

GAO

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Security and Governmental Affairs, U.S.
Senate

May 2005

STATE DEPARTMENT

Improvements Needed
to Strengthen U.S.
Passport Fraud
Detection Efforts



G A O

Accountability * Integrity * Reliability



Highlights of [GAO-05-477](#), a report to the Committee on Homeland Security and Governmental Affairs, U.S. Senate

STATE DEPARTMENT

Improvements Needed to Strengthen U.S. Passport Fraud Detection Efforts

Why GAO Did This Study

Maintaining the integrity of the U.S. passport is essential to the State Department's efforts to protect U.S. citizens from terrorists, criminals, and others. State issued about 8.8 million passports in fiscal year 2004. During the same year, State's Bureau of Diplomatic Security arrested about 500 individuals for passport fraud, and about 300 persons were convicted. Passport fraud is often intended to facilitate other crimes, including illegal immigration, drug trafficking, and alien smuggling. GAO examined (1) how passport fraud is committed, (2) what key fraud detection challenges State faces, and (3) what effect new passport examiner performance standards could have on fraud detection.

What GAO Recommends

This report makes six recommendations to the Secretary of State to consider ways to improve interagency information sharing, establish a centralized and up-to-date fraud prevention library, consider augmenting fraud prevention staffing, assess the extent to which interoffice workload transfers may hinder fraud prevention, and strengthen fraud prevention training and oversight. State generally concurred with our recommendations and indicated that it has begun taking steps to implement most of them.

www.gao.gov/cgi-bin/getrpt?GAO-05-477.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jess T. Ford at (202) 512-4128 or fordj@gao.gov.

What GAO Found

Using the stolen identities of U.S. citizens is the primary method of those fraudulently applying for U.S. passports. False claims of lost, stolen, or damaged passports and child substitution are among the other tactics used. Fraudulently obtained passports can help criminals conceal their activities and travel with less scrutiny. Concerns exist that they could also be used to help facilitate terrorism.

State faces a number of challenges to its passport fraud detection efforts, and these challenges make it more difficult to protect U.S. citizens from terrorists, criminals, and others. Information on U.S. citizens listed in the federal government's consolidated terrorist watch list is not systematically provided to State. Moreover, State does not routinely obtain from the Federal Bureau of Investigation (FBI) the names of other individuals wanted by federal and state law enforcement authorities. We tested the names of 67 federal and state fugitives and found that 37, over half, were not in State's Consular Lookout and Support System (CLASS) database for passports. One of those not included was on the FBI's Ten Most Wanted list. State does not maintain a centralized and up-to-date fraud prevention library, hindering information sharing within State. Fraud prevention staffing reductions and interoffice workload transfers resulted in fewer fraud referrals at some offices, and insufficient training, oversight, and investigative resources also hinder fraud detection efforts.

Any effect that new passport examiner performance standards may have on State's fraud detection efforts is unclear because State continues to adjust the standards. State began implementing the new standards in January 2004 to make work processes and performance expectations more uniform nationwide. Passport examiner union representatives expressed concern that new numerical production quotas may require examiners to "shortcut" fraud detection efforts. However, in response to union and examiner concerns, State eased the production standards during 2004 and made a number of other modifications and compromises.

Crimes Suspected of 37 Federal and State Fugitives Not in CLASS Who Were Included in Our Test

Type of crime	Federal fugitives	State fugitives
Murder	5	4
Felonious assault and related acts	2	7
Child sex offenses	4	1
Drug trafficking	3	
Attempted murder	1	1
Bombings	1	
Child kidnapping		1
Other crimes	4	3
Total	20	17

Sources: State Department and other federal agencies.

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Abbreviations

CLASS	Consular Lookout and Support System
DHS	Department of Homeland Security
FBI	Federal Bureau of Investigation
OIG	Office of the Inspector General
SSA	Social Security Administration
TDIS	Travel Document Issuance System
TSC	Terrorist Screening Center

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United States Government Accountability Office
Washington, D.C. 20548

May 20, 2005

The Honorable Susan M. Collins
Chairman
The Honorable Joseph I. Lieberman
Ranking Member
Committee on Homeland Security
and Governmental Affairs
United States Senate

Maintaining the integrity of the U.S. passport is essential to the State Department's effort to protect U.S. citizens and interests at home and abroad in the post-September 11 world. The department issued about 8.8 million passports in fiscal year 2004. Each year, State passport examiners refer tens of thousands of applications they suspect may be fraudulent to their local fraud prevention offices. In fiscal year 2004, State's Diplomatic Security Service arrested about 500 individuals for passport fraud and about 300 were convicted. Passport fraud is often intended to facilitate such crimes as illegal immigration, drug trafficking, and alien smuggling.

You asked us to assess State's efforts to detect passport fraud and whether new performance standards for passport examiners may require them to adjudicate passport applications too quickly to adequately detect such fraud. This report examines (1) how passport fraud is committed, (2) what key challenges State faces in its fraud-detection efforts, and (3) what effect new performance standards for passport examiners could have on fraud detection.

To examine how passport fraud is committed, we reviewed fraud statistics maintained by State's Bureau of Consular Affairs and examined fraud statistics and selected investigative case files within State's Bureau of Diplomatic Security. To assess the key challenges State faces in detecting passport fraud, we directly observed State's fraud detection efforts at 7 of the 16 domestic passport-issuing offices located across the United States; tested State's use of electronic databases for fraud detection; ran the names of 67 different federal and state fugitives against State's name-check system; analyzed State's fraud referral statistics within the Bureaus of Consular Affairs and Diplomatic Security; and interviewed cognizant officials in Consular Affairs' Office of Passport Services, Office of Consular Fraud Prevention, and Consular Systems Division. We also met with cognizant officials in the Bureau of Diplomatic Security and the Office of the Inspector General. To assess what effect new performance standards

for passport examiners could have on fraud detection efforts, we reviewed the test results and methodology that State used in developing the new standards, and interviewed union representatives for passport examiners, select examiners, the fraud prevention managers at all 16 domestic passport-issuing offices, and Consular Affairs officials responsible for developing and implementing the new standards. Our work was conducted in accordance with generally accepted government auditing standards. (For a detailed discussion of our scope and methodology, see app. I.)

Results in Brief

Using the stolen identities and documentation of U.S. citizens is the primary tactic of those fraudulently applying for U.S. passports. Imposters' use of legitimate birth and other identification documents belonging to others accounted for 69 percent of passport fraud detected in fiscal year 2004, while false claims of lost, stolen, or damaged passports; child substitution; and other methods accounted for the remaining 31 percent. According to State's Bureau of Diplomatic Security, passport fraud is often committed in connection with other crimes, including narcotics trafficking, organized crime, money laundering, and alien smuggling. Fraudulently obtained passports help enable criminals to conceal their movements and activities. Further, U.S. passports allow their holders entry into the United States with much less scrutiny than is given to foreign citizens and also allow visa-free passage into many countries around the world, providing obvious benefits to criminals operating on an international scale. Concerns exist that fraudulently obtained passports could also be used to help facilitate terrorism.

State faces a number of challenges to its passport fraud detection efforts, including limited inter- and intra-agency information sharing and insufficient fraud prevention staffing, training, oversight, and investigative resources. These challenges make it more difficult to protect U.S. citizens from terrorists, criminals, and others who would harm the United States. Specifically, State does not currently receive information on U.S. citizens listed in the Terrorist Screening Center (TSC) database—the federal government's consolidated terrorist watch list—and State does not routinely obtain from the Federal Bureau of Investigation (FBI) the names of other individuals wanted by both federal and state law enforcement authorities for various crimes. Many of these individuals are not identified in State's Consular Lookout and Support System (CLASS) name-check

database for passports¹ and could therefore obtain passports and travel internationally without the knowledge of appropriate authorities or, in some cases, potentially flee the country to escape charges. We tested the names of 67 different federal and state fugitives—some wanted for serious crimes—and found that fewer than half were in State’s system. One of those not included was on the FBI’s Ten Most Wanted list. Though State, TSC, and the FBI began exploring options for more routine information sharing on certain passport-related matters in mid- to late 2004, such arrangements are not yet in place. Further, State does not maintain a centralized electronic fraud prevention library that enables comprehensive, well-organized, and timely information sharing on fraud alerts, lost and stolen birth and naturalization certificates, counterfeit documents, and other fraud prevention resources among passport-issuing office personnel across the United States. We found that, in 2004, fraud prevention staffing changes at some domestic passport-issuing offices may have resulted in fewer referrals of potential fraud cases to Diplomatic Security for investigation. Interoffice transfers of passport adjudication cases may have resulted in fewer fraud referrals as well. We found that fraud prevention training is provided unevenly at different passport-issuing offices and that some examiners have not had formal fraud prevention training in years. Training and oversight of passport acceptance agent operations are even more sporadic. State does not have any way of tracking whether many acceptance agent employees are receiving required training, it makes oversight visits to only a limited number of acceptance facilities each year, and it does not maintain records of all of the individuals accepting passport applications at those facilities, posing a significant fraud vulnerability.

Any effect that new passport examiner performance standards may have on State’s fraud detection efforts is unclear because State has continued to adjust the standards. To make passport adjudication work processes and related performance measurement more uniform across the 16 different domestic passport-issuing offices, State began implementing the new standards in January 2004. The 2004 performance standards placed more emphasis on meeting numerical production quotas because, for the first time, a required average production rate stands alone as a performance-rating element for examiners. Passport examiner union representatives and some other examiners maintain that the numerical production standards force examiners to take “shortcuts” in fraud detection efforts. However, in

¹State maintains a separate CLASS database for visas. References to CLASS throughout this report relate to the CLASS database for passports only.

response to union and examiner concerns, State eased the production standards during 2004 and made a number of other modifications and compromises at various times during the year. As a result, while over 60 examiners were not achieving the required production rate midway through 2004, all but 18 of about 480 examiners nationwide were meeting the standards by year-end.

In commenting on a draft of this report, State generally concurred with our findings and conclusions. State indicated that it has already begun taking, plans to take, or is considering measures to address most of our recommendations.

Background

A U.S. passport is not only a travel document but also an official verification of the bearer's origin, identity, and nationality. Under U.S. law, the Secretary of State has the authority to issue passports. Only U.S. nationals² may obtain a U.S. passport, and evidence of citizenship or nationality is required with every passport application. For individuals 16 or older, a regular U.S. passport issued on or after February 1, 1998, is valid for 10 years from the date of issue; it is valid for five years for younger applicants. Federal regulations list those who do not qualify for a U.S. passport, including those who are subjects of a federal felony warrant.

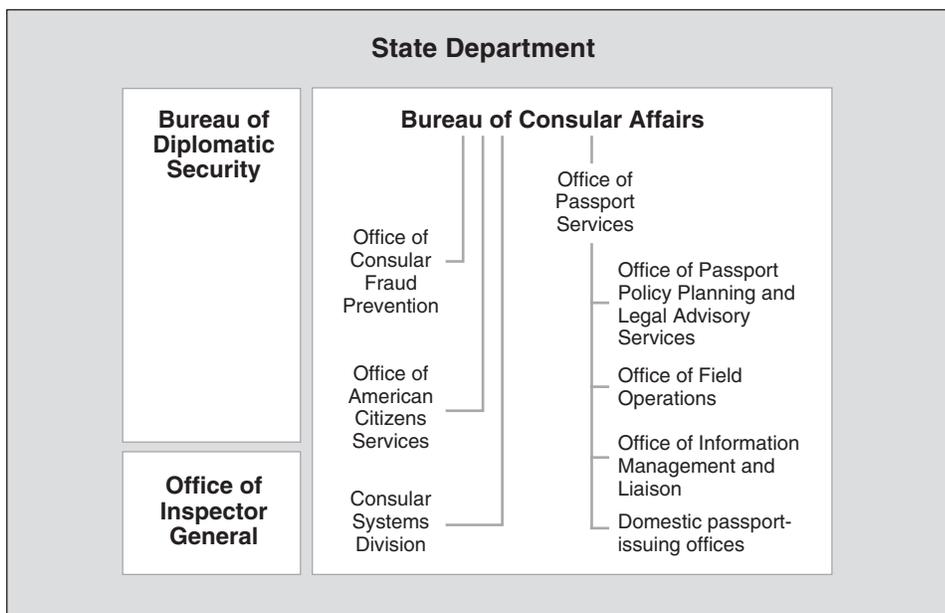
State Passport Operations

The Deputy Assistant Secretary for Passport Services oversees the Passport Services Office, within State's Consular Affairs Bureau. Passport Services, the largest component of Consular Affairs, consists of three headquarters offices: Policy Planning and Legal Advisory Services; Field Operations; and Information Management and Liaison. The Office of Consular Fraud Prevention addresses passport, visa, and other types of consular fraud. The Consular Systems Division is responsible for the computer systems involved in passport services and other consular operations. The Office for American Citizens Services handles most issues relating to passport cases at overseas posts. The Bureau of Diplomatic Security is responsible for investigating individual cases of suspected passport and visa fraud. The State Department Office of the Inspector General (OIG) also has some authority to investigate passport fraud.

²National means a citizen of the United States or a noncitizen owing permanent allegiance to the United States.

Figure 1 shows the key State Department units involved in passport-related operations.

Figure 1: Key State Department Units Involved in Passport-Related Operations



Source: GAO analysis of State Department data.

State operates 16 passport-issuing offices in Boston; Charleston, South Carolina; Chicago; Honolulu; Houston; Los Angeles; Miami; New Orleans; New York; Norwalk, Connecticut; Philadelphia; Portsmouth, New Hampshire; San Francisco; Seattle; and Washington, D.C.³ These 16 offices employ the approximately 480 passport examiners⁴ who are responsible for approving and issuing most of the U.S. passports that are printed each year. The number of passports issued by domestic passport offices has risen steadily in recent years, increasing from about 7.3 million in fiscal year 2000 to 8.8 million in fiscal year 2004. Overseas posts deal with a much lower volume of passports by comparison, handling about 300,000

³There are two passport-issuing offices in Washington, D.C.: a regional passport agency and a special issuance agency that handles official U.S. government and diplomatic passports.

⁴State's official title for the position of passport examiner is passport specialist.

worldwide in fiscal year 2004. With only a few exceptions, applications submitted and approved overseas are transmitted electronically to a domestic passport office to be printed.

Passport Application and Approval Process

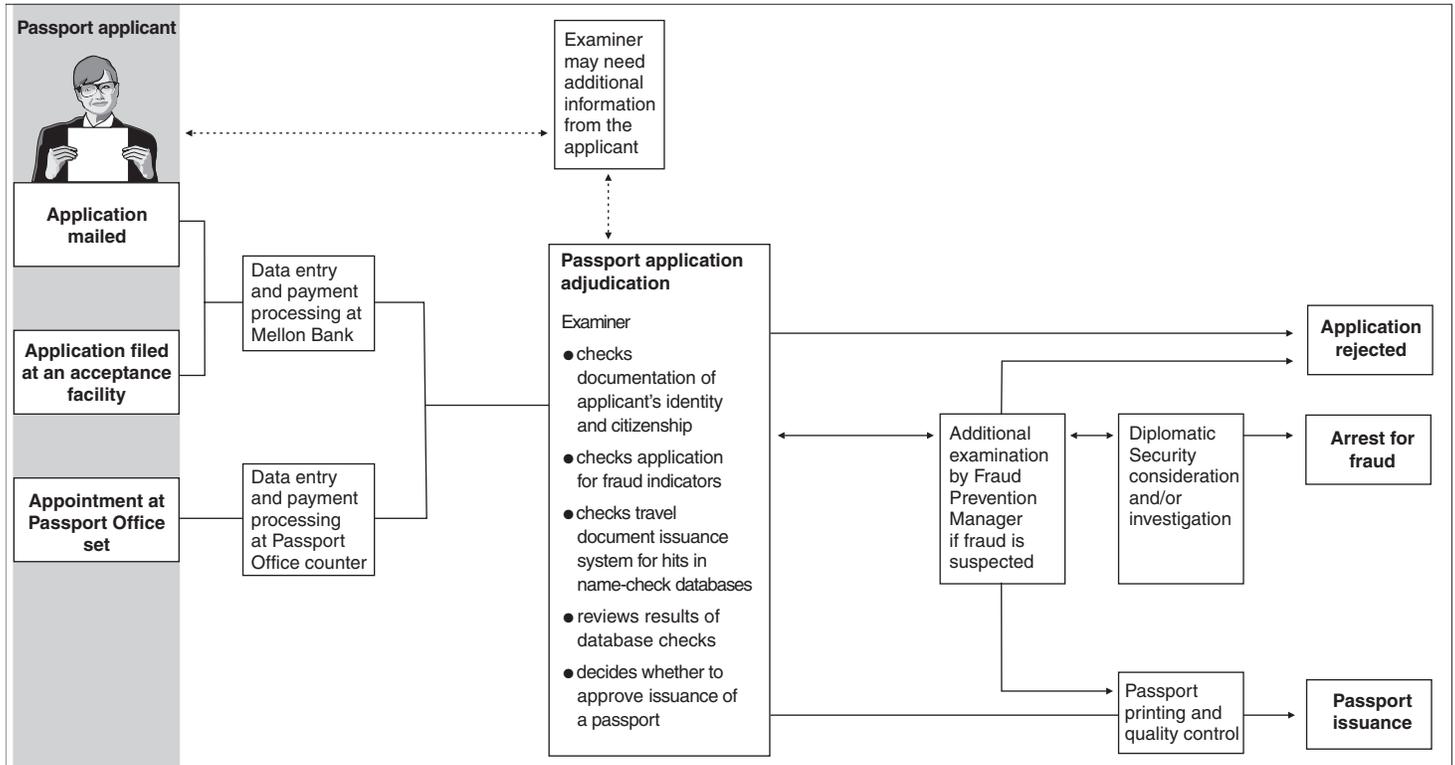
The majority of passport applications are submitted by mail or in-person at one of almost 7,000 passport application acceptance facilities nationwide.⁵ Passport acceptance facilities are located at certain U.S. post offices, courthouses, and other institutions and do not employ State Department personnel. The passport acceptance agents at these facilities are responsible for, among other things, verifying whether an applicant's identification document (such as a driver's license) actually matches that applicant. Applications go to a passport office to be examined after their information is entered, and payments are processed by a State Department contractor, Mellon Bank, in Pennsylvania.

Through a process called adjudication, passport examiners determine whether they should issue each applicant a passport. Adjudication requires the examiner to scrutinize identification and citizenship documents presented by applicants to verify their identity and U.S. citizenship. It also includes the examination of an application to detect potential indicators of passport fraud and the comparison of the applicant's information against databases that help identify individuals who may not qualify for a U.S. passport. When passport applications are submitted by mail or through acceptance facilities, examiners adjudicate the applications at their desks. A relatively small percentage of the total number of passport applications are submitted directly by applicants at one of State's domestic passport-issuing offices. Applicants are required to demonstrate imminent travel plans to set an appointment for such services at one of the issuing office's public counters. "Counter" adjudication allows examiners to question applicants directly or request further information on matters related to the application, while "desk" adjudication requires telephoning or mailing the applicants in such cases.⁶ Figure 2 depicts the typical passport application and adjudication process.

⁵Number is as of March 2005. State officials noted that this number changes frequently as new acceptance facilities are added and others are dropped.

⁶Applications accepted and adjudicated at the counter also undergo a number of desk adjudication steps to complete the fraud detection process before deciding whether to approve each passport.

Figure 2: The Typical Passport Application and Adjudication Process

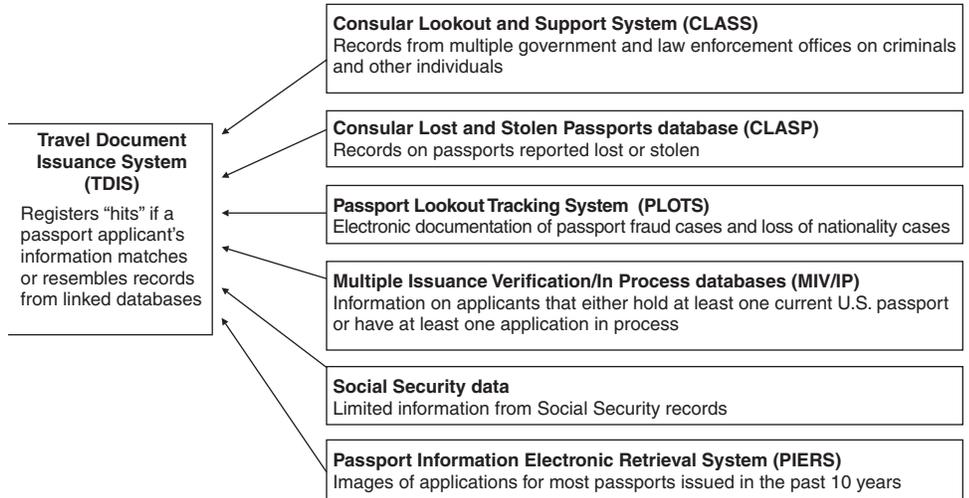


Source: State Department.

Passport Fraud Detection Tools

The passport adjudication process is facilitated by computer systems—including the Travel Document Issuance System (TDIS), which appears on passport examiners' screens when the adjudication begins. Figure 3 identifies the key computer databases available to help examiners adjudicate passport applications and detect potential fraud.

Figure 3: Electronic Databases Available to Passport Examiners



Source: State Department.

TDIS automatically checks the applicant's name against several databases— including State's Consular Lookout and Support System (CLASS), which contains information provided by various offices within State and information on outstanding criminal warrants provided by the U.S. Marshal's Service, the FBI, and other state and federal agencies, as well as Health and Human Services' database, which identifies parents who have been certified by a state agency as owing more than \$5,000 in child support and therefore are not eligible for a passport. If TDIS indicates the applicant may have applied for a passport at another agency or been issued a U.S. passport within the last 10 years, it prompts the examiner to reference computer databases outside of TDIS to determine whether the prompt refers to the applicant or rather someone who resembles the applicant.

In addition, examiners scrutinize paper documents and other relevant information during the fraud detection process. Examiners compare the application submitted by the applicant to the information on the screen to make sure the information was entered properly, check for missing information, and analyze application documentation for various types of fraud indicators. In addition, examiners watch for suspicious behavior and travel plans. Examiners and acceptance agents are instructed to request additional proof of identification if they feel the documents presented are

insufficient. State officials said that in such cases, some individuals abandon the application, and the names of those who do are placed in State's name-check system and are more stringently scrutinized if they apply again. When examiners detect potentially fraudulent passport applications, they send the applications to their local fraud prevention office for review and potential referral to State's Bureau of Diplomatic Security for further investigation.

Identity Theft a Primary Means of Committing Fraud

Using the stolen identities and documentation of U.S. citizens is the primary tactic of those fraudulently applying for U.S. passports. Applicants also commit fraud through other means. Passport fraud is often linked to other crimes.

Passport Fraud Most Commonly Attempted by Imposters Using the Legitimate Documents of Others

State's Bureau of Diplomatic Security investigators stated that imposters' use of assumed identities, supported by genuine but fraudulently obtained identification documents, was a common and successful way to fraudulently obtain a U.S. passport. This method accounted for 69 percent of passport fraud detected in fiscal year 2004. Investigators found numerous examples of aliens and U.S. citizens obtaining U.S. passports using a false identity. One example identified by Diplomatic Security investigators involved an alien using another person's identity to obtain a U.S. passport. In 2003, a woman using a fraudulent identity claimed to be born in Puerto Rico⁷ and provided a Puerto Rican birth certificate when applying for a passport at a clerk of the court office in Florida. She also provided a Florida driver's license.

Diplomatic Security investigators also found cases of U.S. citizens using the documentation of others to hide their true identity. In 1997, a naturalized U.S. citizen born in Cuba stole a Lear jet and transported it to Nicaragua for use in charter services. At the time of his arrest in 2003, he was using an

⁷Many issuing office managers and Diplomatic Security agents said that applicants fraudulently using legitimate Puerto Rican birth certificates is a key fraud concern. They said that legitimate Puerto Rican birth certificates are readily available because they are commonly required in Puerto Rico as identification for enrolling children in school and other activities, and they aren't subsequently taken care of properly. Also, there have been many instances of lost and stolen blank Puerto Rican birth certificates. State recently began requiring examiners to give additional scrutiny to Puerto Rican birth certificates, and State officials also met with senior officials of the Puerto Rican government to encourage them to impose more controls over the issuance of multiple birth certificates.

assumed identity and possessed both false and legitimate but fraudulently obtained identification documents, including a U.S. passport in the name he used while posing as a certified pilot and illegally providing flight instruction. Seized at his residence when he was arrested were two Social Security cards, four driver's licenses, three Puerto Rican birth certificates, one U.S. passport, one pilot identification card, numerous credit cards and checking account cards, and items used to make fraudulent documents. In October 2004, he pled guilty to knowingly possessing five or more "authentication devices" and false identification documents, for which he was sentenced to 8 months' confinement. In another case, a man wanted for murdering his wife obtained a Colorado driver's license and a passport using a friend's Social Security number and date and place of birth. Three and four years later he obtained renewal and replacement passports, respectively, in the same assumed identity. He was later arrested and pled guilty to making a false statement in an application for a passport. He was sentenced to time served (about 7 months) and returned to California to stand trial for murdering his wife. In a third example, a woman obtained a U.S. passport for herself and her daughter using the assumed identity of a friend and that friend's daughter. The individual fled the country, but was eventually caught, returned to the United States, and tried for forgery, criminal impersonation, and child abduction.

Various Other Methods Used to Fraudulently Obtain Passports

Applicants commit passport fraud through other means, including submitting false claims of lost, stolen, or mutilated passports; child substitution; and counterfeit citizenship documents. Some fraudulently obtain new passports by claiming to have lost their passport or had it stolen or that it was damaged. For example, one individual who used another person's Social Security number and Ohio driver's license to report a lost passport obtained a replacement passport through the one-day expedited service. This fraudulently obtained passport was used to obtain entry into the United States 14 times in less than three years. Diplomatic Security officials told us that another means of passport fraud is when individuals obtain replacement passports by using expired passports containing photographs of individuals they closely resemble. This method of fraud is more easily and commonly committed with children, with false applications based on photographs of children who look similar to the

child applicant.⁸ Assuming the identity of a deceased person is another means of fraudulently applying for a passport. Diplomatic Security investigated an individual who had been issued a passport in the identity of a deceased person and was receiving Social Security benefits in the deceased person's name. The individual was charged with making false statements on a passport application.

Passports Used to Commit Other Crimes

According to State Bureau of Diplomatic Security documents, passport fraud is often committed in connection with other crimes, including narcotics trafficking, organized crime, money laundering, and alien smuggling. According to Diplomatic Security officials, concerns exist within the law enforcement and intelligence communities that passport fraud could also be used to help facilitate acts of terrorism. Using a passport with a false identity helps enable criminals to conceal their movements and activities, according to a State Department document. U.S. passports provide their holders free passage into our country with much less scrutiny than is given to foreign citizens. U.S. passports also allow visa-free passage into many countries around the world, providing obvious benefits to criminals operating on an international scale. According to State officials, the most common crime associated with passport fraud is illegal immigration. For example, one woman was recently convicted for organizing and leading a large-scale passport fraud ring that involved recruiting American women to sell their children's identities, so that foreign nationals could fraudulently obtain passports and enter the United States illegally. According to the Department of State, the woman targeted drug-dependent women and their children, paying them about \$300 for each identity and then using the identities to apply for passports. The woman then sold the fraudulently obtained passports to illegal aliens for as much as \$6,000 each. Other leaders of alien smuggling rings have also been recently convicted. One such ring had been smuggling hundreds of undocumented aliens from Ecuador and other parts of South America into the United States for fees of \$12,000 to \$14,000 each.

⁸In an effort to address this problem, State established a new requirement in February 2004 that children aged 14 and under appear with their parents when applying for a passport to allow comparison of the children to the photographs being submitted.

State Faces Challenges to Fraud Detection Efforts

State faces a number of challenges to its passport fraud detection efforts. Limited interagency information sharing between State and law enforcement and other agencies makes it more difficult to protect U.S. citizens from terrorists, criminals, and others who would harm the United States. Intra-agency information sharing between passport-issuing offices and headquarters, and between offices, is also limited because State lacks a centralized and up-to-date fraud library accessible by all staff. Additionally, insufficient fraud prevention staffing, training, and oversight has resulted in reduced fraud detection capabilities at the issuing offices. Finally, overstretched investigative resources within State's Bureau of Diplomatic Security and Office of Inspector General have prevented investigators from devoting adequate time and continuity to passport fraud investigations.

Limited Interagency Information Sharing May Allow Individuals with Terrorism Ties and Criminal Fugitives to Obtain Passports

One of the key challenges to State's fraud detection efforts is limited interagency information sharing. State does not have access to certain information in the Terrorist Screening Center's (TSC) consolidated watch list database. Additionally, State's CLASS name-check system does not include names of all criminals wanted by federal and state law enforcement authorities. Further, access to information from other agencies varies.

State Lacks Access to TSC Database

State currently lacks access to the names of U.S. citizen "persons of interest" in TSC's consolidated terrorist watch list database. TSC was created in 2003 to improve information sharing among government agencies. By consolidating terrorist watch lists, TSC is intended to enable federal agencies to access critical information quickly when a suspected terrorist is encountered or stopped within the United States, at the country's borders, or at embassies overseas. Because State's CLASS name-check database for passports does not contain the TSC information, U.S. citizens with possible ties to terrorism could potentially obtain passports and travel internationally without the knowledge of appropriate authorities.

Although TSC has been operational since December 1, 2003, State and TSC did not begin exploring the possibility of systematically uploading data from TSC database into passport CLASS until December 2004. State initiated discussions with TSC after an official in State's Passport Services Office attended an interagency meeting and became aware that information on certain U.S. citizens was available in the TSC database. A TSC official told us that the center had devoted substantial effort in the first 16 months

of its operation to reaching out to federal agencies that could benefit from TSC information. However, efforts to prevent the entry of or locate foreign citizens who would do harm to the United States had been a higher immediate priority in the early stages of operation than information-sharing efforts involving U.S. citizens. The official also noted that, while TSC plays an outreach role with other agencies, it is up to the individual agencies involved to define their own specific information requirements.

State and TSC have not reached an agreement about the information-sharing proposal, though State sent an official proposal to TSC in January 2005. TSC has noted that it is in the process of addressing certain legal questions relating to privacy. A TSC official told us that she does not foresee any technical limitations because TSC already has an “elaborate interface” with State’s CLASS system for visas. She added that TSC agrees that it is important to work out an agreement with State.

State’s CLASS Name-Check System Does Not Include Names of All Fugitives Wanted by Federal and State Law Enforcement Authorities

Because the FBI and other law enforcement agencies do not currently provide State with the names of all individuals wanted by federal law enforcement authorities, State’s CLASS name-check system does not contain the names of many federal fugitives, some wanted for murder and other violent crimes; these fugitives could therefore obtain passports and potentially flee the country. The subjects of federal felony arrest warrants are not entitled to a U.S. passport. According to FBI officials, FBI databases contain the names of approximately 37,000 individuals wanted on federal charges. State Department officials acknowledge that many of these individuals are not listed in CLASS. We tested the names of 43 different federal fugitives and found that just 23 were in CLASS; therefore, passport examiners would not be alerted about the individuals’ wanted status if any of the other 20 not in CLASS applied for a passport. One of these 20 did obtain a U.S. passport 17 months after the FBI had listed the individual in its database as wanted.

A number of the 20 federal fugitives who were included in our test and were found not to be in CLASS were suspected of serious crimes, including murder. Table 1 lists the crimes suspected of the federal fugitives in our test. Fourteen were wanted by the FBI—including one on its Ten Most Wanted list (the names of all 14 were posted on the FBI’s Web site). Six other fugitives not in CLASS were wanted by other federal agencies—two by the U.S. Marshal’s Service; two by the Bureau of Alcohol, Tobacco, Firearms, and Explosives; and two by the U.S. Postal Service.

Table 1: Crimes Suspected of 20 Federal Fugitives Not in CLASS Who Were Included in Our Test

Type of crime	Number of fugitives
Murder	5
Felonious assault and related crimes	2
Child sex offenses	4
Drug trafficking	3
Attempted murder	1
Bombings	1
Other crimes	4

Sources: Various law enforcement agency databases and Web sites and the State Department's CLASS name-check system.

State officials told us they had not initiated efforts to improve information sharing with the FBI on passport-related matters until the summer of 2004 because they had previously been under the impression that the U.S. Marshal's Service was already sending to CLASS the names of all fugitives wanted by federal law enforcement authorities. The officials noted that the U.S. Marshal's Service had been cooperative in providing names to CLASS from its main database of fugitives. However, prior to the summer of 2004, State officials were not aware that the information in the U.S. Marshal's database was not as comprehensive as that contained in the FBI-operated National Crime Information Center database. State officials became aware of this situation when the union representing passport examiners brought to their attention that a number of individuals on the FBI's Ten Most Wanted list were not in CLASS.

In the summer of 2004, State requested, and the FBI agreed, to provide the names from the FBI's Ten Most Wanted list, though State officials told us they often obtain this information by periodically checking the FBI's Web site. As part of these discussions, State and FBI explored other information-sharing opportunities as well, and FBI headquarters officials sent a message instructing agents in its field offices how to provide names of U.S. citizens who are FBI fugitives (other than those from the Ten Most Wanted list) to State on a case-by-case basis. Additionally, State began discussions with the FBI about receiving information on individuals with FBI warrants on a more routine and comprehensive basis. During the most recent negotiations, in December 2004, FBI officials told State officials that they would need a written proposal outlining State's specific technical and information needs, following which negotiations could begin to develop a formal agreement. One possibility that was discussed for additional name

sharing was for the FBI to send State weekly extracts from its databases, while another possibility would be to give State officials the ability to access the FBI's wanted-persons database. According to State, it sent a written request to the FBI outlining its needs in April 2005. State also noted that it had reached agreement in principal with the FBI on information sharing efforts related to FBI fugitives.

According to FBI officials, State requested that the FBI provide only the names of FBI fugitives and not those of individuals wanted by other federal law enforcement entities. A State official told us that the information provided by the U.S. Marshal's Service together with that to be requested from the FBI would enable State to meet its regulatory requirement that it not issue passports to subjects of federal felony arrest warrants. However, we noted that the limited information State was receiving on fugitives wanted by the U.S. Marshal's Service was not as comprehensive or up to date as State officials believed: two of nine individuals wanted by the U.S. Marshal's Service were not in CLASS at the time of our test. The FBI is the only law enforcement agency that systematically compiles comprehensive information on individuals wanted by all federal law enforcement agencies, and, according to FBI officials, it is the logical agency to provide such comprehensive information to State.

The FBI is also the only law enforcement agency that compiles comprehensive information on individuals wanted by state and local authorities. According to FBI officials, FBI databases contain the names of approximately 1.2 million individuals wanted on state and local charges nationwide. FBI officials told us they believed it would be more useful for State to have a more comprehensive list of names that included both federal and state fugitives. These officials pointed out that some of the most serious crimes committed often involve only state and local charges. We tested the names of 24 different state fugitives and found that just 7 were in CLASS; therefore, the CLASS system would not flag any of the other 17, were they to apply for a passport.⁹ Table 2 lists the crimes suspected of the 17 state fugitives not in CLASS who were included in our test.

⁹We also noted that 10 of the 20 tested federal fugitives that were not in CLASS were also wanted on state charges. Thus, if State fugitives had been listed in CLASS, these individuals would have been flagged, even if information on their federal warrants had been missed.

Table 2: Crimes Suspected of 17 State Fugitives Not in CLASS Who Were Included in Our Test

Type of crime	Number of fugitives
Murder	4
Felonious assault and related crimes	7
Child sex offenses	1
Attempted murder	1
Child kidnapping	1
Other crimes	3

Sources: Various law enforcement agency databases and Web sites and the State Department's CLASS name-check system.

State Department officials told us that having a comprehensive list of names that included both federal and state fugitives could “clog” State’s CLASS system and slow the passport adjudication process. They also expressed concern that the course of action required of State would not always be clear for cases involving passport applicants wanted on state charges. The officials pointed out that, though the law is specific about denying passports to individuals wanted on federal felony charges, the law was not as clear cut about doing so in the case of state fugitives. However, FBI officials told us that, at a minimum, State could notify law enforcement authorities that such individuals were applying for a passport. Then, the relevant law enforcement authorities could make their own determination about whether to obtain a court order that would provide a legal basis for denying the passport or to simply arrest the individual or take some other action. State officials noted that, to work effectively, such an arrangement would require the FBI to establish some sort of liaison office that State could contact in such instances.

Access to Information from Other Agencies Varies

State receives varying degrees of information from several other agencies, including the Department of Health and Human Services, the Department of Homeland Security (DHS), the Social Security Administration (SSA), and individual state departments of motor vehicles.

- Health and Human Services provides names of parents who have been certified by a state agency as owing more than \$5,000 in child support payments and are therefore not eligible for a U.S. passport. According to State officials, this information-sharing arrangement has been very successful in preventing such individuals from obtaining passports.

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- State is negotiating with DHS to gain access to naturalization records to verify applicants' citizenship. State officials currently rely on ad hoc information from DHS colleagues, according to Passport Services officials, and irregular notifications from DHS when fraudulent passports are confiscated.
 - State currently uses limited information from Social Security records which are quickly becoming outdated that SSA provided to State on a one-time basis in 2002. Though State and SSA signed an April 2004 memorandum of understanding giving State access to SSA's main database to help verify passport applicant's identity, the memorandum had not been implemented as of March 2005 because the system was still being tested to ensure SSA privacy standards. The agreement will not include access to SSA death records, though State officials said they are exploring the possibility of obtaining these records in the future.
 - Issuing office officials have contact with officials in individual state departments of motor vehicles to confirm, for example, the physical characteristics of individuals presenting drivers licenses as identification. However, these are informal contacts cultivated by individual State officials.

Limited Intra-agency Information Sharing and Unclear Fraud Support Responsibilities May Be Affecting Fraud Detection Capability

State does not maintain a centralized and up-to-date electronic fraud prevention library, which would enable passport-issuing office personnel in the United States, and overseas, to efficiently share fraud prevention information and tools. As a result, fraud prevention information is provided inconsistently to examiners among the 16 domestic offices. Though offices share information through local fraud prevention files or by e-mailing relevant fraud updates, the types and amount of information shared with passport examiners in each office vary widely. For example, at some offices, examiners maintain individual sets of fraud prevention materials. Some print out individual fraud alerts and other related documents and file them in binders. Others archive individual e-mails and other documents electronically. Some examiners told us that the sheer volume of fraud-related materials they receive makes it impossible to maintain and use these resources in an organized and systematic way.

In contrast, the issuing office in Seattle developed its own online fraud library that contained comprehensive information and links on fraud alerts nationwide. Some information was organized by individual state, including information such as the specific serial numbers of blank birth certificates

that were stolen. The library contained sections on Social Security information, government documents related to U.S. territories, recent fraud updates, and fraud-related news, among other information. It included examples of legitimate as well as counterfeit naturalization certificates, false driver's licenses, fraud prevention training materials, and a host of other fraud prevention information resources and links. Seattle offered a static version of its library on CD-ROM to other issuing offices at an interoffice fraud prevention conference in 2003. A few of the other offices used this resource to varying degrees, but their versions have not been regularly updated since 2003. An Office of Consular Fraud Prevention official told us that they uploaded at least some of the information onto its Web site, but that material has not been regularly updated, either. The developer of the library has since been reassigned. Most of the 16 fraud prevention managers we talked to believed that the Bureau of Consular Affairs should maintain one centralized, up-to-date fraud prevention library, similar to the Seattle-developed model, that serves offices nationwide.

Consular Affairs' Office of Consular Fraud Prevention maintains a Web site and "e-room" with some information on fraud alerts, lost and stolen state birth documents, and other resources related to fraud detection, though fraud prevention officials told us the Web site is not kept up to date, is poorly organized, and is difficult to navigate. Fraud prevention officials also told us that most of the information on the site relates to visas rather than U.S. passports. We directly observed information available on this Web site and in the "e-room" during separate visits to State's passport-issuing offices and noted that some of the material was outdated. For example, in September 2004, we noted that certain information on state birth and death records had not been updated since September 2003 and that information on fraudulent U.S. passports had not been updated in more than a year.

In addition to limited information sharing, State's fraud prevention support services are not closely coordinated with the passport-issuing offices. Multiple headquarters offices, including the Office of Consular Fraud Prevention and Office of Passport Policy Planning and Legal Advisory Services, claim some responsibility for fraud trend analysis and fraud prevention support but fraud detection personnel in issuing offices are unclear as to which offices provide which services. Most of the 16 fraud prevention managers we interviewed said they do not clearly understand the respective roles of these headquarters offices in helping them with their fraud detection efforts. Also, while officials in these two offices said they

are responsible for analyzing fraud-related data to identify national or region-specific trends on factors such as the types, methods, and perpetrators of fraud, most fraud prevention managers told us they could not recall having received much analysis on fraud trends from these offices beyond individual fraud alerts. We noted that the Office of Passport Policy Planning and Legal Advisory Services only recently began to perform some basic fraud trend analysis on a systematic basis.¹⁰ Office of Consular Fraud Prevention officials told us they spend most of their time on visa fraud because each domestic agency has its own fraud detection apparatus. While this office provides some training services, these are limited, and much other training is provided by issuing offices and is not coordinated with headquarters.

Insufficient Fraud Prevention Staffing, Training, Oversight, and Investigative Resources Make Fraud Detection More Difficult

Limited fraud prevention staffing, training, oversight, and investigative resources pose additional challenges to fraud detection efforts. A staffing realignment reduced the time available to Fraud Prevention Managers to review cases and make decisions on fraud referrals. Additionally, interoffice transfers of passport adjudications have, in some cases, led to fewer fraud referrals back to the originating offices. Further, State's lack of a standard refresher training curriculum and schedule has led to uneven provision of such training. Additionally, sporadic training and limited oversight of passport application acceptance agents constitute a significant fraud vulnerability. Finally, overstretched investigative resources hinder fraud detection efforts.

Staffing Change Reduced Time Available to Review Fraud Cases

In January 2004, State eliminated the assistant fraud prevention manager position that had existed at most of its domestic passport-issuing offices, and most Fraud Prevention Managers believe that this action was harmful to their fraud detection program, in part by overextending their own responsibilities. State eliminated the permanent role of assistant primarily to expand participation of senior passport examiners serving in that role on a rotational basis; the purpose was to help the examiners gain a deeper knowledge of the subject matter and, in turn, enhance overall fraud detection efforts when the examiners returned to adjudicating passport

¹⁰About 10 years ago, the Office of Consular Fraud Prevention stopped doing case work on individual potentially fraudulent applications in an effort to become more involved with overall program management and to identify overall trends.

applications.¹¹ Prior to the permanent position being abolished, 12 of the 16 passport issuing offices had at least one assistant manager (2 offices had two).¹² Of the 4 offices that did not have permanent assistants, 3 did not have them because they had relatively low workloads and 1 had been in operation only for a few years and had not yet filled the position. Managers at 10 of the 12 offices that had assistants told us that the loss of this position had been harmful to their fraud detection program. In particular, managers indicated that the loss of their assistant impacted their own ability to concentrate on fraud detection by adding to their workload significant additional training, administrative, and networking responsibilities. Fraud Prevention Managers also said that taking on their assistant's tasks had diverted their attention from their fraud trend analysis as well as their preparation of reports to Washington, D.C., and cases for referral to Diplomatic Security. Some managers said they are now performing more case work than before because they lack an experienced assistant and do not always believe they can rely on rotating staff to do this work unsupervised.

Fraud Prevention Managers and other State officials have linked declining fraud referrals to the loss of the assistant fraud prevention manager position. In the 12 offices that previously had permanent assistants, fraud referral rates from the managers to Diplomatic Security decreased overall by almost 25 percent from fiscal year 2003 through 2004,¹³ the period during which the position was eliminated, and this percentage was much higher in some offices.¹⁴ Fraud Prevention offices screen fraud referrals received from examiners, perform certain checks on applicant information, and

¹¹All 16 offices now have senior examiners rotate through the fraud office—generally two at a time, one short and one longer term. The long-term rotator is expected to do some of the tasks the assistant manager performed; however, Fraud Prevention Managers said that not all long-term rotational staff are capable of handling these tasks as well as the permanent assistants had. Further, most managers spend considerable time training rotating staff coming into the fraud office.

¹²Of the 12 offices, 10 already had senior examiners routinely rotating through the office to assist in running the fraud prevention program.

¹³In the 4 offices that did not previously have permanent assistants, fraud referral rates decreased on average by only 7 percent during the same period. As noted, 3 of these offices have low workloads. One of the 4 has the second highest workload nationwide, and its fraud referral rate remained relatively static during this period.

¹⁴Two offices that had assistant fraud prevention managers in 2003 saw increases in their fraud referral rates. These 2 offices received just over 8 percent of the total applications received by offices that had assistants.

assess the examiner's rationale for making the referral before the fraud prevention manager can determine whether to refer the case to Diplomatic Security for further investigation. Without their assistants helping them with these and other duties, managers said they are making fewer fraud referrals to Diplomatic Security because they lack the time and do not believe they can fully rely on new rotational staff to take on this responsibility. In one issuing office where referrals to Diplomatic Security were down 41 percent, the manager indicated that loss of his assistant had slowed his ability to get cases to Diplomatic Security because he had to perform many of the assistant's duties. A Diplomatic Security agent in another issuing office, where the fraud referral rate was down by 55 percent, said the overall effect of eliminating the assistant manager position had been harmful to fraud detection efforts at least in part because the permanently assigned assistants had developed valuable personal contacts and cooperative arrangements over time with state and local law enforcement authorities, department of motor vehicle officials, and others, and that such relationships could not be easily developed or maintained by rotating staff.

Most Fraud Prevention Managers acknowledged the value of having senior examiners rotate into the fraud prevention office for temporary assignments; however, the managers said that rotating staff should augment the efforts of a permanent assistant and not serve in place of that role. Passport Services management told us they were not planning to re-establish the permanent assistant role,¹⁵ but that they are in the process of filling one to two additional fraud prevention manager positions at each of the 2 offices with the largest workloads nationwide. Both of these offices operate multiple shifts each workday, and the new managers are intended to provide more comprehensive fraud prevention support for all of the shifts. State also plans to establish one additional fraud prevention manager position at another issuing office with a large workload. There are no current plans for additional positions at any of the other 13 offices.

¹⁵State officials told us they did not wish to re-establish the permanent assistant fraud manager role at least in part because it had never been an official State Department position with a position description.

Interoffice Transfers of Passport Adjudication Workload Result, in Some Cases, in Fewer Fraud Referrals Back to Originating Office

As adjudication workload and production capacity fluctuate at individual passport-issuing offices, State routinely transfers adjudication cases among the different offices to keep workload and capacity in balance at each location. Fraud Prevention Managers at a number of issuing offices said they had noticed that a lower percentage of fraud referrals are being returned to them from the 3 offices that were assigned the bulk of workload transfers from other offices.¹⁶ The Fraud Prevention Managers noted that, over the course of a year, the many thousands of passport applications originating from one particular region should generally be expected to generate a consistent rate of fraud referrals. In fiscal year 2004, 28 percent of passport applications were transferred to 1 of these 3 offices for adjudication, while other issuing offices adjudicated 72 percent. Although these 3 offices received 28 percent of the applications, they provided only 11 percent of total fraud referrals to the originating agencies; the other 89 percent were provided by regional agency passport examiners (74 percent) and others, including acceptance agents (15 percent). For fiscal year 2003, the 3 processing centers adjudicated 26 percent of the applications but provided only 8 percent of the fraud referrals. In 2004, 1 of the issuing offices transferred out to processing centers 63 percent of its applications (about 287,000) but received back from the processing centers only 2 percent of the fraud referrals it generated that year. In 2003, this office transferred out 66 percent of its workload, while receiving back only 8 percent of its total fraud referrals.

Fraud Prevention Managers and other officials told us that one reason fewer fraud referrals return from these 3 offices is that passport examiners handling workload transfers from a number of different regions are not as familiar with the demographics, neighborhoods, and other local characteristics of a particular region as are the examiners who live and work there. For example, some officials noted that, in instances when they suspect fraud, they might telephone the applicants to ask for additional information so they can engage in polite conversation and ask casual questions, such as where they grew up, what school they attended, and other information. The officials noted that, since they are familiar with at least some of the neighborhoods and schools in the area, applicants' answers to such questions may quickly indicate whether their application is

¹⁶Two of these 3 offices—Charleston, South Carolina, and Portsmouth, New Hampshire—are passport processing “megacenters” that do not cover a specific region of the country but rather process applications from across the country. The third office, New Orleans, does cover a specific region; however, it also performs some of the functions of a megacenter by processing a substantial number of applications that originate in regions other than its own.

likely to be fraudulent. One examiner in an office that handled workload transfers from areas with large Spanish-speaking populations said that the office had an insufficient number of examiners who were fluent in Spanish. She and other officials emphasized the usefulness of that skill in detecting dialects, accents, handwriting, and cultural references that conflict with information provided in passport applications. Moreover, some officials added that passport examiners at centers handling workload transfers are not always well trained in region-specific fraud indicators and do not have the same opportunity to interact directly with applicants as do the examiners working at public counters in regional offices.

State Lacks Established Refresher Training Curriculum; Such Training Is Provided Unevenly across Offices

State has not established a core curriculum and ongoing training requirements for experienced passport examiners, and thus such training is provided unevenly at different passport-issuing offices. While State recently developed a standardized training program for new hires that was first given in August 2004, the Fraud Prevention Managers at each passport-issuing office have developed their own fraud detection refresher training approaches and materials. We reviewed the training programs and materials at all 7 issuing offices we visited and discussed the programs and materials at other offices with the remaining nine Fraud Prevention Managers by telephone and found that the topics covered and the amount and depth of training varied widely by office. Some had developed region-specific materials; others relied more heavily on materials that had been developed by passport officials in Washington, D.C., much of which were outdated. Some scheduled more regular training sessions, and others held training more sporadically. Several examiners told us they had not received any formal, interactive fraud prevention training in at least 4 years.

Some Fraud Prevention Managers hold brief discussions on specific fraud cases and trends at monthly staff meetings, and they rely on these discussions to serve as refresher training. Some Fraud Prevention Managers occasionally invite officials from other government agencies, such as the Secret Service or DHS, to share their fraud expertise. However, these meetings take place when time is available and may be canceled during busy periods. For example, officials at one issuing office said the monthly meetings had not been held for several months because of high workload; another manager said he rarely has time for any monthly meetings; and two others said they do not hold such discussions but e-mail to examiners recent fraud trend alerts and information.

Sporadic Training and Limited Oversight of Acceptance Agents Constitute Significant Fraud Vulnerability

Numerous passport-issuing agency officials and Diplomatic Security investigators told us that the acceptance agent program is a significant fraud vulnerability. Examples of acceptance agent problems that were brought to our attention include important information missing from documentation, such as evidence that birth certificates and parents' affidavits concerning permission for children to travel had been received, and identification photos that did not match the applicant presenting the documentation. Officials at one issuing office said that their office often sees the same mistakes multiple times from the same agency.

These officials attributed problems with applications received through acceptance agents to the sporadic training provided for and limited oversight of acceptance agents. State has almost 7,000 passport acceptance agency offices, and none of the 16 issuing offices provide comprehensive annual training or oversight to all acceptance agency offices in their area. Instead, the issuing offices concentrate their training and oversight visits on agency offices geographically nearest to the issuing offices, those in large population centers, those where examiners and Fraud Prevention Managers had reported problems, and those in high fraud areas.¹⁷ Larger issuing offices in particular have trouble reaching acceptance agency staff. At one larger issuing office with about 1,700 acceptance facilities, the Fraud Prevention Manager said he does not have time to provide acceptance agent training and that it is difficult for issuing office staff to visit many agencies. A manager at another large issuing office that covers an area including 11 states said she does not have time to visit some agencies in less populated areas and concentrates her efforts in higher fraud areas, which tend to be in the larger cities.

Officials at one issuing agency noted that State had worked together with the U.S. Postal Service to develop CD-ROM training for use at Postal Service acceptance facilities. The officials noted that, while they believed the training had been well designed, State does not have any way of tracking whether all postal employees responsible for accepting passport applications actually receive the training. Additionally, issuing office officials also said that acceptance agent staff should receive training from outside agencies such as state departments of motor vehicles, local police,

¹⁷Management officials at one office said some acceptance facilities have a particularly high fraud risk and their work has to be scrutinized carefully. Management officials at another issuing office said their goal is to train all acceptance agents once every 3 years, but that they have not yet reached this goal.

and the FBI on document authenticity and fraud. Other issuing office officials said acceptance agents should also receive interview training.

Finally, while State officials told us it is a requirement that all acceptance agency staff be U.S. citizens, issuing agency officials told us they have no way of verifying that all of them are. Management officials at one passport-issuing office told us that, while their region included more than 1,000 acceptance facilities, the office did not maintain records of the names of individuals accepting passport applications at those facilities and the office did not keep track of how many individuals acted in this capacity at those facilities.

Overstretched Investigative Resources Hinder Fraud Detection

Although State's Bureau of Diplomatic Security has provided additional resources for investigating passport fraud in recent years, its agents must still divide their time among a number of competing demands, some of which are considered a higher priority than investigating passport fraud. A Diplomatic Security official told us that, after the September 11 terrorist attacks, the bureau hired about 300 additional agents, at least partially to reduce investigative backlogs.¹⁸ Diplomatic Security and passport officials told us that, while the increased staff resources had helped reduce backlogs to some degree, agents assigned to passport fraud investigations are still routinely pulled away for other assignments. For example, a significant number of agents from field offices across the country are required to serve on "protective detail" in New York when the United Nations General Assembly convenes and at various other diplomatic events. We found that at most of the offices we visited during our fieldwork, few of the agents responsible for investigating passport fraud were actually physically present. At one office, all of the agents responsible for investigating passport fraud were on temporary duty elsewhere, and the one agent who was covering the office in their absence had left his assignment at the local Joint Terrorism Task Force to do so. A number of agents were on temporary assignments overseas in connection with the 2004 Summer Olympics in Greece. Agents at one office said that five of the eight agents involved in passport fraud investigations there were being sent for temporary duty in Iraq, as were many of their colleagues at other offices.

¹⁸State officials also noted that the Bureau of Consular Affairs funds more than 120 Diplomatic Security agent positions nationwide to help support efforts to investigate passport fraud.

Agents at all but 2 of the 7 bureau field offices we visited said they are unable to devote adequate time and continuity to investigating passport fraud because of the competing demands on their time. The agents expressed concerns about the resulting vulnerability to the integrity of the U.S. passport system. We noted that the number of new passport fraud investigations had declined by more than 25 percent over the last five years, though Diplomatic Security officials attributed this trend, among other factors, to refined targeting of cases that merit investigation. A number of Diplomatic Security agents pointed out that passport fraud investigations are often “time sensitive” and that opportunities to solve cases are often lost when too much time elapses before investigative efforts are initiated or when such efforts occur in fits and starts. The rotation of Diplomatic Security agents to new permanent duty stations every 2 or 3 years also makes it more difficult to maintain continuity for individual investigations. Passport-issuing office officials told us that cases referred to Diplomatic Security sometimes take a year or more to investigate. The officials also said that the investigating agents often do not have time to apprise passport-issuing offices of the status of individual investigations and, thus, that the opportunity to convey valuable “real-time” feedback on the quality of fraud referrals was lost. The Special-Agent-in-Charge of a large Diplomatic Security field office in a high fraud region expressed serious concern that, in 2002, the Bureau of Diplomatic Security began requiring that most cases be closed after 12 months, whether or not the investigations were complete. This requirement was meant to reduce the backlog of old cases. The agent said that about 400 cases at his office were closed before the investigations were complete and that this action had taken place over his strenuous objection. A Diplomatic Security official in Washington, D.C., told us that, while field offices had been encouraged to close old cases that were not likely to be resolved, there had not been a formal requirement to close all cases that had remained open beyond a specific time limit.

State officials agreed that Diplomatic Security agents are not currently able to devote adequate attention to investigating passport fraud. State officials told us that the Bureau of Diplomatic Security plans to hire 56 new investigative agents over the next few years to augment passport fraud investigation resources at each Diplomatic Security field office nationwide. According to State officials, these new investigators will be solely dedicated to investigating passport and visa fraud and will not participate in protective details or other temporary duties that would distract them from their investigative work. The new hires are to be civil service employees and will not be subject to the frequent rotations to new duty

stations that regular Diplomatic Security agents experience as foreign-service officers.

State Department OIG officials told us that the OIG also has authority to investigate passport fraud. However, OIG officials told us that budgetary constraints and related staffing reductions in recent years had severely restricted its ability to investigate such fraud. The OIG has invested more resources in efforts to pursue visa fraud, primarily because visa fraud is more prevalent than passport fraud. The OIG has focused most of its more recent passport-related efforts on assessing systematic weaknesses in fraud detection efforts. The idea was to produce broad findings that would be of greater benefit than individual passport fraud investigations could be expected to yield with such a low investment of staff resources available.

Effect of New Examiner Performance Standards on Fraud Detection Remains Unclear

Although State's approach to developing new nationwide passport examiner production standards, which were implemented in January 2004, raises a number of methodological concerns, subsequent changes to the standards make an assessment of their impact on fraud detection premature. State intended that the new nationwide standards would make performance expectations and work processes more uniform among its 16 issuing offices. State tested examiner production capabilities before standardizing the passport examination process and used the test results in conjunction with old standards to set new nationwide standards. The new standards put additional emphasis on achieving quantitative targets. Responding to concerns about their fairness, State made a number of modifications to the production standards during the year, making it unclear what impact the standards have had on passport fraud detection.

Methodological Concerns Exist Regarding State's Development and Implementation of New Performance Standards

Consular Affairs officials stated that they created nationwide production standards to make performance expectations of examiners and the passport examination process as similar as possible at all domestic passport offices. Though the issuing offices already had production standards for their examiners, the average number of cases examiners were expected to adjudicate per hour varied from office to office, creating confusion and raising questions about equity among passport examiners, according to State officials. In an effort to identify reasonable production standards that would be applicable nationwide, State tested examiner production capabilities at all of its domestic passport-issuing offices. Issuing office management in each of the 16 offices measured the number

of passport cases completed by each examiner over a two-week period in April 2003 and computed the hourly average for their office. Management did not inform examiners that their production rates were being measured for the test.

Passport Services officials set the new performance standards, but they did not fully standardize some work processes and methods of counting production until after the new numbers were set. After considering nationwide test results, offices' old standards, and passport office partnership council feedback,¹⁹ headquarters officials at Passport Services decided on the new standards for both desk and counter adjudication. The new standards were implemented in January 2004 and varied by pay grade level. After deciding on the production standards, State standardized the work processes and counting methods that were the basis of examiners' production averages. For example, State officials encouraged all domestic passport offices to include expedited cases in examiners' production averages to make examiners' work more comparable nationwide, though some examiners and issuing office managers said expedited cases take longer to complete because they require additional steps. Also, State's decision to base examiner's production averages on a 7-hour day starting in January 2004 marked a change for offices that previously had measured production based on a 6½- or 7½-hour day.

State's decision to measure and compile nationwide production averages before fully standardizing the application examination process and the way completed cases are counted at the passport-issuing offices limited the validity of State's test results. GAO has reported that consistency is a key element for data reliability and that the data obtained and used must be clear and well-defined enough to yield similar results in similar analyses. However, we found that State had attempted to uniformly measure production capacity at its 16 issuing offices when the individual offices were still using differing work processes and methods of counting production. Upon visiting 7 of the 16 offices after the new standards had been implemented, we found that several differences in passport adjudication practices and methods for counting production still existed. For example, at some offices, the more complex and time-consuming cases were included in examiner production averages, while at other offices they were not. In addition, issuing office and headquarters management told us

¹⁹Passport office partnership council participants include issuing office management and union-designated employees.

that contract staff at some issuing offices performed certain tasks that helped speed up examiner production, while such tasks were performed by examiners at other offices. State told us 5 months after they had implemented the standards that domestic offices' requirements for counting completed cases still varied and that this situation could make it easier for examiners at some offices to meet their production standard. State officials acknowledged that these processes and procedures should be standardized to ensure that the standards are fair. If State had standardized its work processes and procedures for measuring performance before testing production, the test would presumably have produced more valid results that could have been used to set uniformly attainable production standards.

Production Standards' Effect on Fraud Detection Unclear

Because State adjusted the impact of production on examiners' evaluations, the production standards implemented in 2004 placed increased pressure on examiners to focus on production numbers. Before State introduced the new standards, quantitative production requirements were grouped together with qualitative measures for performance ratings. For example, one former evaluative element paired the requirement that a GS-11 examiner adjudicate 25 to 28 cases per hour with a qualitative assessment of the examiner's overall knowledge of the adjudication process. Supervisors and management officials at some of the domestic passport offices we visited said that if in previous years examiners failed to meet their minimum production number, the supervisor could still rate the examiner *fully successful* based on better performance against qualitative standards within the same rating element. However, the 2004 standards separated the quantitative performance measures—production numbers and error rates—from qualitative elements. Examiners not meeting the minimum hourly production average for the year were to receive an *unsuccessful* rating on that performance element, regardless of qualitative performance.²⁰ An *unsuccessful* rating in one element results in an *unsuccessful* rating overall, even if the examiner rates *outstanding* in the other three skill elements. State officials said they made this change to clarify the criteria on which examiners were rated.

²⁰Examiners meeting the production requirement but not meeting minimal requirements in the areas of adjudicative knowledge, customer service, or fraud prevention would also receive an *unsuccessful* rating.

Since the new production standards were set, State has incorporated computer upgrades and process changes that have enhanced fraud detection, but may have slowed the examination process. For example, at passport office counters, State upgraded the computer system to allow examiners to perform cashiering functions and to produce a receipt immediately for all financial transactions, thus adding time to each case requiring a fee. In addition, State added a page to the standard passport application in March 2005, thus requiring more information from each new applicant. Headquarters officials, regional office managers, and examiners agreed that these changes enhance fraud prevention efforts. But while they were pleased with the enhanced fraud detection capabilities, some examiners and examiners' union representatives told us the changes may slow production now that examiners are required, for example, to scrutinize longer applications.

Passport examiners and union officials argue that the new standards' emphasis on production combined with changes to the examination process have made it more difficult to meet the new production standards without shortcutting fraud detection efforts. Some examiners we talked to said changes to annual evaluation criteria and to the examination process put additional pressure on them to focus on their numbers more than their efforts to detect fraud. Some also told us they believe the new standards were evidence that management prioritizes quantity of work over quality. Union representatives said examiners frequently complain that, to achieve their number targets, they have to skip required steps in the examination process or scrutinize applications less thoroughly than necessary to adequately detect fraud. A number of examiners at each domestic office we visited either stated they take shortcuts themselves or know colleagues who do. Some said, for example, they do not thoroughly check Social Security information provided on the computerized examination software against the information on the individual's application. Others reported they do not thoroughly check all "hits" generated by the computer software—information that may help identify applicants flagged as fugitives or raise other concerns in one of State's passport-related databases. An examiner noted that most hits, when further scrutinized, prove to be invalid, and thus the chances of missing a valid hit were low. Union representatives said they are hesitant to share such examples with passport management because examiners fear negative repercussions.

Headquarters and regional office management said it is difficult to assess the number or magnitude of shortcuts being taken and the impact of shortcuts on fraud detection. Management officials at some of the offices

we visited said supervisors audit only a limited percentage of cases after they are examined and that audits would not necessarily reveal that examiners had taken shortcuts. The impact of shortcuts on fraud detection is also difficult to assess because the overall incidence of detected fraud is low. One examiner noted that if she failed to check any fraud indicators at all and granted a passport to every applicant, she would be right more than 99 percent of the time. State data show that less than one-half of 1 percent of applications in 2004 were identified as potential frauds.

Because State has modified the 2004 production standards in response to management, union, and examiner concerns, the standards' effect on fraud detection is unclear. State officials told us that, from the outset of implementing the production standards, they had planned to reassess the standards regularly and to adjust them as necessary. In July 2004, State responded to a union suggestion to reduce by one-half hour the number of daily work hours used to calculate the hourly production average, thus acknowledging that time examiners spend doing essential tasks, such as reading e-mail updates, should not be factored into their hourly production averages. Both desk and counter examination production standards were lowered during 2004, and certain offices were exempted from either desk or counter measurement due to regional workload variations. One such exemption occurred in September 2004, when State informed regional management that neither New York nor Hawaii should rate examiners on desk examination production averages in 2004 because their desk workloads were too low to enable a fair rating of examiners. Also, headquarters passport management lowered the counter production requirement for GS-9 and GS-11 passport examiners retroactive to January 1, 2004. While about 63 examiners were not achieving the required production rate after the first quarter of 2004, all but 18 of State's approximately 480 examiners nationwide had met the standards by the end of the year. Because State's changes to the production standards continued throughout 2004, the standards' net effect on fraud detection efforts remains unclear.

Conclusions

Maintaining the integrity of the U.S. passport is an essential component of State's efforts to help protect U.S. citizens from those who would harm the United States. The steadily increasing volume of passports issued each year underscores the importance of this task. State has a range of tools and resources at its disposal to help detect passport fraud, and it has taken a number of important measures in recent years to enhance its efforts in this area. However, State still faces a number of key challenges. Included

among them is limited information sharing with TSC, the FBI, and other agencies, making it more difficult to protect the United States from terrorists, criminals, and others. State has begun working with these agencies to address this problem and is dependent on their cooperation to remedy it. Limited intra-agency information sharing and insufficient fraud prevention staffing, training, oversight, and investigative resources also make fraud detection more difficult. Together, these challenges constitute a serious concern to the overall effort to secure the borders of the United States and protect its citizens.

Recommendations for Executive Action

To improve the coordination and execution of passport fraud detection efforts, we recommend the Secretary of State take the following six actions:

- Expedite, in consultation with the U.S. Attorney General, Director of the Federal Bureau of Investigation, and Secretary of Homeland Security, arrangements to enhance interagency information sharing, and reach agreement on a plan and timetable for doing so, to ensure that State's CLASS system for passports contains a more comprehensive list of individuals identified in the Terrorist Screening Center database as well as state and federal fugitives and that such information is made available to State in an efficient and timely manner.
- Establish and maintain a centralized and up-to-date electronic fraud prevention library that would enable passport agency personnel at different locations across the United States to efficiently access and share fraud prevention information and tools.
- Consider designating additional positions for fraud prevention coordination and training in some domestic passport-issuing offices.
- Assess the extent to which and reasons why workload transfers from one domestic passport-issuing office to another were, in some cases, associated with fewer fraud referrals, and take any corrective action that may be necessary.
- Establish a core curriculum and ongoing fraud prevention training requirements for all passport examiners, and program adequate time for such training into the staffing and assignment processes at passport-issuing offices.

-
- Strengthen fraud prevention training efforts and oversight of passport acceptance agents.

Agency Comments and Our Evaluation

State provided written comments on a draft of this report (see app. II). State generally concurred with our findings, conclusions, and recommendations. State indicated that it had agreed in principle with the FBI on information-sharing arrangements concerning subjects of federal felony arrest warrants and planned to establish an automated mechanism for obtaining information from the FBI on the subjects of state warrants. State said that it was designing a centralized passport “knowledgebase” for passport examiners that includes information on fraud prevention resources. It said it would consider rotating GS-12 Adjudication Supervisors through local fraud prevention offices to relieve Fraud Prevention Managers of some of their training responsibilities. State is also establishing a standardized national training program for passport examiners, instituting a regular nationwide quality review program for passport acceptance agent work, and adapting and expanding computer-based training for U.S. Postal Service acceptance facilities for more widespread use among acceptance agents nationwide. State did not address our recommendation that it assess the extent to which and reasons why workload transfers from one domestic passport issuing-office to another were, in some cases, associated with fewer fraud referrals and to take any corrective action that may be necessary.

The FBI also reviewed a draft of this report for technical accuracy. The FBI’s comments have been incorporated into the report, as appropriate.

As we agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the date of this letter. We will then send copies to interested congressional committees and the Secretary of State. We will also make copies available to others on request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-4128 or fordj@gao.gov. Additional GAO contacts and staff acknowledgments are listed in appendix III.

A handwritten signature in black ink that reads "Jess T. Ford". The signature is written in a cursive style with a large, looping initial "J" and a distinct "T" and "F".

Jess T. Ford
Director, International Affairs and Trade

Scope and Methodology

To examine how passport fraud is committed, we reviewed State Department Bureau of Diplomatic Security closed passport fraud case files and Bureau of Consular Affairs statistics on passport fraud. We also met with officials at State's Diplomatic Security Headquarters Criminal Division and at Diplomatic Security's Field Office in Miami and conducted telephone interviews with Diplomatic Security officials at field offices in Chicago and San Francisco.

To identify and assess the key challenges State faces in detecting passport fraud, we directly observed State's fraud detection efforts at 7 of its 16 domestic passport-issuing offices; tested State's use of electronic databases for fraud detection; analyzed fraud referral statistics from the Bureaus of Consular Affairs and Diplomatic Security; and interviewed cognizant officials in both of these bureaus. We visited State's passport-issuing offices in Charleston, South Carolina; Los Angeles; Miami; New Orleans; New York; Seattle; and Washington, D.C. We chose these fieldwork locations to gain an appropriate mix of geographic coverage, workload, levels and types of passport fraud, and counter-to-desk adjudication ratios. In addition, we chose the Charleston office because it is one of the two passport "megacenters" responsible for adjudicating applications from other regions.

To test the electronic databases that State uses to help detect fraud, we ran the names of 67 different federal and state fugitives against State's CLASS name-check system. Our test was not intended to employ a representative sample, and we did not generalize our results to the universe of wanted U.S. citizens. The test results were intended to provide a firsthand illustration of a problem that State and Federal Bureau of Investigation (FBI) officials acknowledge exists.

- We selected names of individuals with federal and state warrants from a variety of government agencies and offices—the FBI; U.S. Marshal's Service; Bureau of Alcohol, Tobacco, Firearms, and Explosives; Drug Enforcement Administration; U.S. Postal Service; and various state and local law enforcement offices. Many of the names were taken from publicly available Internet sites, including those operated by the FBI and Department of Justice.
- We verified that all of the individuals were listed as "wanted" in the FBI's national criminal database as of the date of our test in December 2004.

- In December 2004, we supervised the entry of the name and date of birth of each of the 67 fugitives into State's system by an Office of Passport Services official. Three GAO employees verified each entry's accuracy.
- For each entry, we recorded whether State's system contained a record of that fugitive and, if it did, we noted the type of "lookout" that had been entered, such as wanted person information from the U.S. Marshal's Service or a child support "lookout" from Health and Human Services.

We analyzed fraud referral statistics from the Consular Affairs Office of Passport Services and the Bureau of Diplomatic Security for fiscal years 2000 through 2004. We reviewed the statistics and verified their accuracy by comparing select data with the individual issuing offices' monthly reports that are State's original source for compiling these data. Together with Passport Services officials, we identified the methods used to capture and compile the data and determined that the data were sufficiently reliable and generally usable for the purposes of our study. We did not use data elements that we did not deem reliable.

At each of the 7 offices we visited, we conducted interviews with officials such as the Regional Director, Assistant Regional Director, Fraud Prevention Manager, Adjudication Manager, Customer Service Manager, supervisors, and certain passport examiners.¹ We interviewed some examiners who expressed an interest in meeting with us and chose others at random. We conducted telephone interviews with the Fraud Prevention Managers at all 9 of the offices that we did not visit, using a list of questions identical to that used in interviews with their counterparts at offices we visited. We also met with Diplomatic Security agents attached to field offices responsible for investigating fraud suspected at the offices we visited. In addition, we interviewed cognizant officials in Consular Affairs' Office of Passport Services, Office of Consular Fraud Prevention, and Consular Systems Division; the Bureau of Diplomatic Security; and the Office of the Inspector General. We also met with FBI and Terrorist Screening Center officials, including attorneys, to discuss technical and potential legal issues that might affect interagency information sharing arrangements with State.

¹At each office we visited, we met with almost all of these officials. In a few instances, one or two of these officials were not available during our visit, and, in these cases, we addressed the relevant questions to their superiors.

To assess the potential effect of new performance standards, which were implemented in January 2004, on State's fraud detection efforts, we reviewed the methodology and criteria that State used in developing the new standards. We compared the adjudication processes that were in place when State tested examiner production capacity with those in place when State implemented the new standards and against which it applied them. We interviewed passport examiner union representatives and select examiners at the 7 offices we visited and the fraud prevention managers at all 16 domestic passport-issuing offices to obtain their views on the potential effect of the new standards on fraud detection efforts. We also obtained views on the same subject from the Consular Affairs Passport Services officials who oversaw the development and implementation of and ongoing adjustments to the new standards.

We conducted our work from May 2004 to March 2005 in accordance with generally accepted government auditing standards.

Comments from the Department of State



United States Department of State

Assistant Secretary and Chief Financial Officer

Washington, D.C. 20520

MAY 12 2005

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

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, "STATE DEPARTMENT: Improvements Needed to Strengthened U.S. Passport Fraud Detection Efforts," GAO Job Code 320267.

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 John Hotchner, Director, Bureau of Consular Affairs, Office of Passport Services, at (202) 663-2427

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher B. Burnham".

Christopher B. Burnham

cc: GAO – Michael Courts
CA – Maura Harty
State/OIG – Mark Duda

**Department of State Comments on Draft Report by the
Government Accountability Office Entitled:
“Improvements Needed to Strengthen U.S. Passport Fraud Detection Efforts.”
(GAO-05-477 GAO Code 320267)**

The Department of State appreciates the opportunity to comment on the report of the Government Accountability Office entitled: State Department: Improvements Needed to Strengthen U.S. Passport Fraud Detection Efforts (GAO-05-477).

The integrity of the U.S. passport and the issuance process is of paramount importance to the Department of State. In view of the global desirability of the U.S. passport, we have long recognized that people may attempt to obtain one fraudulently. The Department has made significant technological and security enhancements throughout all aspects of our passport system to assist in combating fraud. The tragic events of September 11 inspired the Department to carefully review all aspects of passport operations to see where the security of the passport document and issuance processes could be enhanced, while providing the American traveling public with the best possible level of service. These efforts are ongoing and include a partnership between the Bureaus of Consular Affairs and Diplomatic Security and also involve other federal agencies.

Interagency Information Sharing Efforts

The Department is committed to working with other Federal agencies and State governments to share information to ensure the safety and security of our citizens and our nation, and was proactive in this area well before 9/11. An example of this effort is the Department of State’s partnership with the Department of Health and Human Services incorporating their 3-million plus name database of persons with child support arrearages into Passport CLASS to ensure that such individuals who are ineligible for a passport do not receive them.

Federal Level

We have a long-standing and effective working relationship with the law enforcement community. Today, we have nearly 50,000 names of fugitives or individuals of interest to law enforcement in the Passport CLASS lookout

system. About half were entered individually as a result of our reaching out to the law enforcement community and advising them of our ability to help with interdicting fugitives. The other half of the law enforcement entries represent the U.S. Marshals Service (USMS) federal fugitive warrants, a database that the Department took the initiative to obtain.

While our efforts with USMS have been successful, we can and do want to do more to ensure that we have a comprehensive list of persons subject to federal warrants. Thus, we now have an agreement in principle with the FBI Headquarters Violent Crimes Section. The letter mentioned on page 12 of the GAO report was discussed in draft with the FBI at the end of February, and was sent in final on April 20. Making the data exchange a reality at the earliest possible moment is among our highest priorities.

In terms of terrorism, the Department of State already receives extensive information from the Terrorist Screening Center (TSC) on foreign terrorists. We want similar information from the TSC on U.S. persons of interest to be included in Passport CLASS. Both the Department and TSC are actively working to establish this important link.

State Level

In the matter of wanted persons at the state level, the Department receives some of this information directly from state and local law enforcement agencies, largely as a result of our reaching out to the law enforcement community and advising them of our ability to help with interdicting fugitives. In this regard, in 2004 the Assistant Secretary for Consular Affairs wrote to all the States' Attorneys General to offer our services. State is anxious to establish an automated mechanism through which we can integrate a comprehensive database of state warrants information into Passport CLASS. We are continuing to work toward this goal with both the FBI and the USMS, which maintains an electronic file of state fugitive information.

Staffing of Passport Agency Fraud Office

In 2003, the Department decided to increase the training of all Passport Specialists in fraud prevention work by rotating them through the fraud office and move away from permanent AFPM assignments. This decision was made to afford all GS-11 Passport Specialists specialized experience in detecting fraud. There are now at least two rotating Specialists working in the fraud

3

office of most agencies, one of whom is on a long-term detail to serve as a back up to the FPM. The Department continues to believe that rotating Specialists through the Fraud Office will have the long-term effect of increasing fraud detection by our front-line personnel.

This decision is already paying dividends. Statistics for the first four months of FY 2005, after nearly a year of Passport Specialist rotations, demonstrate that referrals to the fraud offices from Passport Specialists are up 5% over last year, and referrals of presumptive fraud from the FPMs to Diplomatic Security (DS) are up 11%. This indicates that not only the quantity of referrals is up from the Specialists, but also the quality of the referrals.

As further evidence of our anti-fraud efforts, we began last month the first of a series of unannounced post-adjudication audits at our field agencies and centers to determine the effectiveness of our Fraud Prevention Program. The reviews are conducted on passport applications that have been adjudicated, but not yet issued. The first of these audits occurred the week of April 18. Three-person adjudication teams visited four passport agencies/centers. In each agency the teams examined a statistically valid number of applications with a confidence interval of more than 98% and ran Choice Point checks on approximately 40% of the sample. As the attached report indicates, the teams reported finding only minor adjudicative errors.

The move away from “permanent AFPM assignments” is still relatively new. In response to concerns expressed by the FPMs about the amount of time spent training newly assigned Specialists, we are currently considering whether to rotate a GS-12 Adjudication Supervisor through both the fraud prevention and customer service offices to shift more of the training responsibility to that function rather than the FPM. We will continue to seek input from our agency staff on ways to strengthen our fraud prevention program.

Passport Specialists Performance Standards

The Department is committed to the integrity of the passport process, and will continue to monitor the Passport Specialists performance standards in light of changing operational, technological and security-related aspects of the passport function.

Headquarters Support

The Department fully recognizes that workload changes and our enhanced focus on security must be reflected in the way we staff and manage Passport Services. The reorganization of Passport Services now in progress calls for a reduced span of control for the Office Director responsible for fraud prevention, as well as a division and division chief to focus on fraud prevention.

Diplomatic Security

Diplomatic Security (DS) support of the fraud prevention program is increasing. DS will create 16 civil service Special Agent positions this fiscal year for assignment to the DS field offices. These 16 agents will focus on providing continuity in the DS criminal investigations program and mentoring new Foreign Service Special Agents in investigations. The 16 positions will join 8 civil service Special Agents placed in the field offices in FY 04. DS plans to establish approximately 40 additional Special Agent positions as soon as feasible.

As with any other law enforcement agency, DS must prioritize and concentrate on the most substantive criminal investigations. The goal is to devote more time to criminal investigations that have a higher impact on the safety and security of the United States. High priority investigations include cases with a possible terrorist nexus, vendors of travel documents, fugitives, passports issued in error, or identity theft. Simple passport fraud involving cases where the applicant never obtained the passport, used low quality documents or unsophisticated methods that were easily detected, and that have no apparent nexus to terrorism are given a lower priority and fewer investigative assets are assigned. In recent years field offices and headquarters criminal investigative elements have been directed to prioritize their investigations, which is critical given the large number of cases DS investigates each year.

Fraud Prevention Training

Acceptance Agents

Each passport agency and center maintains an Acceptance Agent training plan. Acceptance agents undergo continuous development including through computer based training, monthly newsletters, periodic bulletins, and classroom instructions that includes fraud detection techniques. Some passport agencies conduct quality reviews of acceptance facility work in their regions, with the Customer Service Manager or assistant providing feedback directly to the facility. These reviews have been so successful in improving the quality of the applications received in those regions that we will institute a review program nationwide. Additionally, plans are well underway to adapt the comprehensive computer-based training USPS developed for its passport acceptance staff for use with other types of acceptance agents.

National Training Program

Another indication our commitment to the integrity of the passport process is the implementation of a standardized national training program, which covers adjudication and processing procedures for Passport Specialists. Rather than providing training at the agency level, we now train our Passport Specialists centrally so that all Specialists receive the same level of training. We continue to review and modify the curriculum to further enhance the program and to accommodate changes in the law as they occur.

Passport Knowledgebase

The Department recognizes that having a centralized data base of passport information accessible to all Passport Specialists will greatly enhance the adjudication process and our ability to combat passport fraud. The Department is designing a centralized passport “knowledgebase” for use by passport specialists. This on-line reference library will include extensive sections on fraud prevention, citizenship law and its application, and customer service.

Attachment:

Post Adjudication Audit Results

**Appendix II
Comments from the Department of State**

**Interim Report Passport Adjudication Audits
Conducted Week of April 18-22, 2005**

Agency	Apps. Reviewed	Category 1	Category 2	Category 3	Category 4*
Boston	1230	1226	2	0	2
CPC	1282	1269	12	0	1
CT	1121	1121	0	0	0
NPC	1242	1238	4	0	0
Totals:	4875	4854	18 (.00369%)	0	3 (.00063%)

Category 1 - No fraud problems detected or suspected; no or only minor adjudication practice problems
 Category 2 - Serious adjudication flaws that should be brought to the attention of the Adjudication Manager
 Category 3 - Presumed frauds based on findings and/or ChoicePoint; referred to the Agency FPM for referral to DS
 Category 4 - Possible frauds, referred to the FPM for further work including verification of citizenship and/or identity evidence.

Extending these results out to a total workload of 9,750,000 applications results in:
 Serious adjudication flaws: 36,000
 Possible frauds: 4,000

* Category 4 (Possible Frauds) relates only to cases that were referred for additional checking. They may turn out not to be frauds; one was determined not to be a fraud while the team was on-site, and has been deducted from the Possible Frauds figure shown. The other cases referred to the FPM will undergo further review and will be accounted for in the final report.

Notes:

- About 30% of the applications were run against ChoicePoint.
- This was the first group of reviews, and in some sense was a test of the methodology, and review team concept. In general, these proved out. Teams recommended that more applications be reviewed and that glitches in the ChoicePoint process be worked out. The next set of Audits will be scheduled once the final report is complete, and those suggestions will be considered.

GAO Contact and Staff Acknowledgments

GAO Contact

Michael Courts, (202) 512-8980

Staff Acknowledgments

In addition to the individual named above, Jeffrey Baldwin-Bott, Joseph Carney, Paul Desaulniers, and Edward Kennedy made key contributions to this report. Martin de Alteriis, Etana Finkler, and Mary Moutsos provided technical assistance.

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