

Congress of the United States
Washington, DC 20515

VIA ELECTRONIC TRANSMISSION

July 18, 2022

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

The Honorable Alejandro Mayorkas
Secretary
Department of Homeland Security
Washington, D.C. 20016

Secretaries Becerra and Mayorkas,

We write today regarding the recent decision by the Office of Refugee Resettlement (ORR) to finalize an agreement to open an Influx Care Facility (ICF) to house unaccompanied children (UC) at the American Hebrew Academy in Greensboro, North Carolina.¹ We share the concerns raised by our constituents about the decision to place this facility in North Carolina, and request further information to understand the impact on local communities and the costs to taxpayers of using this facility. We are also concerned to learn that this facility is reportedly indebted to a Chinese company, raising further questions about the use of taxpayer dollars to produce profits for Chinese companies.²

On April 30, 2021, the Department of Health and Human Services (HHS) provided notice that a site visit would occur at the American Hebrew Academy on May 4, 2021. Less than one week later, Secretary Becerra told Rep. Richard Hudson “there is no plan that we have to shelter children in North Carolina.” In subsequent correspondence in October 2021 with congressional staff, HHS noted that ORR was still considering the American Hebrew Academy, but that no agreements or contracts had been completed.

We next received notice from the agency about this facility on June 9, 2022, when ORR announced it had procured a lease to use the American Hebrew Academy as an ICF. Further,

¹ Courtney Kiley & Avery Powell, *Migrant children to be housed at American Hebrew Academy in Greensboro*, WFMY NEWS2 (June 28, 2022, 12:13 PM), <https://www.wfmynews2.com/article/news/local/american-hebrew-academy-immigrant-children-hhs-greenboro-unaccompanied-minors/83-3b45f3d9-1f3c-41eb-a03c-5aae9fa2d72c>.

² Michelle Rosenberg, *Beijing-Based Education Company Likely Cashing in on U.S. Border Crisis*, THE FLORIDIAN (July, 6, 2022), <https://floridianpress.com/2022/07/beijing-based-education-company-likely-cashing-in-on-u-s-border-crisis/>.

HHS announced a federally funded contract worth almost \$50 million over five years to operate the facility.³

We are particularly concerned about this decision in light of the Biden Administration's failure to secure our southern border and to prevent a stream of illegal immigration into our nation. Since President Biden took office, there have been approximately **3 million encounters with illegal immigrants along our southern border**.⁴ It is unfortunate that the Biden Administration's failed immigration policies have resulted in a humanitarian crisis on the border for migrants and the need for an ICF at all, especially in a state as far from the border as North Carolina.

More recently, we have learned about ties between the American Hebrew Academy and the previously publicly-traded Chinese company Puxin Limited. In 2019, Puxin announced it had entered an agreement with the American Hebrew Academy to loan the Academy \$26 million for operation as an international college preparatory school. The school did not open, and the Academy has sat unused until this lease was agreed to.

On May 25, 2022, the New York Stock Exchange (NYSE) notified the Securities and Exchange Commission (SEC) that Puxin would be delisted, and that trading in the company's American Depositary Shares would be suspended immediately.⁵ According to the NYSE, this decision occurred after Puxin was ordered by the Grand Court of the Cayman Islands (Cayman Court) to wind up its operations on April 29, 2022.⁶ The NYSE had previously suspended trading of Puxin on May 10, 2022 in light of the Cayman Court ruling.

We are alarmed based on our current knowledge of this situation, and deeply concerned at the prospect of \$50 million in taxpayer funds being potentially misused or mishandled by a troubled Chinese company. Previous questions last month from members of our delegation to Secretary Becerra have so far gone unanswered. However, as a matter of congressional oversight, we urgently request that your agencies respond to the following questions by August 08, 2022:

Questions for HHS:

1. When was the decision made to lease the American Hebrew Academy as an ICF? What was the highest level official at your agency that signed off on this decision?
2. Did your agency receive approval from any other state, local, or federal entity or organization before entering an agreement to open this ICF?
3. Please provide the specific reasons and justifications for why this location was selected for an ICF.

³ *Contract to American Hebrew Academy, Inc.*, USASPENDING.GOV, https://www.usaspending.gov/award/CONT_AWD_75ACF122L00001_7590_-NONE-_NONE- (last visited July 14, 2022).

⁴ *Southwest Land Border Encounters*, U.S. CUSTOMS AND BORDER PROTECTION, <https://www.cbp.gov/newsroom/stats/southwest-land-border-encounters> (last visited July 14, 2022).

⁵ *Puxin Ltd. Delisting*, SEC.REPORT, <https://sec.report/Document/0000876661-22-000439/> (last visited July 14, 2022).

⁶ *Id.*

4. Was the decision to move forward with this ICF a result of the ongoing crisis at our southern border?
5. Did your agency consider any other locations, either in North Carolina or nationwide, for an ICF? If so, please provide a list of other locations which were considered before you selected North Carolina for this ICF.
6. When does your agency anticipate UCs will begin arriving at the ICF? If this has not been confirmed, how much notice are you planning to provide to state, local, or federal governments and entities prior to their arrival?
7. Based on your current projections, what is the average daily bed space ORR expects to occupy at the American Hebrew Academy?
8. What are the estimated costs to taxpayers to house UCs at this location?
9. What is the average length of time that you estimate UCs will reside at this facility?
10. Please provide additional information about the expected ages of UCs that will be housed at the American Hebrew Academy.
11. Beyond screening conducted by DHS, does HHS or ORR conduct any further screening of UCs to determine potential criminal backgrounds or gang memberships?
12. Will UCs be released from this facility into North Carolina communities? If so, where does the agency plan to release them and what is your justification for doing so?
13. What vetting occurred during your review of this facility, and did you become aware that the American Hebrew Academy is financed by a Chinese company?
 - a. If you were aware, what measures did you take to further consider the impact of providing profits to a Chinese company and any ties that company has to the Chinese Communist Party (CCP)?
 - b. If you did not become aware during your review, what further screening should have identified and considered the role of a Chinese company in this contract?
14. Did you conduct a thorough review of the financial structure of the American Hebrew Academy and its loan from Puxin prior to entering this agreement?
 - a. If so, did you identify the suspension and delisting of Puxin and the Cayman Court ruling prior to entering the agreement?
 - b. If not, does the fact that Puxin has been delisted and ordered to wind up operations indicate to you the need to further investigate this arrangement?

Questions for DHS

1. What steps does DHS take to ensure UCs who are gang members or have criminal backgrounds are appropriately detained and removed?
2. If a UC is released into ORR custody, and later found to have a criminal background or presently commits a crime, what mechanisms are in place to ensure that DHS is able to immediately apprehend and remove the UC?
3. What steps has DHS taken to work with state and local law enforcement officials to ensure the safety of nearby communities and to prepare for the transport and detention of UCs at the American Hebrew Academy?

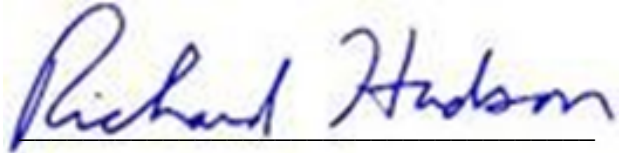
4. Are you familiar with the company Puxin Limited? Will your agency be taking any efforts to review this company in light of its delisting and the Cayman Court order to wind up operations?

We reiterate our alarm and concern at the facts we currently have available regarding the decision to proceed with the ICF in North Carolina. We look forward to your swift reply to our oversight questions.

Sincerely,



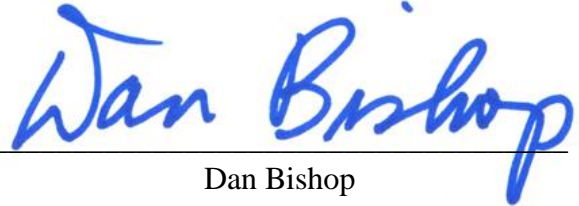
Thom Tillis
United States Senator



Richard Hudson
Member of Congress



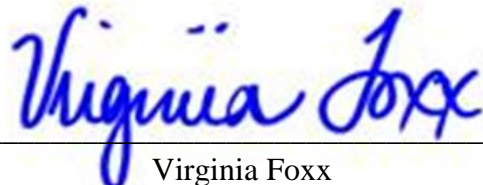
Richard Burr
United States Senator



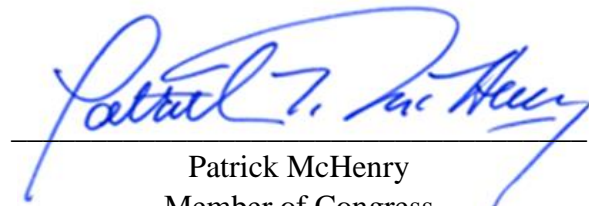
Dan Bishop
Member of Congress



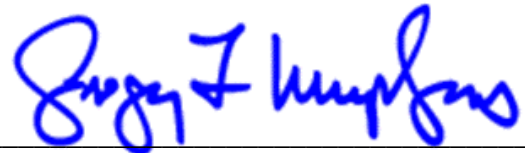
Ted Budd
Member of Congress



Virginia Foxx
Member of Congress



Patrick McHenry
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Gregory F. Murphy, M.D.
Member of Congress



David Rouzer
Member of Congress