a profit distribution, performance bonus, or payment tied to activities that could raise flags.
• A careful personal declaration. Confined to what the client genuinely knows—their own role, what they did and did not do, and the lawful origin of their income. Yang warns that over-broad statements (e.g., "my company never cooperated with any government agency") can backfire and undermine the credibility of the entire file if later shown inaccurate.
• Expert opinions, when the facts warrant. Where warning signs appear, former prosecutors, former CIA or FBI personnel, or industry experts can address the specific facts and conclude that the applicant does not pose a national security threat.
• A record built as if the case will be challenged. A fact not in the file cannot be introduced later, no matter how true—so proactive disclosure is itself a form of defense, even though it cuts against the usual EB-5 instinct to volunteer nothing.

"I can't promise any particular outcome—no attorney can. But the cases that hold up are the ones where the work was done thoroughly before filing, not the ones where we were scrambling to build a record after a denial had already arrived."
— Fankai Oliver Yang, Esq.

About Reid & Wise LLC

Reid & Wise LLC is a U.S.-based law firm with a nationally recognized immigration practice advising individuals, families, and corporations on employment-based and investor immigration. The firm has extensive experience with EB-1, EB-2, and EB-5 petitions and is known for its rigorous source-of-funds analysis and strategic case planning.

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