

**GAO**

Report to the Subcommittee on  
Government Management, Organization,  
and Procurement, Committee on  
Oversight and Government Reform,  
House of Representatives

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July 2008

# BORDER SECURITY

## State Department Is Taking Steps to Meet Projected Surge in Demand for Visas and Passports in Mexico



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# Highlights

Highlights of [GAO-08-1006](#), a report to the Subcommittee on Government Management, Organization, and Procurement, Committee on Oversight and Government Reform, House of Representatives

## Why GAO Did This Study

In fiscal year 2007, the U.S. Mission in Mexico (Mission Mexico) processed 1.5 million of the 8 million nonimmigrant visas (NIV) that the Department of State (State) handled worldwide. This workload is expected to increase dramatically in the coming years as millions of NIV Border Crossing Cards issued in Mexico during fiscal years 1998 to 2002 expire and need to be renewed. Consulates will also face increased workloads due to implementation of the Western Hemisphere Travel Initiative (WHTI), which will require U.S. citizens to carry passports, or other approved documentation, when traveling between the United States and Mexico, including by land.

GAO was asked to review State's (1) estimates of the workload for consulates in Mexico through 2012 and (2) efforts to help ensure consulates keep pace with expected workload increases. GAO analyzed State's workload forecasts and forecast methodology, interviewed State officials, and visited five posts in Mexico.

## What GAO Recommends

GAO recommends that the Secretary of State include, as part of State's evaluation of the pilot program to outsource part of the NIV application process at off-site facilities, an assessment of the risks related to fraud and security. State concurred with our recommendation.

To view the full product, including the scope and methodology, click on [GAO-08-1006](#). For more information, contact Jess T. Ford at (202) 512-4268 or [fordj@gao.gov](mailto:fordj@gao.gov).

## BORDER SECURITY

### State Department Is Taking Steps to Meet Projected Surge in Demand for Visas and Passports in Mexico

#### What GAO Found

According to State forecasts, Mission Mexico's NIV demand will likely peak at slightly less than 3 million applications in fiscal year 2011, almost twice the number in fiscal year 2007. Though State acknowledges there are uncertainties regarding the number of Border Crossing Card holders who will renew their cards and the number of first-time NIV applicants, the forecasts provide a reasonable basis for planning for the anticipated surge in NIV demand. In addition to its increase in NIV workload, Mission Mexico will be facing increases in its passport workload due to the implementation of WHTI. The magnitude of the increase in passport workload is more difficult to forecast than for NIVs because there is a great deal of uncertainty as to how many U.S. citizens live in Mexico and the number of these citizens likely to apply for a passport. Mission Mexico has already seen a significant increase in its passport workload as U.S. citizens living in Mexico have begun to apply for passports in response to the new documentary requirements. State forecasts that passport workload will peak in fiscal year 2009 with WHTI's anticipated implementation at land ports of entry.

State is taking steps to help ensure U.S. consulates in Mexico keep pace with anticipated demand for NIVs and U.S. passports, including adding interviewing windows to several high-demand posts and planning to hire about 100 temporary adjudicating officers. Consular officials at several posts generally agreed these efforts to expand resources should be adequate for Mission Mexico to keep pace with expected workload increases, and GAO's analysis indicates the mission will generally have enough interviewing windows during the surge. Several posts will rely on additional temporary adjudicators to keep pace with increased demand. State is confident it has an adequate pool of potential applicants. Mission Mexico may also gain additional capacity from a pilot program, under way at two posts, outsourcing a portion of the NIV application process to off-site facilities. State has said it intends to evaluate the pilot program but has not indicated if its evaluation plans include an assessment of risks related to fraud and security.

Waiting Area for Visa Applicants at Consulate in Mexico



Source: State Department.

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### Abbreviations

CRBA	consular report of birth abroad
DHS	Department of Homeland Security
IIRIRA	Illegal Immigration Reform and Immigrant Responsibility Act
Mission Mexico	U.S. Mission in Mexico
NIV	nonimmigrant visa
OMB	Office of Management and Budget
State	Department of State
WHTI	Western Hemisphere Travel Initiative

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United States Government Accountability Office  
Washington, DC 20548

July 31, 2008

The Honorable Edolphus Towns  
Chairman  
The Honorable Brian Bilbray  
Ranking Member  
Subcommittee on Government  
Management, Organization, and Procurement  
Committee on Oversight and Government Reform  
House of Representatives

Legitimate travel between Mexico and the United States contributes to bilateral trade of over \$1 billion per day, according to the Department of State (State). The U.S. Mission in Mexico (Mission Mexico) is State's largest consular operation in the world; in fiscal year 2007, it processed 1.5 million of the 8 million nonimmigrant visas (NIV) State handled worldwide and had 5 out of the 20 top NIV-issuing consulates.<sup>1</sup> Moreover, its post in Ciudad Juarez was the largest issuer of immigrant visas in the world. Mission Mexico also provided services, including passport processing and emergency assistance, to thousands of U.S. citizens in fiscal year 2007.

This already significant consular workload is expected to increase dramatically in the coming years as millions of NIV Border Crossing Cards issued in Mexico from fiscal years 1998 to 2002 expire and need to be renewed. In addition, the implementation of new travel requirements under the Western Hemisphere Travel Initiative (WHTI) will, for the first time, require U.S. citizens to carry passports, or other approved documentation, when traveling between the United States and Mexico. State must expand its consular capacity in Mexico to keep pace with this expected surge in demand for millions of visas and thousands of U.S. passports over the next several years. If State does not take the steps necessary to adequately meet this growth in workload, travel between the two countries could be significantly affected, resulting in inconveniences and hardships for individual travelers and negative consequences for the economies of both countries.

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<sup>1</sup>Foreign nationals who wish to visit the United States, including business travelers and tourists, must generally obtain a nonimmigrant visa. The majority of visitors from Mexico receive a type of NIV known as a Border Crossing Card.

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At your request, we reviewed State's (1) estimates of the workload for consulates in Mexico through 2012 resulting from, in particular, new travel requirements and the reissue of Border Crossing Cards; and (2) efforts to ensure that consulates in Mexico keep pace with projected workload increases through 2012. To accomplish our objectives, we analyzed data provided by State on current and forecasted passport and NIV workload for all 10 consulates in Mexico. We analyzed the reliability of State passport and NIV workload data and found them sufficiently reliable for our purposes. As part of our review of the data, we also assessed State's forecasting methodologies based upon available information. We also analyzed State's estimates of the staffing and facility resources needed to meet the anticipated workload increases in Mexico. In addition, we performed fieldwork at five consulates in Mexico—Mexico City, Guadalajara, Monterrey, Ciudad Juarez, and Tijuana. We chose these consulates because they were among the posts with the highest passport and visa workloads, and they provided a mix of border posts and posts in the interior of the country. At each post, we observed visa and passport processing and met with consular management and representatives from the Non-Immigrant Visa and American Citizen Services units. We also conducted a series of interviews with State officials in Washington, D.C., including representatives from the Bureau of Consular Affairs, Bureau of Overseas Building Operations, Bureau of Resource Management, Bureau of Western Hemisphere Affairs, and Office of Management Policy, Rightsizing, and Innovation. Lastly, we reviewed a range of State and Mission Mexico documentation, including Mission Performance Plans, consular packages, rightsizing reports, policy guidance documents, and various cables and memos.

We conducted this performance audit from November 2007 to July 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Results in Brief

State anticipates that Mission Mexico's NIV and passport workload will increase significantly for fiscal years 2007 to 2011, with NIV applications continuing to constitute the vast majority of the mission's workload. Mission Mexico will experience a substantial growth in its NIV workload primarily due to the need to renew millions of Border Crossing Cards that began expiring in fiscal year 2008. According to State forecasts, assuming

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a 75 percent renewal rate among existing card holders, Mission Mexico's NIV demand will peak at slightly less than 3 million applications in fiscal year 2011, a 94 percent increase from fiscal year 2007. NIV demand will then begin to decline in fiscal year 2012. State acknowledges there are uncertainties regarding the number of Border Crossing Card holders who will renew their cards and the number of first-time NIV applicants and that methodological factors may also affect the accuracy of its forecasts. However, State has detailed data on the number of Border Crossing Cards issued during the previous surge, their expiration dates, and where they were issued, which gives it a strong basis for developing its assumptions about future demand. Furthermore, in recognition of the uncertainties that do exist, State used sensitivity analysis to estimate different levels of potential NIV demand, to help ensure that its plans have sufficient flexibility to meet NIV demand increases of varying levels. In addition to the increase in NIV workload, Mission Mexico will be facing increases in its passport workload due to the implementation of WHTI. The magnitude of the increase in passport workload is more difficult to forecast because, unlike the NIV surge, there is no historical precedent. Also, there is a great deal of uncertainty as to how many U.S. citizens actually live in Mexico and how many of those are likely to apply for a passport. Despite the challenges developing passport forecasts, State has created some estimates of workload increases caused by the implementation of WHTI; the estimates show passport and Consular Reports of Birth Abroad (CRBA) workload peaking at over 66,000 applications in fiscal year 2009<sup>2</sup>—the year in which WHTI requires a passport for travel to the United States by land.<sup>3</sup> Thus, the peak of the surge in passport and CRBA workload is expected to occur 2 years before the NIV surge.

In anticipation of the surge in demand for NIVs and U.S. passports in Mexico, State is taking several steps to ensure that consulates in Mexico keep pace with projected workload increases through 2012, including adding interviewing windows to several posts and planning to hire about 100 temporary adjudicating officers with renewable 1-year contracts. Consular officials we met with at several high-demand posts in Mexico

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<sup>2</sup>A CRBA serves as the official record of a claim to U.S. citizenship for a child born abroad. State tracks passport and CRBA applications together because both types of applications are handled by consular officers in posts' American Citizen Services units.

<sup>3</sup>WHTI will be implemented on June 1, 2009, provided that State and the Department of Homeland Security have certified 3 months in advance that several criteria have been met. Pub. L. No. 110-161, Div. E, Title V, §545 (Dec. 26, 2007).

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generally agreed that State's plans to expand resources and implement new procedures should, if fully implemented, be adequate for Mission Mexico to keep pace with expected workload increases. However, as State continues to revise its estimates of future workload, it may need to adjust its resource plans to reflect the latest assumptions about future demand for passports and NIVs. Our analysis of NIV interview window capacity indicates that Mission Mexico should generally have enough windows at the peak of NIV demand—projected to be fiscal year 2011—assuming a 75 percent renewal rate among existing Border Crossing Card holders. State's plans to hire temporary adjudicators would almost double the existing number of consular officers throughout Mission Mexico during the surge and allow posts to reduce staff levels when the surge is over. Monterrey, Mexico City, Ciudad Juarez, and Tijuana are expected to be the heaviest users of temporary adjudicators and would therefore be at greatest risk of increased NIV backlogs if temporary adjudicator slots cannot be filled. However, State officials are confident they have an adequate pool from which to hire qualified people to fill these slots in time to meet peak demand in Mexico. State also began a pilot program that outsources to private contractors a portion of the NIV application process that does not require the direct involvement of consular officers, including biometric data collection, at off-site facilities. The pilot program, which began in the spring of 2008 in Nuevo Laredo and Monterrey, is part of an effort by State to establish a new service delivery model for processing NIVs in response to long-term growth in demand worldwide. State has expressed its intention to evaluate the pilot program, but has not indicated whether its evaluation plans include an assessment of risks related to fraud and the security of the operation, consistent with internal control standards.

To strengthen internal controls and enhance State's evaluation of the pilot program to outsource part of the NIV application process to a private contractor at off-site facilities, we are recommending that the Secretary of State include in the evaluation an assessment of the potential risks related to fraud and security.

We provided a draft of this report to the Department of State for review and comment. State concurred with our recommendation and stated that it will conduct a formal risk analysis as part of its evaluation of the pilot program to outsource part of the NIV application process to a private contractor at off-site facilities. The analysis will evaluate the department's exposure to risk from technological, human, and physical threats, and ensure that further deployment of the off-site processing model will be secure. State also noted that its overall evaluation of the pilot program will

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help the department develop its final model for outsourcing part of the NIV application process.

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## Background

In addition to the consular section in the U.S. embassy in Mexico City, Mission Mexico has consulates in nine other cities—Ciudad Juarez, Guadalajara, Hermosillo, Matamoros, Merida, Monterrey, Nogales, Nuevo Laredo, and Tijuana (see fig. 1).

**Figure 1: Consular Districts in Mexico**



Source: State Department.

Note: Since this map was created, State has added a 14th consular agency at Playa del Carmen, in the Merida Consular District.

## The Visa Issuance Process

Foreign nationals who wish to visit the United States, including business travelers and tourists, must generally obtain an NIV. In total, there are 24 major NIV categories and 72 types of NIVs issued. State manages the visa issuance process at its 219 visa issuing posts around the world.

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Foreign nationals wishing to obtain an NIV must generally (1) schedule an appointment for a visa interview at a U.S. consulate, (2) fill out an application and pay applicable fees, (3) have their biometric information (photo and fingerprints) collected at a U.S. consulate, (4) have their information checked in the Consular Lookout and Support System—State’s name-check database that consulates use to access critical information for visa adjudication, and (5) undergo an interview with a consular officer, who is responsible for making the adjudication decision. In some cases, the consular officer will determine that a Security Advisory Opinion is warranted before the adjudication can be made. In such situations, the case will be forwarded to State headquarters for a recommendation on whether to issue the visa.

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## Border Crossing Cards

The majority of travelers visiting the United States from Mexico receive an NIV Border Crossing Card, which is valid for 10 years. These cards, also known as “laser visas,” are both a B-1/B-2 visa (combined business and tourist visa) and a border crossing card.<sup>4</sup> Border Crossing Cards enable holders to remain in the United States for up to 30 days and travel no more than 25 miles beyond the border, without filling out an I-94 form, which serves as an arrival/departure record.

In 1996, Congress passed the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA), which required that every Border Crossing Card issued after April 1, 1998, contain a biometric identifier, such as a fingerprint, and be machine readable. The law also mandated that all Border Crossing Cards issued before April 1, 1998, would expire on October 1, 1999, regardless of when their validity period ended. This deadline was extended by Congress two times, first to September 30, 2001, and then to September 30, 2002. The passage of IIRIRA created a significant surge in Mission Mexico’s NIV workload, as Border Crossing Card holders sought to obtain the new visas before the congressionally mandated expiration date. This culminated in a historic high in NIV workload in fiscal year 2001, when the mission processed almost 3 million

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<sup>4</sup>B-1 visas are issued to nonimmigrants visiting the United States on business for conventions, conferences, consultations, and other legitimate activities of a commercial or professional nature who are not seeking local employment or labor for hire. B-2 visas are issued to nonimmigrants visiting the United States for recreational tourism purposes. B-1 and B-2 visa holders must intend to leave the United States at the end of the temporary stay and must be able to demonstrate that adequate financial arrangements have been made to enable them to carry out the purpose of the visit to and departure from the United States.

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NIV applications.<sup>5</sup> Over the course of the surge during fiscal years 1998 to 2002, the mission issued over 5.8 million Border Crossing Cards.

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## State NIV Workload Challenges

We have previously reported on challenges State faced in managing its NIV workload.<sup>6</sup> Among other things, we found that NIV applicants have often had to wait for extended periods of time to receive appointments for interviews. Believing that wait times for NIV interviews were excessive, in February 2007, State announced a worldwide goal of interviewing NIV applicants within 30 days. In the year before the 30-day goal was announced, the average wait time across the consulates in Mexico had been as high as 73 days. At some individual posts, wait times exceeded 120 days. By the time of the announcement of the goal in February 2007, however, Mission Mexico had already successfully reduced wait times below 30 days at all but one of its posts. State attributes this success in Mexico to the development of more efficient NIV processes, the elimination of staffing gaps, and increased focus on the issue. Since February 2007, the mission has successfully kept the average wait time among the consulates at less than 30 days.<sup>7</sup>

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## The Western Hemisphere Travel Initiative

In response to recommendations in the 9/11 Commission report, the Intelligence Reform and Terrorism Prevention Act of 2004, as amended, required that the Secretary of Homeland Security, in conjunction with the Secretary of State, develop and implement a plan that requires U.S. citizens to provide a passport, other document, or combination of documents that the Secretary of Homeland Security deems sufficient to show identity and citizenship when entering the United States from certain countries, including Mexico. This will represent a significant change for many U.S. citizens living in Mexico, who until recently have been able to routinely cross between the United States and Mexico with more limited documentation. The Department of Homeland Security (DHS) and State are implementing these requirements through WHTI. DHS implemented

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<sup>5</sup>This number includes other types of NIVs beside Border Crossing Cards and also reflects the total number of applications, not just the number of NIVs issued.

<sup>6</sup>See GAO, *Border Security: Long-Term Strategy Needed to Keep Pace with Increasing Demand for Visas*, [GAO-07-847](#) (Washington, D.C.: July 13, 2007); and *Border Security: Reassessment of Consular Resource Requirements Could Help Address Visa Delays*, [GAO-06-542T](#) (Washington, D.C.: Apr. 4, 2006).

<sup>7</sup>Over this period, Monterrey is the only post in Mexico where wait times averaged over 30 days in more than 1 month.

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WHTI at all air ports of entry into the United States on January 23, 2007, and plans to implement the requirements at land and sea ports of entry beginning in June 2009, assuming that DHS and State can certify 3 months in advance that certain criteria have been met, as required under the law.<sup>8</sup>

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## State Anticipates Significant Increases in Mission Mexico's Nonimmigrant Visa and Passport Workload during Fiscal Years 2007 to 2011

Mission Mexico will experience substantial growth in its NIV workload due to the need to renew millions of Border Crossing Cards, issued 10 years prior, that began expiring in fiscal year 2008. Though various factors may reduce the accuracy of State's NIV demand forecasts, these forecasts nonetheless provide a reasonable basis for planning for the anticipated surge in NIV demand. Mission Mexico will also experience an increase in its passport workload due to the implementation of WHTI.

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## Mission Mexico Is Forecast to Experience a Significant Increase in NIV Demand Due to Renewals of Millions of Expiring Border Crossing Cards

State anticipates a surge in NIV demand in Mexico as Border Crossing Cards expire and millions of card holders are likely to apply for renewals at U.S. consulates. In addition to the surge in demand caused by the expiring Border Crossing Cards, State officials anticipate that Mission Mexico will also continue to experience steady growth in demand from first-time visa applicants. To assist in preparing for these increases, State has developed forecasts of the expected future NIV workload in Mexico.<sup>9</sup> In doing so, State first developed a forecast of the underlying demand from

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<sup>8</sup>According to the April 2008 final rule on WHTI implementation at sea and land ports of entry, DHS and State believe that these certifications will be made well in advance of the June 1, 2009, deadline for implementation. In the event that DHS and State are unable to complete all of the necessary certifications 3 months before June 1, 2009, the final rule states that they will provide notice to the public and amend the dates for compliance with the document requirements. See *Documents Required for Travelers Departing From or Arriving in the United States at Sea and Land Ports-of-Entry From Within the Western Hemisphere*, Final Rule, 73 *Fed. Reg.* 18,384, 18,386 (Apr. 3, 2008).

<sup>9</sup>State's NIV demand forecasts include Border Crossing Cards as well as other types of nonimmigrant visas. This report discusses forecasts provided to us by State on June 18, 2008. In a June 25, 2008, testimony, we discussed our analysis of a previous methodology that State had utilized to develop earlier NIV forecasts. See GAO, *Border Security: State Department Expects to Meet Projected Surge in Demand for Visas and Passports in Mexico*, [GAO-08-931T](#) (Washington, D.C.: June 25, 2008).

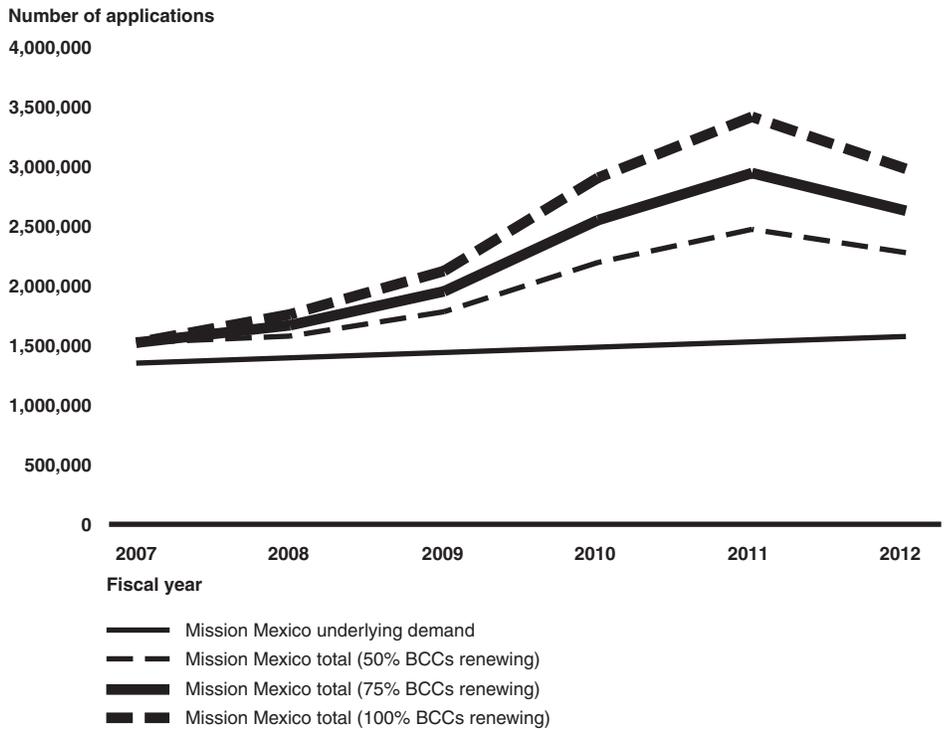
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new applicants. To determine the forecast of underlying demand, State calculated the average NIV demand for Mission Mexico for fiscal years 2005 to 2007. This serves as the starting point for the underlying demand line shown in figure 2. Then, State calculated an annual increase in underlying demand to account for estimated growth over time.<sup>10</sup> Using underlying demand as a baseline, State then developed a range of forecasts that reflect differing assumptions about the percentage of Border Crossing Card holders who will renew their cards when they expire. As figure 2 shows, these different assumptions about the number of Border Crossing Cards that will be renewed can significantly impact the anticipated levels of NIV demand. For example, at the surge peak in fiscal year 2011, forecasted demand ranges from around 2.5 million applications if 50 percent of Border Crossing Card holders renew, to 3.4 million applications if 100 percent renew. According to State officials, the 75 percent renewal rate is the most likely scenario. Assuming a 75 percent renewal rate among card holders, the forecasts show missionwide NIV demand peaking at slightly less than 3 million applications in fiscal year 2011, which represents a 94 percent increase in demand from fiscal year 2007. State intends to monitor renewal rates as the surge progresses to help refine its assumptions about likely demand.

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<sup>10</sup>To estimate growth in underlying demand, State calculated the difference between the average NIV demand for fiscal years 2005 to 2007 and the average NIV demand for fiscal years 1995 to 1997. State then divided the difference between the two averages by 10 to come up with a rate of annual increase. State utilized the same process to project demand from nonrenewal NIV applicants at the post level. However, Nogales was not in operation in fiscal years 1995-1997 and Nuevo Laredo was not issuing visas during the period. Thus, State assumed a growth rate of 1,000 nonrenewal applications a year for Nogales and 1,500 a year for Nuevo Laredo.

**Figure 2: State Forecasts for Mission Mexico, Alternative Scenarios**

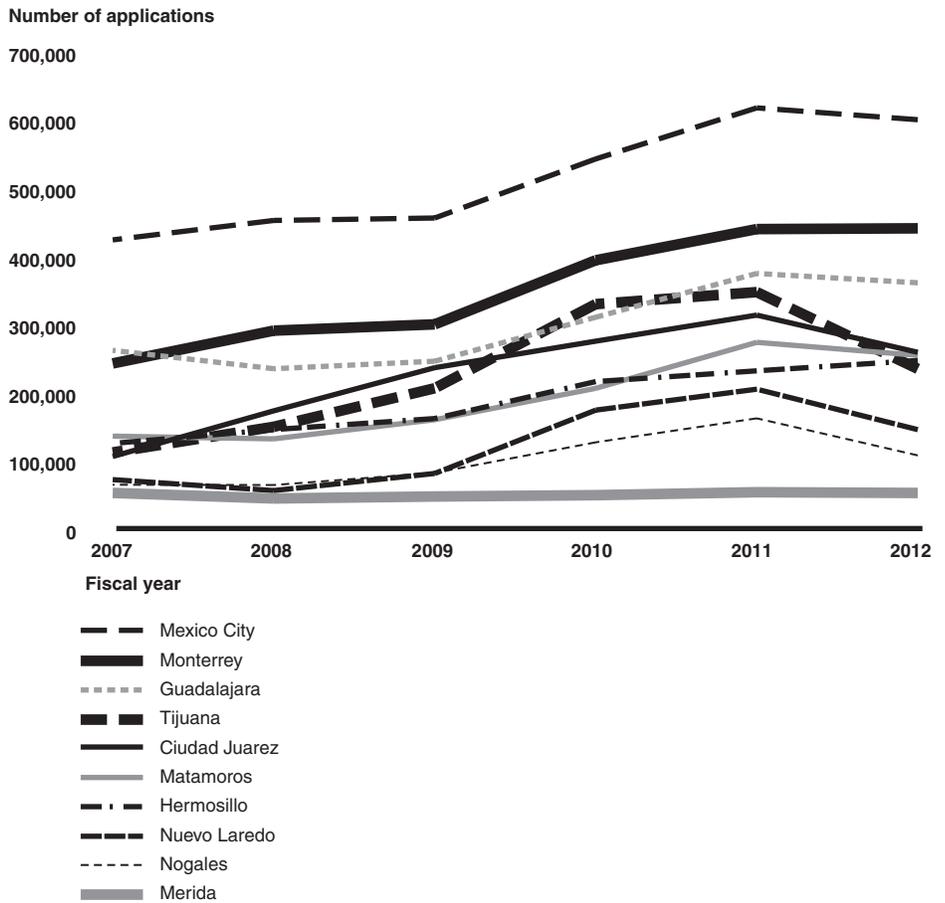


Source: GAO analysis of State data.

Note: “BCC” stands for Border Crossing Card. State’s NIV demand forecasts include Border Crossing Cards, as well as other types of nonimmigrant visas. Fiscal year 2007 data reflect actual demand for Mission Mexico, except for with the underlying demand line. For the underlying demand line, the fiscal year 2007 point is actually the average demand for fiscal years 2005 through 2007. State chose to use this as the starting point for calculating underlying demand because it believed demand in fiscal year 2007 was artificially high as posts worked off backlogs from the previous year.

In addition to the missionwide forecast, State has developed demand forecasts for individual consulates. As shown in figure 3, which assumes a 75 percent renewal rate for Border Crossing Cards, State’s forecasts anticipate NIV demand peaking in fiscal year 2011 for the majority of posts, although demand is expected to peak in fiscal year 2012 for Monterrey and Hermosillo. State forecasts that Mexico City will have the highest overall demand, with applications growing to over 600,000 in fiscal year 2011, but anticipates that the steepest increases in demand will occur at border posts, as shown in figure 4.

**Figure 3: Mission Mexico Posts' NIV Demand Forecasts, Fiscal Years 2007 to 2012**

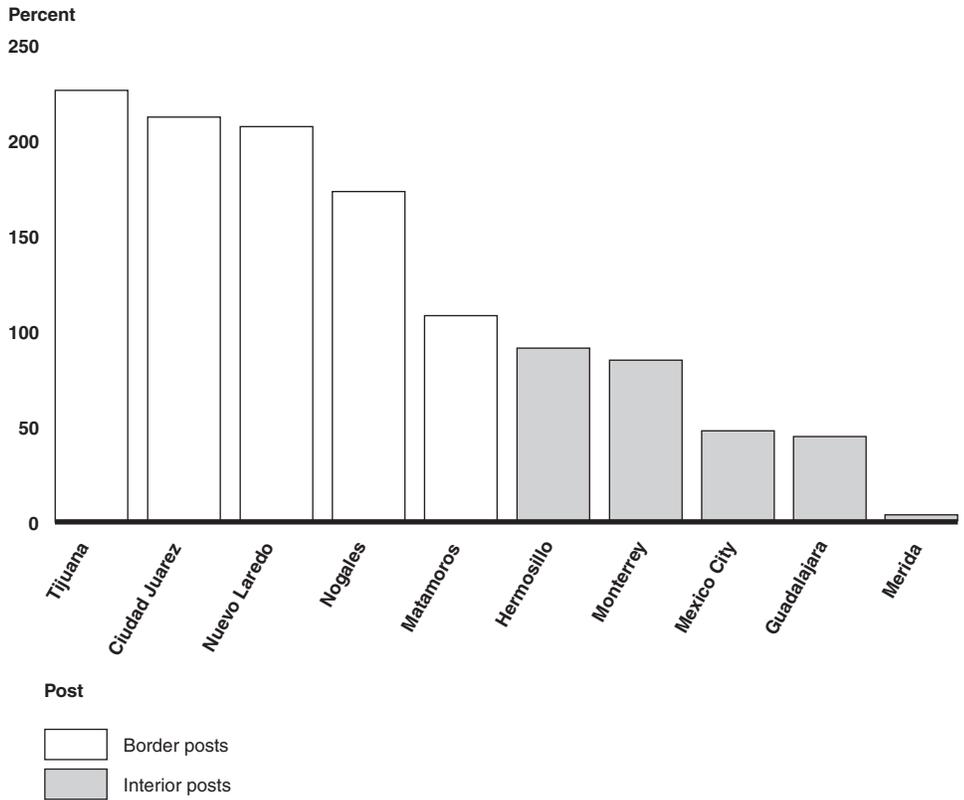


Source: GAO analysis of State data.

Note: The forecasts displayed assume that 75 percent of Border Crossing Card holders will renew their cards when they expire. Fiscal year 2007 data reflect actual NIV demand for the year for each post.

This pattern is similar to the previous Border Crossing Card surge, where the border consulates assumed a greater share of the total mission workload during the surge, with this share then diminishing again at the surge's end. As shown in figure 4, Tijuana is forecasted to experience the most significant increases of any post—between fiscal years 2007 and 2011 the post's demand is anticipated to increase 226 percent. Ciudad Juarez and Nuevo Laredo have the second-and third-highest increases at 212 percent and 207 percent, respectively.

**Figure 4: Mission Mexico Posts' Increase in NIV Demand for Fiscal Years 2007 to 2011**



Source: GAO analysis of State data.

Note: These growth rates assume that 75 percent of Border Crossing Card holders will renew their cards when they expire.

### Despite Uncertainties, State's Forecasts Provide a Reasonable Basis for Planning for the Expected Surge in Workload

Estimating future NIV demand is inherently uncertain, and State acknowledges that various factors may reduce the accuracy of its forecasts. For one, State is unsure as to the percentage of Border Crossing Card holders who will renew their cards when they expire. Some card holders have had their cards lost or stolen and have already had them replaced at a consulate. Other card holders have either legally or illegally immigrated to the United States and will not be returning to renew their cards. Finally, some applicants may decide to defer renewals for various reasons, including the recent rise in NIV fees, or because they have no immediate travel plans. Given these uncertainties, State followed commonly accepted best practices by performing sensitivity analysis to

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see what Mission Mexico's likely workload would be under different scenarios, which are reflected in figure 2. By developing these different workload scenarios, State has been able to better identify the potential range of Mission Mexico's staffing and facility needs.

In addition to the uncertainties regarding the number of Border Crossing Card holders who will renew their cards, there are also uncertainties regarding underlying demand from nonrenewal applicants. State's methodology assumes constant annual increase in underlying demand over the life of the forecasts and does not consider how various economic and demographic factors may affect NIV demand. As State officials acknowledge, such factors, including changes in the value of the Mexican peso or the strength of the U.S. economy, can affect NIV demand.<sup>11</sup> However, any inaccuracies in the estimates of underlying nonrenewal demand are unlikely to significantly affect the overall accuracy of State's projections because the surge is due primarily to Border Crossing Card renewals. For example, even if underlying demand increased by twice as much as State expected between fiscal years 2010 and 2011, this would result in total NIV demand being only 2 percent more than State forecasted for fiscal year 2011, under the 75 percent renewal scenario.

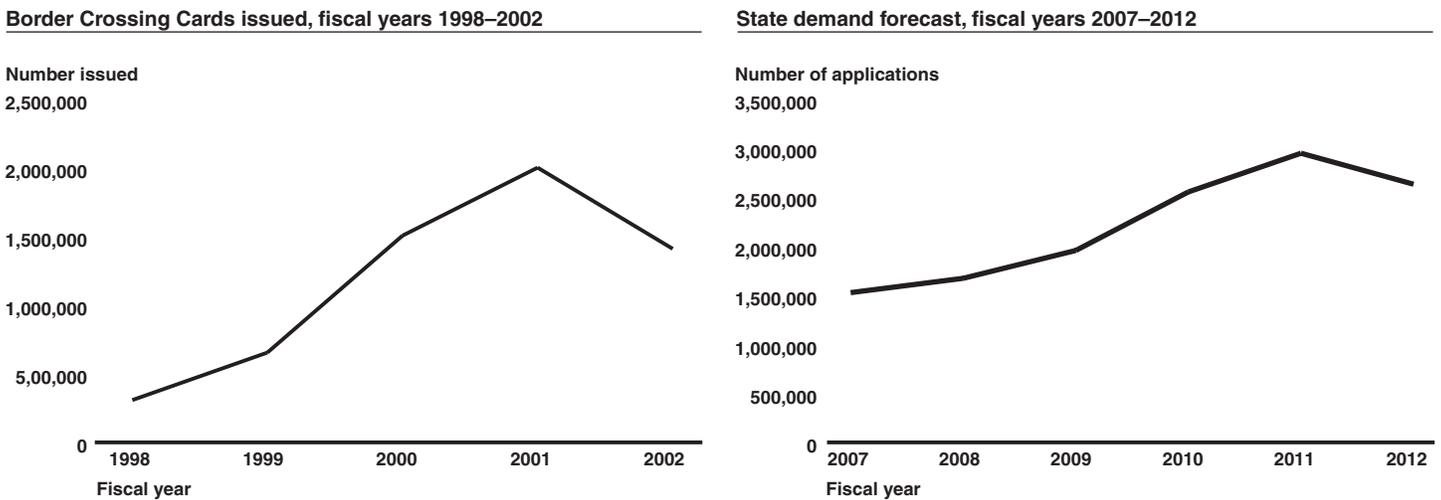
Although, as discussed above, there are uncertainties with the forecasts, State's approach to forecasting NIV workload, based on historical precedent and underlying growth in demand provide State with a reasonable basis for planning for the anticipated surge in NIV demand. State has detailed data on the number of Border Crossing Cards issued during the previous surge, when they expire, and where they were issued, which gives it a strong foundation for developing its assumptions about future demand. As figure 5 shows, State's forecasts anticipate that the upcoming surge will be predominantly cyclical, following a pattern similar to the previous Border Crossing Card surge in fiscal years 1998 to 2002. Furthermore, in recognition of the uncertainties that do exist, State used sensitivity analysis to estimate different potential levels of NIV demand to inform its plans for the upcoming surge. State officials believe their plans

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<sup>11</sup>Change Navigators' 2005 *Consular Affairs Futures Study* also found that various economic and demographic factors affect NIV demand. State commissioned Change Navigators, a consultancy specializing in business management and organizational development, to examine the various factors that impact growth in NIV demand, to identify those countries likely to experience the most rapid growth in NIV demand, and to generate NIV demand forecasts for these countries. Mexico was among those countries included in the study.

include sufficient flexibility to meet NIV demand increases under the various scenarios they have developed. Additionally, State plans to continually track demand at the consulates as the NIV surge unfolds and will revise its forecasts periodically.

**Figure 5: Comparison of Border Crossing Cards Issued by Mission Mexico in Fiscal Years 1998-2002 to Demand Forecast for Fiscal Years 2007-2012**



Source: GAO analysis of State data.

Note: The Border Crossing Card numbers reflect only the cards issued and not the total number of applications. The numbers also do not reflect other types of NIVs issued for fiscal years 1998 to 2002. State's NIV demand forecasts include Border Crossing Cards, as well as other types of nonimmigrant visas. The forecast displayed assumes that 75 percent of Border Crossing Card holders will renew their cards when they expire. Fiscal year 2007 data reflects actual demand for Mission Mexico for the year.

### Mission Mexico Will Experience an Increase in Passport Workload Due to WHTI Implementation, Although the Magnitude Is Difficult to Predict

In addition to the surge in NIV workload, Mission Mexico has begun to experience a surge in its passport workload as a result of the implementation of WHTI at air ports of entry in January 2007 and its subsequent, planned implementation at land and sea ports in June 2009. According to State officials, the mission has already seen a significant increase in its passport workload as U.S. citizens living in Mexico have begun to apply for passports in response to the new documentary requirements. Mission Mexico's passport and CRBA workload, which State tracks together because both types of applications are handled by consular officers in posts' American Citizen Services units, grew to 34,496 applications in fiscal year 2007, a 77 percent increase from fiscal year 2006. Passport and CRBA workload continues to increase in fiscal year 2008,

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with the mission already having processed about 70 percent of the fiscal year 2007 total in the first 6 months of fiscal year 2008. Despite the expected increases, passport and CRBA workload will continue to be only a fraction of Mission Mexico's workload, relative to NIV applications.

While State expects passport workload in Mexico to continue to increase significantly in the coming years, it is difficult to predict precisely what the magnitude of this increase will be. Unlike with the NIV surge, there is not a clear historical precedent to the WHTI surge. Additionally, there is a great deal of uncertainty regarding the number of U.S. citizens living in Mexico and the number of these citizens who are potential passport applicants. According to State headquarters and Mission Mexico officials, many of the U.S. citizens living in Mexico are dual nationals who have spent the vast majority of their lives outside the United States and have few ties with the country. Consequently, the consulates tend to have much less contact with and knowledge of these citizens than they do of typical expatriates. Therefore, efforts to forecast increases in passport workload due to WHTI are extremely challenging.

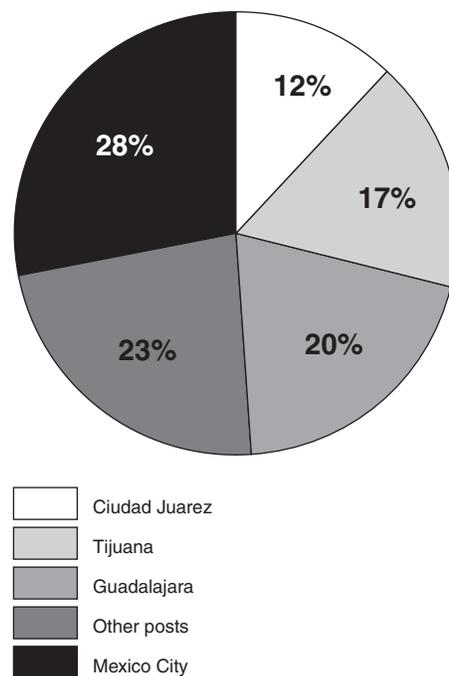
Nonetheless, State has developed rough estimates of the likely increase in workload caused by the implementation of WHTI. These WHTI workload numbers include estimates of both passport and CRBA applications. State did not use any type of formal statistical analysis in developing these estimates because the lack of data on U.S. citizens living in Mexico made any such analysis problematic. Thus, these estimates have the potential for significant errors. According to State's estimates, Mission Mexico's WHTI workload is projected to peak in fiscal year 2009 with the intended implementation of WHTI at land ports of entry. This means that the peak in WHTI workload is expected to occur 2 years before the NIV peak in fiscal year 2011. At the WHTI workload peak in fiscal year 2009, State estimates that the mission will likely have over 66,000 passport and CRBA applications. Even with workload expected to begin declining in fiscal year 2010, State anticipates that it will continue to be significantly higher through at least fiscal year 2012 than it has been over the last several years.

At the post level, State estimates that the majority of WHTI workload will be handled at four posts: Mexico City, Guadalajara, Tijuana, and Ciudad Juarez. This is consistent with recent experience in Mexico. As shown in figure 6, these four posts handled 77 percent of the mission's total

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passport and CRBA workload in fiscal year 2007. They also handled 73 percent of the mission's total workload in the first 6 months of fiscal year 2008.

**Figure 6: Mission Mexico Posts' Share of Passport and CRBA Workload, Fiscal Year 2007**



Source: GAO analysis of State data.

The WHTI workload estimates discussed in this report, which were provided to us on July 2, are revisions to earlier projections discussed in our June 25, 2008, testimony.<sup>12</sup> State's earlier projections had underestimated passport and CRBA workload by 31 percent for the mission in fiscal year 2007. Although its earlier estimates were too low for fiscal year 2007, State's revised WHTI forecasts are actually lower than its previous estimates of passport and CRBA workload for fiscal years 2008 through 2012. While it has revised its WHTI forecasts, State is not making the development of precise workload estimates the focus of its efforts to prepare for the surge. State has instead chosen to pursue strategies designed to provide it with the flexibility to respond to increases in

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<sup>12</sup>[GAO-08-931T](#).

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workload as they occur—particularly as a more limited number of resources will be needed to cover increases in passport and CRBA applications than NIV applications, given their small share of Mission Mexico’s overall consular workload.

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## State Is Adding Interviewing Windows and Temporary Adjudicators to Posts in Mexico to Keep Pace with Projected Workload Increases

In anticipation of the surge in demand for NIVs and U.S. passports in Mexico, State is adding hardened interview windows to several high-demand posts.<sup>13</sup> State has also developed plans to hire about 100 temporary adjudicating officers to add to its existing staff at the posts in Mexico. In addition, State began a pilot program in the spring of 2008 at two posts in Mexico to outsource part of the NIV application process to an off-site facility. Mission Mexico has also begun to waive interviews of certain NIV renewal applicants, which may increase its productivity. To keep pace with growing demand for passports, posts are developing new procedures to increase productivity of passport adjudications; they also have the flexibility to shift resources from NIV sections to process passport applications, depending on demand.

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## Several Posts Will Be Adding Interview Windows during the Workload Surge

To keep pace with the expected NIV renewal surge, State is increasing the total number of hardened interview windows in the consulates’ NIV sections by over 50 percent before demand peaks in 2011. State added windows to the consulate in Hermosillo in fiscal year 2007 and will soon be adding windows to the consulates in Monterrey and Mexico City.<sup>14</sup> In addition, new consulate compounds in Ciudad Juarez and Tijuana will result in additional windows for adjudicating NIV applications.<sup>15</sup> The new facility in Ciudad Juarez is set to open in September 2008, and State expects to open the new Tijuana facility in September 2010 (construction on this facility began in April 2008). Once completed, these projects will provide Mission Mexico with the window capacity to interview about 1

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<sup>13</sup>These interview windows must conform to State’s security standards to keep U.S. officials behind a hard line. A hard line is a system of barriers surrounding a protected area, which may afford degrees of forced entry, ballistic resistance, or blast protection.

<sup>14</sup>Hermosillo received a consular upgrade, which added eight hardened interview windows along with improvements to the waiting area, at a cost of \$5.5 million. The estimated costs of adding windows to Monterrey and Mexico City are \$1.3 million and \$1.1 million, respectively.

<sup>15</sup>The estimated costs of new compounds in Ciudad Juarez and Tijuana are \$96 million and \$92.7 million, respectively.

million additional NIV applicants per year.<sup>16</sup> Table 1 compares the number of interview windows available in fiscal year 2007 to the number that will be available by fiscal year 2011, when NIV demand peaks; however, if construction of the new consulate compound in Tijuana experiences any significant delays, it may not be ready in time.

**Table 1: NIV Interview Windows in Fiscal Years 2007 and 2011**

<b>Post</b>	<b>Number of NIV windows in FY 2007</b>	<b>Number of NIV windows in FY 2011</b>	<b>Expected date for additional windows</b>
Ciudad Juarez	11	23	September 2008
Guadalajara	11	11	
Hermosillo	13	13	
Matamoros	7	7	
Merida	4	4	
Mexico City	15	23	August 2008
Monterrey	10	26	February 2009
Nogales	6	6	
Nuevo Laredo	7	7	
Tijuana	14	30	September 2010
<b>Total</b>	<b>98</b>	<b>150</b>	

Source: GAO analysis of State data.

Note: Some of these windows are typically reserved for enrollment functions as part of the visa application process, which would limit their availability for interviewing applicants. The new facility in Ciudad Juarez will have 89 windows available for NIV and immigrant visa adjudications, although State estimates that Ciudad Juarez will need only 23 of these windows for NIV applicants.

Consulate officials at the posts we visited generally expressed confidence that they will have sufficient window capacity to keep pace with the expected NIV demand and avoid excessive wait times for interviews beyond State’s goal of 30 days. As shown in figure 7, our analysis of expected window capacity indicates that Mission Mexico generally appears to have enough window capacity to keep pace with projected demand, using State’s scenario that 75 percent of existing Border Crossing Card holders will seek renewal when their cards expire.

<sup>16</sup>State assumes that adjudicating officers would typically conduct 23,400 interviews of NIV applicants per window per year. This number varies depending on the conditions at individual posts.

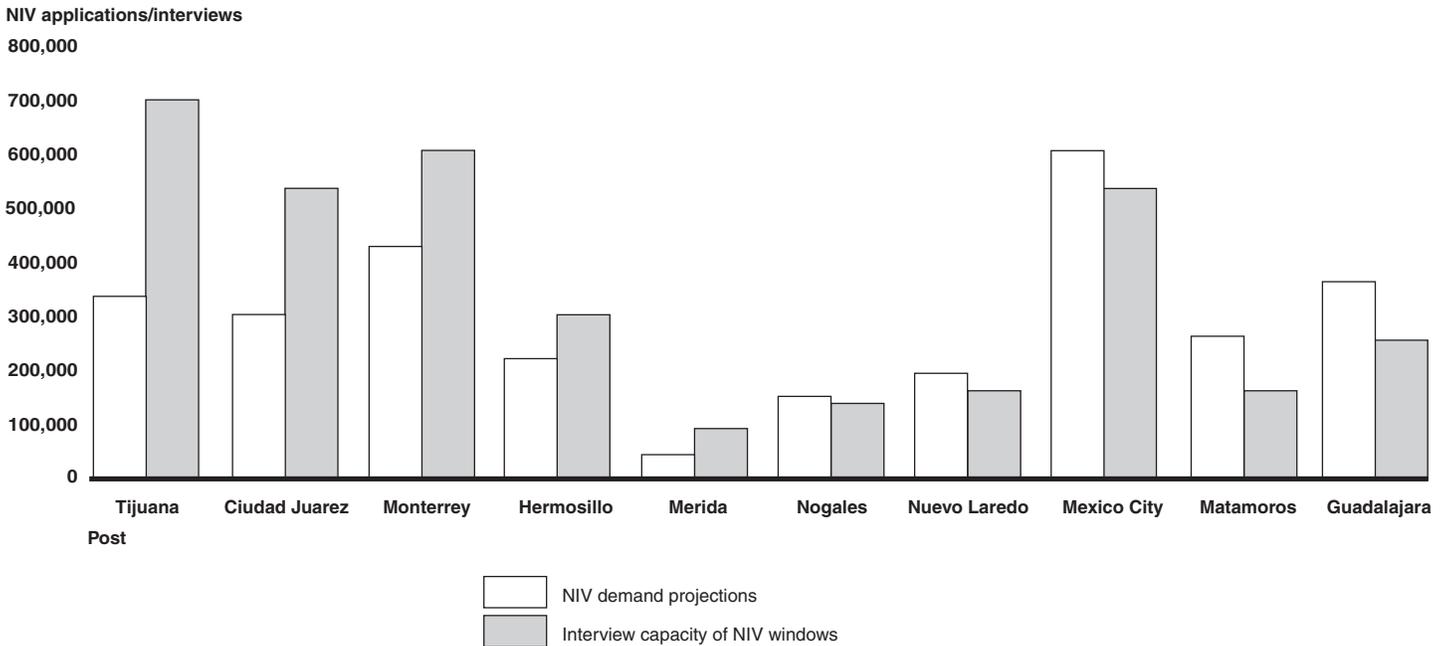
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However, as shown in figure 7, some posts may have shortfalls in NIV window capacity. State officials believe the potential shortfalls in window capacity in some cases may be small enough to be managed by extending hours that windows are open, if necessary. However, State officials acknowledge that two posts, Nuevo Laredo and Matamoros, will not have adequate window capacity during the NIV surge. Consequently, NIV applicants may face longer wait times for an interview appointment at these posts. State officials noted that individuals who would typically apply at one of these two posts will have the option to schedule appointments at the relatively nearby consulate in Monterrey, which is expected to have excess window capacity during the surge in demand. Consular officials at the Guadalajara post believe they should be able to absorb the increased workload with the number of windows available as long as they have enough staff to work the windows in shifts to keep them open all day, if necessary.<sup>17</sup> These officials noted that if they cannot manage peak demand with the windows available, they could potentially convert enrollment windows to hardened interview windows; however, such an effort could take at least a year to plan and complete.

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<sup>17</sup>Officers in high-demand posts in Mexico, such as Guadalajara and Mexico City, are expected to conduct 120 interviews per day (20 interviews per hour at windows 6 hours per day). If windows are kept open 8 hours, window capacity could be expanded well beyond State's estimate of 23,400 interviews per year. Assuming windows are open 200 days a year, 20 interviews per hour for 8 hours would result in 32,000 interviews per window, per year.

**Figure 7: Comparison of Projected NIV Demand to NIV Window Capacity in Fiscal Year 2011**



Source: GAO analysis of State data.

Note: Window capacity is based on State’s estimate of an average of 23,400 interviews of NIV applicants per window per year (number of windows, multiplied by 23,400). This figure presents State’s workload projections based on the scenario that 75 percent of existing Border Crossing Card holders will renew when their cards expire.

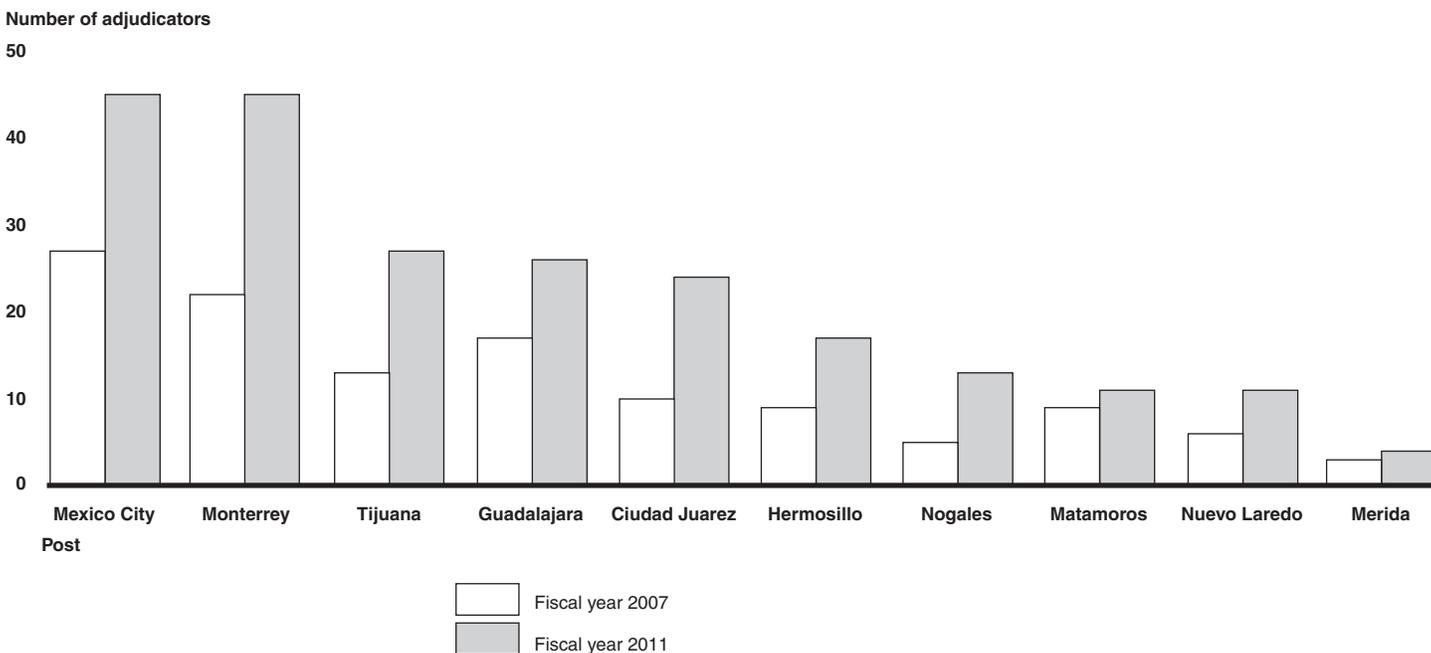
### State Plans to Hire Temporary Adjudicators to Increase Workforce during Demand Surge

In addition to the increase in hardened windows, Mission Mexico requires a significant increase in adjudicators over the next few years. Based on NIV and passport workload projections, State estimates it will need 223 adjudicators throughout Mission Mexico in fiscal year 2011, which is the expected peak year of the surge in NIV demand.<sup>18</sup> This number is an increase of 102 adjudicators, or almost 85 percent, over the number of adjudicator positions in place in fiscal year 2007. The vast majority of

<sup>18</sup>State assumes that officers would each typically adjudicate 16,000 NIV applications per year, although productivity varies depending on conditions at a given post, according to State officials. State also assumes that consular officers working in posts’ American Citizen Services sections will handle up to 8,000 passport applications per year at posts in Mexico. This is much higher than the standard State uses for its posts worldwide, which assumes that officers would handle 2,000 passports per year in addition to other responsibilities, such as emergency services for American citizens.

these staff are needed for NIV applications, which represent a much larger share of workload than passports. State officials noted that they are basing their staffing needs on the high end of their range of NIV demand projections, which assumes that 100 percent of Border Crossing Card holders will renew their cards (see fig. 2). Figure 8 compares the number of adjudicator positions in fiscal year 2007 to the number State estimates that it needs in fiscal year 2011. State may revise its staffing plans as it generates updated forecasts.

**Figure 8: Comparison of Adjudicators in Fiscal Year 2007 with Number of Adjudicators Needed in Fiscal Year 2011 for NIV and Passport Demand**

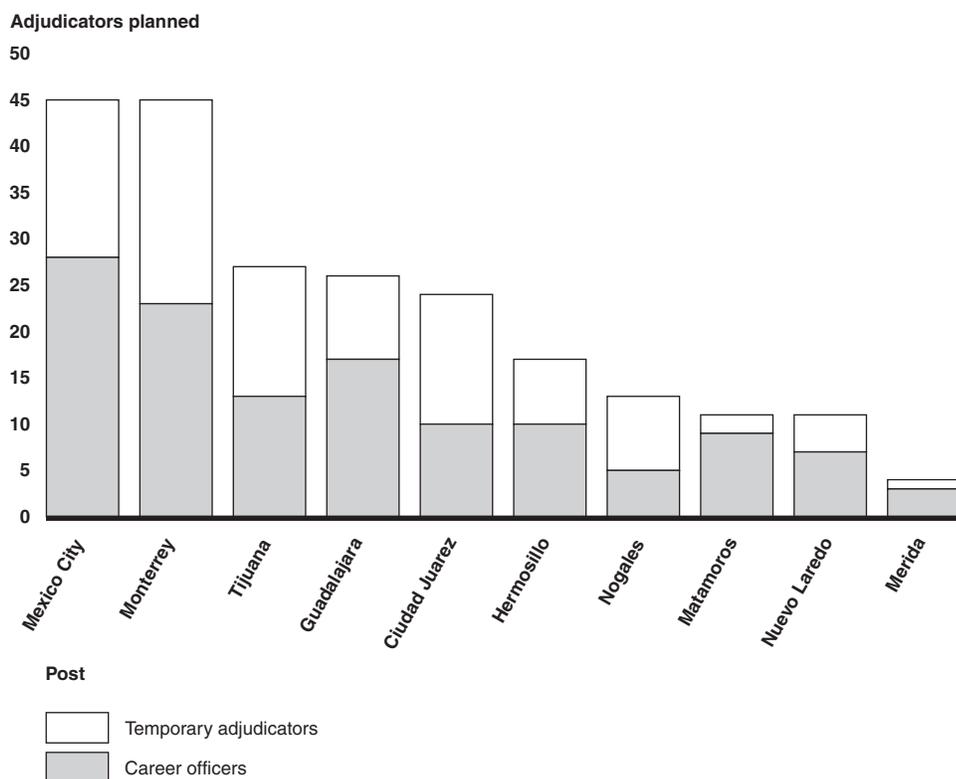


Source: GAO analysis of State data.

State plans to meet its staffing needs during the expected workload surge primarily by hiring a temporary workforce of consular adjudicators that can be assigned to posts throughout Mission Mexico, depending on each post's workload demands. Figure 9 shows the number of temporary adjudicators and career adjudicators planned for Mission Mexico in fiscal year 2011. State officials noted that relying on a temporary workforce allows Mission Mexico to avoid having excess staff after the workload

surge and reduces costs per staff compared with permanent hires.<sup>19</sup> State has budgeted for about 100 temporary adjudicators to be in place by the peak of the surge in workload demand, although State officials noted that these budgeted funds could be reprogrammed if fewer than expected adjudicators are needed.<sup>20</sup>

**Figure 9: Temporary Adjudicators and Career Adjudicating Officers Planned for Fiscal Year 2011**



Source: GAO analysis of State data.

<sup>19</sup>State estimates the first-year costs of each roving adjudicator to be \$120,397 per person and second-year costs to be \$106,397. According to State, career Foreign Service officers would have first-year costs of about \$400,000 and second-year costs of about \$200,000.

<sup>20</sup>Fiscal year 2008 start-up costs were estimated to be about \$6.5 million for this program, with ongoing costs of about \$11.3 million in fiscal year 2009 and \$14.5 million in each of fiscal years 2010 and 2011.

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As figure 9 indicates, posts in Monterrey, Mexico City, Ciudad Juarez, and Tijuana are expected to be the heaviest users of temporary adjudicators. Consequently, these posts would be at greatest risk of increased NIV backlogs if temporary adjudicator slots cannot be filled as needed or if their productivity is not as high as anticipated. However, State officials believe they have an adequate pool of potential candidates from among returning Peace Corps volunteers, graduates of the National Security Education Program,<sup>21</sup> eligible family members,<sup>22</sup> and retired Foreign Service officers. These officials noted that they recently began reaching out to targeted groups of potential applicants and have already received strong interest. In addition, State has already posted the job announcement on its Web site and expects to begin placing these additional temporary adjudicators at posts in fiscal year 2009. State officials noted that they will try to fill slots gradually to help posts absorb the additional staff.<sup>23</sup>

The temporary hires will be commissioned as consular officers with 1-year, noncareer appointments that can be renewed annually for up to 5 years. They will also receive the same 6-week Basic Consular Course at the Foreign Service Institute<sup>24</sup> in Arlington, Virginia, as permanent Foreign Service officers. These individuals must be U.S. citizens, obtain a security clearance, and be functionally fluent in Spanish. Housing in Mexico for the

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<sup>21</sup>The National Security Education Program provides fellowships to enable graduate students to add a specialization in area study, language study, or increased language proficiency to their graduate education in exchange for a commitment to work for the federal government.

<sup>22</sup>"Eligible family members" serve in embassies and consulates around the world. State's Foreign Affairs Manual (3 FAM 8212(b)) defines an eligible family member as a U.S. citizen spouse or a U.S. citizen child who is at least age 18, and who, in either case, is on the travel orders of a Foreign or Civil Service employee or uniformed service member permanently assigned to or stationed at a U.S. Foreign Service post or establishment abroad or at an office of the American Institute in Taiwan abroad, and who does not receive a U.S. government retirement annuity or pension based on a career in the U.S. Foreign, Civil, or uniformed service.

<sup>23</sup>State's plan for temporary adjudicators envisioned hiring 43 adjudicators in fiscal year 2008, 35 in fiscal year 2009, 24 in 2010, and 15 in 2011. According to State officials, no temporary adjudicators have been hired thus far in fiscal year 2008 because Mission Mexico has not yet required them to keep up with workload. Some of the staff hired in the latter years of the surge will be replacements due to turnover.

<sup>24</sup>The Foreign Service Institute is the federal government's primary training institution for officers and support personnel of the U.S. foreign affairs community, preparing American diplomats and other professionals to advance U.S. foreign affairs interests overseas and in Washington.

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temporary adjudicators will be arranged for by the State Bureau of Consular Affairs in Washington, D.C., through contract services, which will provide greater flexibility to move adjudicators from one post to another, if necessary.

Officials from the posts we visited were generally confident that State's plan to provide them with additional consular officers would enable them to keep pace with workload demand. Post officials anticipate the same level of productivity and supervision requirements as they would expect from new career Foreign Service officers. The officials noted that new consular adjudicators typically take about 2 months of working the NIV interview windows to reach the productivity levels of more experienced adjudicators. According to State officials, if, despite State's plans, some posts do not have enough adjudicators in place, State has the budget flexibility to hire more temporary adjudicators than initially planned and also could move staff to posts that need them on a per diem basis.

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### State Has Initiated a Pilot Program for Off-Site NIV Processing, but Has Not Indicated How It Will Assess Risks

State began a pilot program in the spring of 2008 at two posts in Mexico to outsource part of the NIV application process, including biometric (photos and fingerprints) data collection, to an off-site facility.<sup>25</sup> The pilot program is part of an effort by State to establish a new service delivery model for processing NIVs in response to long-term, worldwide growth in demand for NIVs.<sup>26</sup> State has expressed its intention to evaluate the pilot before implementing the off-site model more widely; however, it has not yet indicated whether its evaluation plans include an assessment of risks related to fraud and security.

The pilot program is implemented by a private sector contractor that handles functions that do not require the direct involvement of a consular officer, including scanning of applicants' fingerprints and passports, live-capture digital photographs, and arranging courier delivery of NIVs to

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<sup>25</sup>These off-site facilities are referred to as "Applicant Service Centers."

<sup>26</sup>In January 2006, the Secretaries of State and Homeland Security announced the Rice-Chertoff Joint Vision: Secure Borders and Open Doors in the Information Age, which included the goal of developing efficient processes to improve security while facilitating travel to the United States. State has included off-site NIV processing as part of this joint vision statement.

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approved applicants.<sup>27</sup> Consular officers at these two posts focus on their “core mission” of making adjudication decisions after the contractor has electronically transferred the applicants’ application and biometric data. The cost of outsourcing these functions is covered through an additional fee of \$26 paid by the applicants directly to the contractor at the offsite-facility. State officials noted that this form of cost reimbursement is subject to change after the initial pilot.<sup>28</sup> Consulate officials at the posts involved in the pilot are responsible for monitoring the performance of the contractor through the use of surveillance cameras, random visits to the off-site facility, and validation reviews of NIV applications to check for incidence of fraud or incorrect information. State officials noted that the contractor does not have the ability to alter any of the data it collects, which should limit the risk of fraud. They also noted that a U.S. citizen with a security clearance is on site to manage the facility and the contractor is responsible for conducting local police background checks of its employees. Nevertheless, consular officials in Monterrey stressed the importance of monitoring contractor employees to help ensure they do not coach applicants.<sup>29</sup> Additionally, the off-site facility will have no exterior markings indicating its association with the U.S. consulate. State officials believe this will reduce the security risk to the facility and contractor employees.

State envisions expanding this model throughout Mexico and other high-demand posts worldwide to help expand the capacity of consular operations without incurring the costs of building additional facilities. No timetable for this expansion has been set, according to State officials. In Monterrey, the use of the pilot program made available extra space in the consulate facility to add much-needed NIV interview windows. Post officials in Guadalajara also noted that the off-site data collection model would make it possible to add interviewing windows to their consulate facility, if necessary, by freeing up space currently needed to enroll applicants. State also envisions the possibility of providing off-site data

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<sup>27</sup>The pilot is being implemented by the company that currently provides a telephone call center and appointment scheduling service to NIV applicants in Mexico. State modified the existing contract with this company to add these additional services. The contract expires on January 31, 2009, but can be extended for another year, according to State officials.

<sup>28</sup>This fee is in addition to the \$131 visa application fee.

<sup>29</sup>The contract prohibits contractor employees from providing advice or guidance to visa applicants and from being involved in the visa decision-making process.

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collection facilities serving NIV applicants in cities that do not have consulates.

State officials stated that the department intends to assess the pilot to ensure that the technological challenges of remote biometric data collection and data transfer have been overcome. They will also assess whether the new software involved presents the data to consular officers in a user-friendly format to facilitate the adjudication. In addition, State will monitor adjudication rates at the participating posts to see how the new model affects productivity. However, State has neither developed a written assessment plan nor indicated whether its evaluation plans include an assessment of potential risks related to fraud or the security of the operation. Risk assessment is one of five internal control standards, defined by the Office of Management and Budget (OMB), to help organizations achieve effective and efficient operations.<sup>30</sup>

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### Mission May Gain Additional Productivity from Waiving Interviews for Certain NIV Renewal Applicants

In another step to help posts keep pace with NIV demand, Mission Mexico has also begun to waive interviews of NIV renewal applicants as is allowable under certain circumstances established by federal law and State regulations<sup>31</sup>; however, the policy has not yet been implemented widely. State recently provided guidance to posts worldwide on waiving interviews for certain applicants, following the transition to the collection of 10 fingerprints and technology allowing reuse of fingerprints. The policy only applies to applicants seeking to renew their biometric NIVs within 12 months of expiration. Consular officers retain the discretion to require any applicant to appear for an interview, and applicants may not have an interview waived unless they clear all computer-based security screening. According to State guidance, consular officers will also have the discretion to waive interviews of renewal applicants as part of the off-site data collection model being piloted in Monterrey and Nuevo Laredo, when

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<sup>30</sup>According to OMB Circular A-123, *Management's Responsibility for Internal Control*, internal control includes the plan of organization, methods, and procedures adopted by management to meet its goals. Internal control standards include (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring.

<sup>31</sup>Current law and State regulations allow for the waiver of the NIV interview in limited circumstances, including when an applicant is applying for a renewal and (1) it is within 12 months of the expiration of the previous biometric visa, (2) it is for the same classification of visa, (3) the applicant is applying at the consular post of his or her usual residence, and (4) the Foreign Service Officer adjudicating the case has no indication of visa ineligibility or of noncompliance with U.S. immigration laws and regulations.

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prints collected off-site match with the applicant's fingerprints already stored in expiring Border Crossing Cards.<sup>32</sup>

The Monterrey and Ciudad Juarez posts have already begun to waive interviews of applicants renewing NIVs and found significant productivity gains.<sup>33</sup> As a result, officers there were able to adjudicate cases more rapidly and better utilize window capacity, according to consular officials. These posts also found no significant difference in denial rates for NIV renewal applicants who were interviewed compared to those whose interviews were waived, although State officials noted it was necessary to continue monitoring the effect of waiving interviews. These officials also highlighted the need to adjust consular training to be consistent with State's current guidance on waiving interviews under certain circumstances.

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### Posts Are Developing New Procedures to Help Meet Increasing Passport Demand

Although the volume of passport applications is much smaller than NIV applications, adjudicating passport applications for American citizens takes precedence over NIV applications. Consular officials at posts we visited noted that because of the uncertainty over future passport demand, they will depend on their flexibility to shift adjudicators from NIV work to passport work, as needed, while hoping to avoid straining NIV sections. In addition, consular officials stated they will have the option of using NIV interview windows to adjudicate passport applications—possibly during off hours, if necessary.

In addition, posts are seeking ways to become more efficient in how they process the increasing volume of passports. For example, many posts have recently implemented an appointment system to better manage the flow of passport applicants and have also improved their Web sites to help provide better assistance to applicants, many of whom do not speak English and are applying for passports for the first time. State is also upgrading its software used for passport processing in overseas posts to enable posts to scan passport applications, which they expect will reduce

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<sup>32</sup>According to State officials, Border Crossing Cards containing biometric data were first issued by some posts in Mexico beginning in fiscal year 1998 and eventually issued by all posts by fiscal year 1999.

<sup>33</sup>Monterrey waived interviews of certain NIV applicants as part of a pilot program, from August to December 2007. This interview waiver program in Monterrey was not related to Monterrey's current off-site data collection pilot.

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staff resources needed for data entry. Some posts are also considering increased use of consular agents in other locations, such as Puerto Vallarta or Cabo San Lucas, to accept passport applications to help relieve some of the workload for consular staff. In addition, some posts have suggested exploring possibilities for processing passport renewals by mail, which would also help relieve overcrowding.

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## Conclusions

In anticipation of the expected surge in demand for NIVs and U.S. passports in Mexico over the next several years, State has taken steps to project workload and expand the capacity of its consulates to avoid the type of backlogs that have occurred in Mission Mexico in the past. State's efforts to increase the number of hardened interview windows at several of its consulates and hire additional temporary consular officers represent a substantial increase in resources needed to keep pace with the projected surge in NIV and passport workload. As State continues to revise its workload projections, it may need to adjust its plans for increasing these resources. The success of the efforts to prepare for the surges in passport and NIV workload is likely to depend on State's ability to fill the approximately 100 slots it has planned for temporary adjudicators in time to meet the surge in workload. Several posts in Mexico will rely heavily on these additional staff to keep pace with expected demand for NIVs and avoid excessive wait times for interviews of applicants. However, State officials have expressed confidence that they will be able to fill these positions with qualified candidates.

In addition, Mission Mexico may reap productivity gains from a pilot program to outsource part of the NIV application process, including biometric data collection, at off-site facilities; however, this effort is in its early stages, and State has not yet undertaken a comprehensive evaluation of the pilot program. While State officials have expressed their intention to evaluate the pilot program, the department has not yet indicated whether its evaluation plans include an assessment of risks related to fraud and the security of the operation, consistent with internal control standards. The absence of a written assessment plan also limits transparency and the potential for decision makers to determine if State's new model for NIV processing can be implemented successfully in other parts of the world.

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## Recommendation for Executive Action

To strengthen internal controls and enhance State's evaluation of the pilot program to outsource part of the NIV application process to a private contractor at off-site facilities, we recommend that the Secretary of State

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include in the evaluation an assessment of the potential risks related to fraud and security.

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## Agency Comments and Our Evaluation

We provided a draft of this report to the Department of State for review and comment. State provided written comments on the draft, which are reprinted in appendix II. State concurred with our recommendation, stating that it will conduct a formal risk analysis as part of its evaluation of the pilot program to outsource part of the NIV application process to a private contractor at off-site facilities. The analysis will evaluate the department's exposure to risk from technological, human, and physical threats, and ensure that further deployment of the off-site processing model will be secure. State also noted that its overall evaluation of the pilot program will help the department develop its final model for outsourcing part of the NIV application process.

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We are sending copies of this report to interested congressional committees. We will also make copies available to others on request. In addition, this report is available on GAO's Web site at <http://www.gao.gov>.

If you or your staffs have any questions concerning this report, please contact me at (202) 512-4268 or [fordj@gao.gov](mailto:fordj@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix III.



Jess T. Ford  
Director, International Affairs and Trade

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# Appendix I: Scope and Methodology

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Our objectives were to review (1) the State Department's (State) estimates of the workload for consulates in Mexico through 2012 resulting from, in particular, new travel requirements and the reissue of Border Crossing Cards; and (2) State's efforts to ensure that consulates in Mexico keep pace with projected workload increases through 2012. To accomplish our objectives, we analyzed State data on current and forecasted passport and nonimmigrant visa (NIV) workload for all 10 consulates in Mexico and assessed the magnitude of expected future workload increases. Along with this, we analyzed the reliability of State passport and NIV workload data and found them sufficiently reliable for our purposes. As part of our review, we also assessed State's forecasting methodologies based on available information. In our review, we determined that State had employed a reasonable methodological approach in developing its NIV forecasts for the mission and among the individual consulates. However, certain factors may still impact the accuracy of the forecasts, including the extent to which Border Crossing Card holders renew their cards when they expire. Additionally, changes in various economic and demographic variables, such as the strength of the U.S. economy, also have the potential to affect NIV demand.

We also examined State's current staff and facilities devoted to NIV and passport processing and its estimates of resource needs when workload peaks in 2011. In addition, we assessed how State used its workload forecasts to assist in developing these estimates. We compared these estimates to other documented assessments of resource needs, including those contained in rightsizing reports for Mission Mexico and consular packages for fiscal year 2007.

To gather further information on Mission Mexico's staffing and facility needs, and to learn about State's plans to prepare for the mission's upcoming workload increases and the implementation status of these plans, we performed fieldwork at five consulates in Mexico—Mexico City, Guadalajara, Monterrey, Ciudad Juarez, and Tijuana. We chose these consulates because they were among the posts with the highest current and forecasted passport and visa workloads in Mexico and also because they provided a mix of border posts and posts within the interior of the country. At each post, we observed visa and passport processing, and met with consulate management and representatives from the Non-Immigrant Visa and American Citizenship Services units. We also conducted a series of interviews with State officials in Washington, D.C., including representatives from the Bureau of Consular Affairs, the Bureau of Overseas Building Operations, the Bureau of Resource Management, the

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Bureau of Western Hemisphere Affairs, and the Office of Management Policy, Rightsizing, and Innovation.

Lastly, we reviewed a range of State and Mission Mexico documentation to gain further understanding of the nature of Mission Mexico's expected workload, the mission's resource and facility needs, and plans State has developed or is in the process of developing to meet its workload requirements in Mexico. The documentation we reviewed included Mission Performance Plans, consular packages, policy guidance documents, and various cables and memos.

We conducted this performance audit from November 2007 to July 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Comments from the Department of State



United States Department of State

*Assistant Secretary for Resource Management  
and Chief Financial Officer*

Washington, D.C. 20520

Ms. Jacquelyn Williams-Bridgers  
Managing Director  
International Affairs and Trade  
Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548-0001

JUL 23 2008

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, "BORDER SECURITY: State Department Is Taking Steps to Meet Projected Surge in Demand for Visas and Passports in Mexico," GAO Job Code 320559.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact JoAnne Arzi, Senior Advisor, Bureau of Consular Affairs at (202) 647-7053.

Sincerely,

A handwritten signature in black ink, appearing to read "Bradford R. Higgins".

Bradford R. Higgins

cc: GAO – Juan Gobel  
CA – Janice Jacobs  
State/OIG – Mark Duda

**Department of State Comments on GAO Draft Report**

**State Department is Taking Steps to Meet Projected Surge in Demand for  
Visas and Passports in Mexico**  
(GAO-08-1006, GAO Code 320559)

The Department thanks GAO for its efforts in evaluating the Department's plans to handle anticipated workload surges in Mexico between 2008 and 2012. The Department appreciates GAO's recognition of the progress and planning already made in developing the means to meet the temporary workload demand generated by the BCC surge and WHTI through flexible staffing programs, increased infrastructure, and better use of technology. We would also like to assure Congress that enhanced border security is an important priority of the Department of State's efforts.

The Department appreciates the opportunity to respond to the recommendation and thanks GAO for a thorough and positive report which has helped us improve planning in some areas, even as GAO's engagement progressed.

**Recommendation:** To strengthen internal controls and enhance State's evaluation of the pilot program to outsource part of the NIV application process to a private contractor at off-site facilities, we recommend that the Secretary of State include an assessment of the potential risks related to fraud and security as part of State's evaluation.

We strive to ensure efficient service for legitimate visitors to the United States, while at the same time protect the security of our nation. The Department is constantly reviewing its fraud prevention programs, employing every consular officer, locally employed staff member and highly-trained fraud specialist in this effort. The Department of State regularly evaluates its internal control policies and conducts routine audits to ensure compliance with its fraud prevention policies. The Department has been improving and refining its approach to applying technology, including enhanced interagency database sharing to identify overstays, criminal aliens, patterns of fraud, known immigration law violators, and suspect applicants in advance of an interview with a consular officer. Evaluation of the off-site facilities is included in this anti-fraud effort.

The Department, in order to improve its ability to deliver timely consular services to meet rapidly increasing demand, has developed the outsourcing method being

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piloted in Mexico. This method will allow the Department to add interviewing capacity to posts abroad without significant increases in facility costs or staff. It also allows the Department to have information about visa applicants available to consular officers in advance of the interview and potentially will allow us to run sophisticated computer fraud detection programs. Off-site data collection is an expansion of existing outsourcing efforts, by which the Department places tasks that are not inherently governmental (such as fee collection, courier services, and application data entry) into the hands of contractors and the applicants themselves. The contractor is unable to change applicant data, or existing system data, which is verified by a well-trained consular officer before adjudication takes place. The Department analyzed the risks presented by this methodology before the pilot and continues to observe and check on the contractor during the pilot.

As part of the evaluation criteria for the pilot, the Department will conduct a formal risk analysis. The analysis, which will evaluate the Department's risk exposure from technological, human, and physical threats, will ensure that further deployment of the methodology will be secure. The overall evaluation of the pilot program will help the Department to tailor the final model of what we elect to outsource of the NIV application process.

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# Appendix III: GAO Contact and Staff Acknowledgments

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## GAO Contact

Jess T. Ford, (202) 512-4268 or [fordj@gao.gov](mailto:fordj@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Juan Gobel, Assistant Director; Ashley Alley; Joe Carney; Howard Cott; David Dornisch; Michael Hoffman; and Ryan Vaughan made key contributions to this report.

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