



KPMG Consulting

**Immigration and Naturalization
Service**



**H-1B Data Collection Management
Overview**

Future Process Report

June 6, 2000



Topics

- Purpose
- Process Overviews
- The Need for Improvement
- Recommendations
- Implementation Considerations
- Summary

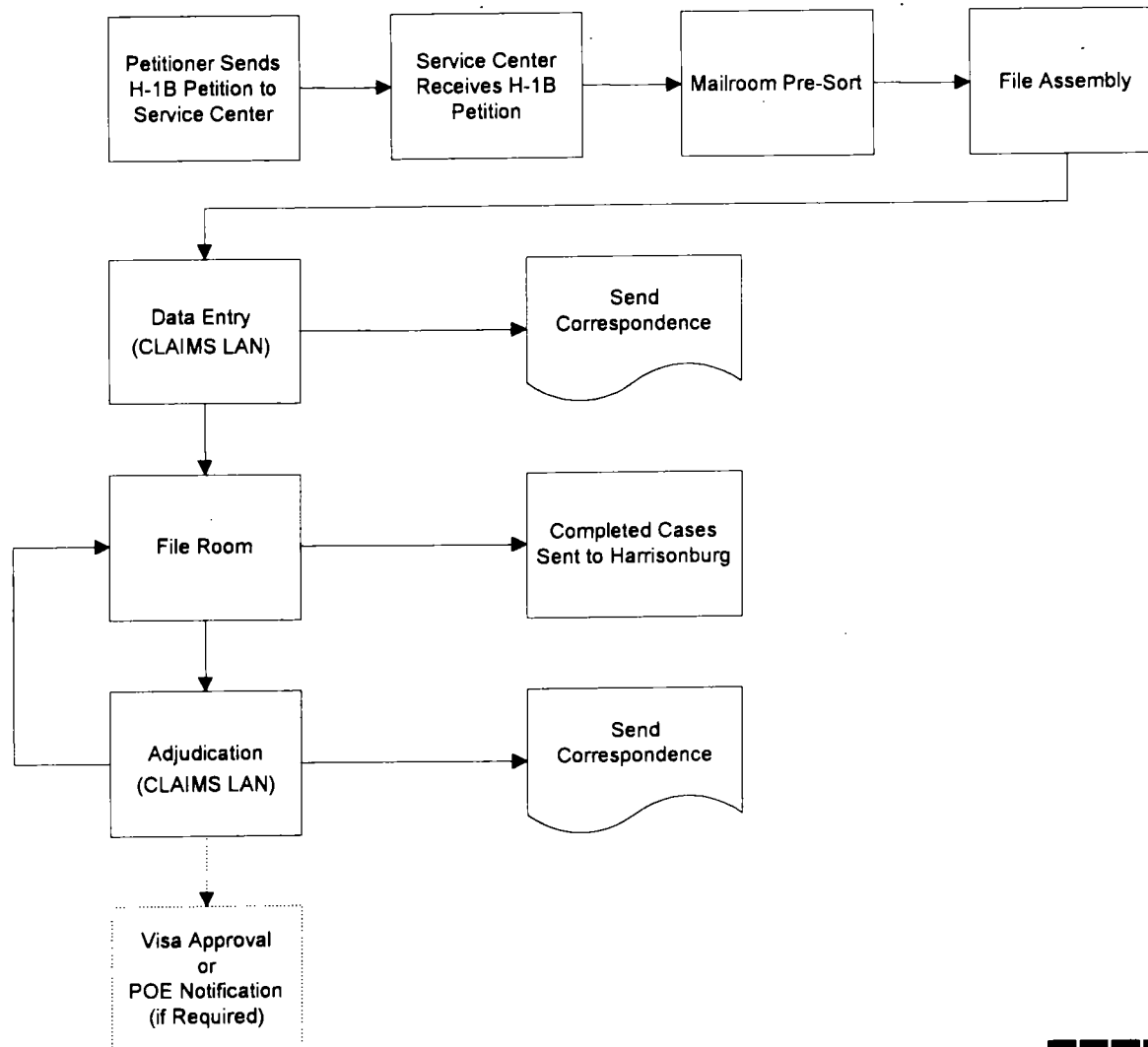


Purpose

- KPMG Consulting, LLC was tasked to identify and recommend improvements to the H-1B Cap-Count and H-1B petition process
- The H-1B Future Process Report was delivered on May 26, 2000
- This presentation summarizes recommendations described in the report

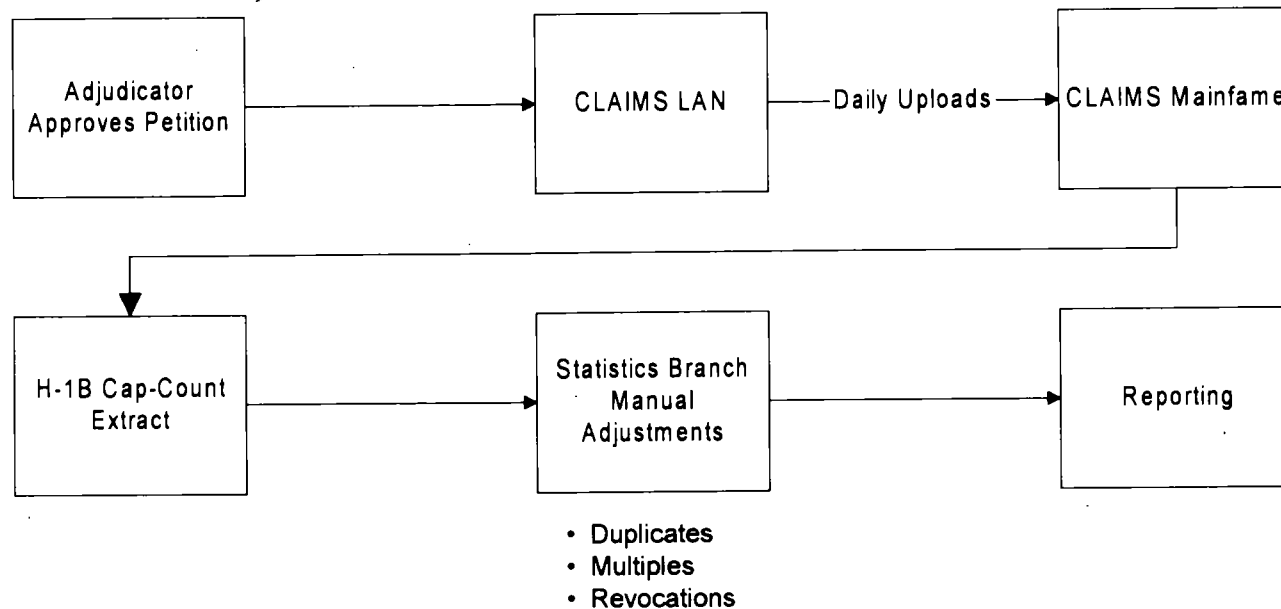


Overview of H-1B Petition Process





Overview of Cap-Count Process





What Drives the Need for Improvement

- Legacy systems (CLAIMS) perspective:
 - CLAIMS is a “document management” system which captures fee-receipting/ adjudication transactions and supports Service Center workflow
 - CLAIMS was not originally designed to identify “Cap” petitions or to automatically count them once identified
 - Challenges exist both with “patching” CLAIMS functionality and with data availability
- Policy and business rule perspective:
 - Revocation treatment, Multiple-matching, and Prior-year-matching require further refinement and will be challenging to implement in software
- Additional business drivers:
 - Increasing workload at Service Centers will require greater efficiency
 - Increasing scrutiny from stakeholders will require greater accuracy/timeliness
 - Need to derive more value from corporate information



General Info on Recommendations

- With these Needs in mind, focused on identifying recommendations to improve the accuracy of the Cap-Count - however, did identify additional recommendations for improving H-1B processing in general
- Identified general advantages/disadvantages and Rough Order of Magnitude (ROM) cost estimate for each recommendation - INS must take into consideration the cost/benefit value of each before implementing
- Recommendations identified in three categories:
 - Conducting the Count;
 - Improving the data used for the Count; and
 - Improving the H-1B process at the Service Centers



Conducting the Count

- For the FY 2000 Count...employ a method similar to the Master Cap Database approach used to derive the FY 1999 Count
 - Circumvents CLAIMS data aggregation challenges
 - Already in use by INS
 - Complete specification provided for INS use
- For the FY 2001 Count...three options:
 - Use CLAIMS only; getting closer to the MCD results, highest risk - lowest cost
 - Use CLAIMS and MCD; lowest risk - highest cost
 - Use CLAIMS but validate at intervals with MCD for quality assurance; mid risk - mid cost
- Gain additional use from the MCD...if INS continues to use
 - Create a data warehouse to increase access to timely information for INS staff, INS management, and the public (given security considerations)
 - Multiple matching across Centers
 - Prior-year matching across Centers
 - Near real-time workload and process metrics
 - Determine status of individual petitions



Improving Data Used for the Count

(1 of 4)

- Implement standard processing procedures across Service Centers
 - Resolve process inconsistencies and increase uniformity of data captured across Centers
 - Creates one official standard and internal control for Center operations and would act as communication tool between HQ and Centers/employees
 - May not allow Centers to adapt to local conditions and will require resources and oversight from HQ staff
- Increase use of mandatory fields in CLAIMS
 - Modify CLAIMS to require input of certain biographic data
 - Increased accuracy of biographic data for multiple and prior-year matching
- Clarify the Form I-129
 - Responds to comments made by Congressional staff members
 - As part of next update process, consider defining/clarifying terms used on the form to minimize petitioner confusion, or to better identify a "Cap Case"
 - Clarifying perceived confusion could increase accuracy of submitted data, but also require changes to CLAIMS and the Cap-Count process



Improving Data Used for the Count

(2 of 4)

- Automate the Form I-129 submission process via the World Wide Web
 - Use context-sensitive help to clarify form completion, while the application ensures completeness of submitted data
 - Allow payment of fees via credit card
 - Assign/print receipt number as barcode for submittal with evidentiary documentation
 - Need to determine impact on establishing processing priority - electronic submittal vs. physical document receipt
 - Could decrease Center data entry costs and increase data accuracy
- Improve the ability to process rejects..."manual" vs. "system"
 - Establish policy defining manual rejects, how they should be tracked, and how notice should be generated
 - Modify CLAIMS to process all rejects by adding "Other" category
 - Could be incorporated into Standard Processing Procedures



Improving Data Used for the Count

(3 of 4)

- Improve the ability to identify individual versus multiple petitions
 - Inability to accurately associate all multiple petition submittals to an individual potentially inflates the Cap Count
 - Improvement could be realized by making biographic data mandatory in CLAIMS or in a Web-based application
 - Additional improvement through use of additional matching algorithms or software (e.g., "Sounds Like")
 - Could identify match during adjudication by providing on-line search capability of current (or prior year) petitions (similar to MCD data warehouse)
 - Unique identifier is theoretically possible, but difficult to accomplish
- Review the use of prior-year status in the Count process
 - INS addressing in forthcoming regulation for public comment by proposing when, if ever, an alien should be counted against the Cap more than once in a six-year period
 - Anecdotal testing in *Count Analysis* showed potential Count decrease of 3.5%
 - Implementing would potentially require the more-robust matching capabilities described previously



Improving Data Used for the Count

(4 of 4)

- Review Revocation processing
 - Some revocations may, or may not, be used depending on when they are received
 - Current regulations for revocation treatment should be clarified and documented
- Improve the aggregation of CLAIMS LAN data
 - Challenges with current CLAIMS mainframe-based Cap-Count method appear mostly associated with data aggregation processes
 - Improvement alternatives could be to: Consolidate all H-1B processing at a single Service Center (and LAN), or increase data connectivity between Service Centers
 - Decision for Service Center consolidation should be made on additional factors beyond simply improving the accuracy of the Cap-Count
 - Increasing data connectivity between Centers would require implementing a data warehouse similar to that previously discussed, but with real-time or near-real-time connectivity



Improving the H-1B Process at the Service Centers (1 of 2)

- Improve mailroom ability to identify types of mail
 - Revocations, withdrawals, motions, and consulate mail are difficult to identify in Service Center mailrooms and require additional processing
 - Develop standard forms for revocations, withdrawals, and motions for use by petitioners
 - * – Incorporate use of forms and identification of consulate mail in Standard Procedures
 - ✕ – Allow creation and submittal of standard forms via the World Wide Web
- Reject incomplete petitions
 - Current policy allows petition acceptance with only a signature and proper remittance
 - Accepting incomplete petitions increases processing time and allows creation of files with missing data
 - Modify policy to only accept complete petitions - probably requires Form I-129 change to identify/explain required information and result of non-compliance -- consider in conjunction with previous discussion on modifying the I-129
 - Decrease average processing time, but probably decrease customer satisfaction as well



Improving the H-1B Process at the Service Centers (2 of 2)

- Increase accuracy of tracking returned remittances
 - Process for tracking remittance checks relies on clear/accurate recording of receipt number on the remittance -- illegible/incorrect receipt numbers increase effort to track down correct petitions; INS unable to claim money owed when a returned check cannot be traced to its corresponding petition
 - Install check-franking machines to print receipt numbers on checks
 - Accept credit card payments in place of checks
- Improve processing time for Requests for Evidence
 - Similar to Texas Service Center, consider use of "fax back" capability as an alternative to mail for RFEs
 - Many responses could be received in 24 - 48 hours instead of days/weeks
 - Information could flow directly from petitioner to adjudicator



ROM* Cost Estimates

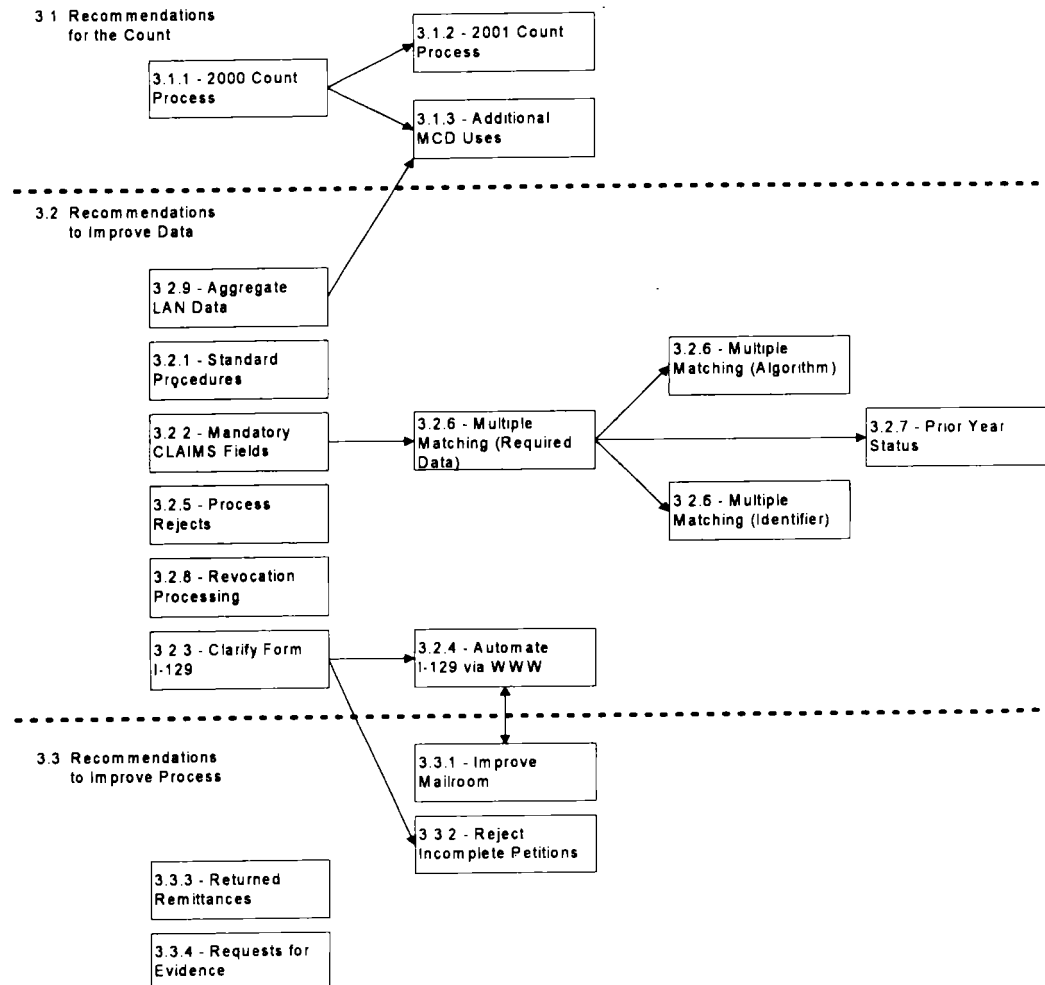
Recommendation		Timeframe to Execute In Months	ROM * Cost Estimate
Number	Title		
Recommendations for the Count			
3.1.1	Improve Count Process for FY 2000	4 mos	\$170+K
3.1.2	Conducting the Count Process for FY 2001		
3.1.2A Utilize MCD Weekly		10 mos	\$308K
3.1.2B Utilize MCD Monthly as QA		10 mos	\$110K
3.1.3	Gaining Additional Use from the MCD	11 mos	\$1,294K
Recommendations to Improve Data			
3.2.1	Implement Standard Processing Procedures Across Service Centers	6 mos	\$1,043K
3.2.2	Increase Use of Mandatory Fields in CLAIMS	4 mos	\$256K
3.2.3	Clarify the Form I-129	21 mos	\$830K
3.2.4	Automate the Form I-129 Submission Process via the World Wide Web	9 mos	\$839K
3.2.5	Improve the Ability to Process Rejects	5 mos	\$276K
3.2.6	Improve the Ability to Identify Individual Versus Multiple Petitions		
3.2.6A Identify, Acquire, and Implement Matching SW		4 mos	\$274K
3.2.6B Match During Adjudication - See 3.1.3			
3.2.6C Identify and Implement Unique Identifier		21 mos	>\$10,000K
3.2.7	Review the Use of Prior-Year Status in the Count Process	4 mos	\$126K
3.2.8	Review Revocation Processing	2 mos	\$29K
3.2.9	Improve the Aggregation of CLAIMS LAN Data		
3.2.9A Consolidate H-1B Processing at Single Service Center		16 mos	>\$15,000K
3.2.9B Increase Data Connectivity Between Centers - See 3.1.3			
Recommendations to Improve Processes			
3.3.1	Improve Mailroom Ability to Identify Types of Mail	17 mos	\$490K
3.3.1A Web-Enable Form Distribution and Submittal		9 mos	\$839K
3.3.2	Reject Incomplete Petitions	17 mos	\$490K
3.3.3	Increase Accuracy of Tracking Returned Remittances	6 mos	\$193K
3.3.4	Improve the Processing Time for Requests for Evidence (RFE)	6 mos	\$200K

* Rough Order of Magnitude (ROM)



Relationships Between Recommendations

- Diagram indicates the notional precedence and linkage between projects
- Dependency identified between projects does not mean predecessor absolutely has to be accepted/implemented
- Many successors can be implemented without predecessor





Summary

- Delivered Future Process Report
- Identified recommendations to improve the H-1B Cap-Count process and H-1B petition process
- Appreciate support from Headquarters and Service Center personnel



Federal Services Group

**Department of Justice
Immigration and Naturalization Service
H-1B Data Collection Management Overview**



FUTURE PROCESS REPORT

May 26, 2000
KPMG Consulting, LLC
McLean, VA

Table of Contents

<i>Title</i>	<i>Page</i>
Executive Summary	i
Introduction	1
Analysis of Current H-1B Process	5
Future Process Recommendations	12
Implementation Considerations	26

Appendix

Near-Term H-1B Cap-Count Details	A-1
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Executive Summary

The Department of Justice (DOJ), Immigration and Naturalization Service (INS) initiated the H-1B Data Collection Management Overview Project to improve the H-1B process and engaged KPMG Consulting, LLC (KPMG) to support the initiative. The purpose of this *Future Process Report* is to identify and recommend ways to improve the H-1B Cap-Count, the quality of the data used to generate the Cap-Count, and the H-1B petition process.

This report identifies sixteen sets of recommendations the INS can take to improve the Cap-Count and associated processes. These recommendations are divided into three categories:

- Recommendations for Conducting the Count;
- Recommendations to Improve the Data Used for the Count; and
- Recommendations to Improve the H-1B Process at the Service Centers.

Recommendations for Conducting the Count are identified in the following areas:

- Improve the Count Process for FY 2000;
- Conducting the Count Process for FY 2001; and
- Gaining Additional Use from the MCD.

Recommendations to Improve the Data Used for the Count are identified in the following areas:

- Implement Standard Processing Procedures Across Service Centers;
- Increase Use of Mandatory Fields in CLAIMS;
- Clarify the Form I-129;
- Automate the Form I-129 Submittal Process via the World Wide Web;
- Improve the Ability to Process Rejects;
- Improve the Ability to Identify Individual vs. Multiple Petitions;
- Review the Use of Prior-Year Status in the Count Process;
- Review Revocation Processing; and
- Improve the Aggregation of CLAIMS LAN Data.

Recommendations to Improve the H-1B Process at the Service Centers are identified in the following areas:

- Improve Mailroom Ability to Identify Types of Mail;
- Reject Incomplete Petitions;
- Increase Accuracy of Tracking Returned Remittances; and
- Improve Processing Time for Requests for Evidence (RFEs).

In addition to an explanation of each of the recommendations, this report also provides a Rough Order of Magnitude (ROM) cost estimate, as well as a schedule for implementing the recommendations. An overview of the total ROM cost and timeframe required for executing the identified recommendations is provided in the following Figure.

ROM Costs and Timeframe Estimates by Recommendation

Recommendation		Timeframe to Execute In Months	ROM* Cost Estimate
Number	Title		
Recommendations for the Count			
3.1.1	Improve Count Process for FY 2000	4 mos	\$170+K
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3.3.4	Improve the Processing Time for Requests for Evidence (RFE)	6 mos	\$200K

* Rough Order of Magnitude (ROM)

1.0 Introduction

The Department of Justice (DOJ), Immigration and Naturalization Service (INS), is responsible for the processing and approval of petitions submitted by United States (US) based employers, and their representatives, on behalf of nonimmigrant workers seeking temporary employment within the US. Though petitions can be submitted under various employment categories (e.g., H-1B, H-2A, H-2B, H-3, E, L, O, P, Q, and R) using the Form I-129 (Petition for Nonimmigrant Worker), in recent years the INS has recognized the need for improvements in the processing of the H-1B classification. The H-1B nonimmigrant classification allows foreign professionals to enter the US on a temporary basis to work in their field of expertise.

To improve the H-1B process, the INS initiated the H-1B Data Collection Management Overview Project and engaged KPMG Consulting, LLC (KPMG) to support the initiative. In support of the project, the INS tasked KPMG to address two major objectives:

- Provide a statistically valid estimate of the number of H-1B petitions approved by the INS that apply to the Congressionally mandated “Cap” of 115,000 for Fiscal Year 1999 (FY 1999). The Count Analysis Report¹ was delivered on March 9, 2000; and
- Identify potential improvements to the H-1B process. To meet this second objective, KPMG’s approach involved three major activities:
 - Document the current INS H-1B process in a *Current Process Report*²;
 - Identify recommended improvements in a *Future Process Report*; and
 - Document the process for collecting and distributing H-1B filing fees in a *Fee Process Report*³.

This *Future Process Report* provides recommendations for improving the H-1B Cap-Count, the quality of the data used to generate the Cap-Count, and the H-1B petition process.

1.1 Purpose

The purpose of this *Future Process Report* is to identify and recommend ways to improve the H-1B Cap-Count, the quality of the data used to generate the Cap-Count, and the H-1B petition process. This document relies on the *Current Process Report* to provide the reader with a background of the issues identified in this document for improvement. The main focus of this report is on providing recommended improvements to the H-1B Cap-Count. Though the main focus of this report is on immediate improvements to the Cap-Count process, additional recommendations are provided that can be implemented quickly, at a low cost, and have an immediate impact on improving H-1B processing.

¹ Immigration and Naturalization Service, H-1B Data Collection Management Overview, *Count Analysis Report*, March 9, 2000.

² Immigration and Naturalization Service, H-1B Data Collection Management Overview, *Current Process Report*, April 7, 2000.

³ Immigration and Naturalization Service, H-1B Data Collection Management Overview, *Fee Analysis Report*, May 24, 2000.

The process improvements are organized into the following three categories:

- Recommendations for Conducting the Count;
- Recommendations to Improve the Data Used for the Count; and
- Recommendations to Improve the H-1B Process at the Service Centers.

1.2 Background

US employers and their representatives can petition on behalf of alien nonimmigrant workers for employment within the US under various employment categories (e.g., H-1B, H-2A, H-2B, H-3, E, L, O, P, Q, and R) using the Form I-129 (Petition for Nonimmigrant Worker). The focus of this project and report is the petition for employment using the H-1B classification. The H-1B nonimmigrant classification⁴ is a specialty occupation classification that allows foreign professionals to enter the US on a temporary basis to work in their field of expertise. A specialty occupation is defined by law as an occupation that requires, as a minimum for entry into the occupation in the US, (1) theoretical and practical application of a body of highly-specialized knowledge and (2) attainment of a baccalaureate or higher degree in the specific specialty (or its equivalent). Examples of specialty occupations include accountants, computer analysts, engineers, financial analysts, scientists, architects, mathematicians, physicians, and lawyers.

In 1990, Congress amended The Immigration and Nationality Act, imposing a numerical limit of 65,000 on the total number of aliens that may be issued visas or otherwise provided nonimmigrant status during any Fiscal Year, under Section 101(a)(15)(H)(i)(b) of The Immigration and Nationality Act. In 1998, Congress passed The American Competitiveness and Workforce Improvement Act (ACWIA) which increased the numerical Cap to 115,000 for FY 1999 and FY 2000; and 107,500 for FY 2001. In FY 2002 and thereafter, the numerical Cap is scheduled to return to 65,000 H-1B visas or otherwise provided nonimmigrant status per year.

The INS has the responsibility for the maintenance and reporting of the H-1B petitions that apply to the Cap. In 1991, the INS promulgated implementing-regulations after notice and public comment, 56 Federal Register 61111. These regulations set forth procedures to allocate the available H-1B numbers under the Cap. The implementing regulations are still in effect and no substantive amendments have been made since 1991. Through consultation with the Department of State (DOS), the INS determined that the approved petition, a universal requirement of the H-1B proceedings, be counted for purposes of maintaining the Cap-Count and not the number of visas issued. It is important to understand that not all H-1B beneficiaries are required to obtain a nonimmigrant visa for admission to the US. Counting visas issued by the DOS would result in underreporting the number of nonimmigrant aliens that have been granted the H-1B nonimmigrant classification.

In recent years, the number of submitted petitions has exceeded the Cap imposed under the law. Prior to FY 1997, the number of approved petitions did not reach the numerical limit. In FYs 1997 and 1998, the Cap of 65,000 was reached prior to the end of the Fiscal Year. To

⁴ See OMB No. 1115-0168 "Instructions for Form I-129" pages 2-4 for a complete description of categories for an H-1B alien.

allow for continued processing, the INS still approved petitions for the remainder of each Fiscal Year⁵, however, the beneficiary was not allowed to begin work until the beginning of the next Fiscal Year on October 1.

During FY 1999, the INS announced on June 11, that it would stop accepting H-1B petitions for FY 1999 employment of H-1B Workers⁶; and that the Cap would be reached on June 15, based on petitions already filed. Petitions that had already been received for FY 1999 were processed, but the validity dates (the date employment can begin) were changed to the beginning of the next Fiscal Year. This guidance applied only to Cap-Case petitions; Non-Cap petitions were still accepted and processed for FY 1999.

In FY 1999, the INS determined through its own analysis that it may have exceeded the Cap for FY 1999. However, they were unsure of the accuracy of their Count. The INS decided to utilize a third party to review and determine the current estimate of the Cap-Count. The third-party, KPMG, delivered the *Count Analysis Report* on March 9, 2000, and confirmed that the INS did exceed the Cap in FY 1999.

The INS has been able to link the overage to computer problems that caused a key Cap-Count sorting field to be blanked out, incomplete uploading of H-1B petition information from the Service Center Local Area Networks to the INS Mainframe, and the double subtraction of revocations from the Cap-Count. The INS has committed resources to resolve these problems⁷.

1.3 Scope

The purpose of the *Future Process Report* is to identify and recommend process improvements to the H-1B Cap-Count Process, underlying data quality, and H-1B petition process. The primary focus of the report is to develop recommendations to improve the maintenance and generation of the annual H-1B Cap-Count. However, improvements throughout the entire H-1B petition process, many of which also have an impact on improving the annual Cap-Count, have also been identified. The report provides descriptions of the areas to be improved, impacts to the current process, process recommendations and benefits of implementing the process improvement. It should be noted that INS staff across the country provided valuable input in identifying process improvements for the H-1B petition process.

1.4 Methodology

The development of the future process was conducted through a review and analysis of the current processing environment, which was documented in the *Current Process Report*. The recommendations for the future process were developed through analyzing the current

⁵ In FY 97 the Cap was reached on September 1. 5,099 Cap-Cases were approved between September 2 through 30, 1997, but the beneficiary was not allowed to begin work until October 1, 1997. In FY 98, the Cap was reached on May 11. 19,431 Cap-Cases were approved between May 12 and September 30, but the beneficiary was not allowed to begin work until October 1, 1998.

⁶ Cap-case petitions received after the announcement were returned to the petitioners with correspondence indicating that the Cap had been reached and that the petitioner could change the date of employment to begin after October 1 and resubmit the petition or they could wait until after October 1 to file again.

⁷ The INS has updated the CLAIMS software to ensure the key Cap-Count field is not blanked out; and corrected the process of subtracting revocations from the Cap.

process and requesting ideas from INS personnel during the documentation of the current process. Additionally, KPMG visited the four Service Centers and reviewed public documentation on the H-1B process and other related issues.

1.5 Document Structure

The information in this report is provided in the following sections:

Section 1 – Introduction – provides the purpose, background, scope, methodology, and document structure of the report.

Section 2 – Analysis of Current H-1B Process – provides an overview of the current process, and the justifications for changing the current processes.

Section 3 – Future Process Recommendations – identifies the recommendations to improve the H-1B Cap-Count process, the underlying data quality, and the general H-1B petition process

Section 4 – Implementation Considerations – identifies additional considerations for implementation such as estimated time to complete each task and a Rough Order of Magnitude (ROM) estimate of the costs involved. The section also provides some thoughts on the relationships and precedence between individual tasks.

Appendix A – Near Term H-1B Cap-Count Details – provides a detailed description of the Master-Cap Database approach.

2.0 Analysis of Current H-1B Process

The purpose of this section is to review the current H-1B process, as described in the *Current Process Report* and to identify any issues or constraints affecting this process. This review includes the following:

- An overview of the current H-1B process; and
- The need for improvement.

These sections set the stage for the recommendations included in Section 3.0.

2.1 Overview of the Current H-1B Process

The H-1B process can be broken down into the following primary categories:

- The H-1B Cap-Count process, which encompasses the collection of H-1B Cap-Count information from CLAIMS, the manual adjustments to the information, and the reporting of the information to Congress and the public;
- The H-1B petition process, which covers the processing of the petition from the moment it is received at the Service Center until it is archived at the INS Depository in Harrisonburg, VA; and
- The Automated Information System (AIS), which supports the generation of the Cap-Count and the processing of petitions.

An overview description of the AIS, specifically the Local Area Network (LAN) Computer Linked Application Information Management System (CLAIMS), is provided since the AIS supports the H-1B Cap-Count and H-1B petition process.

2.1.1 Cap-Count Process

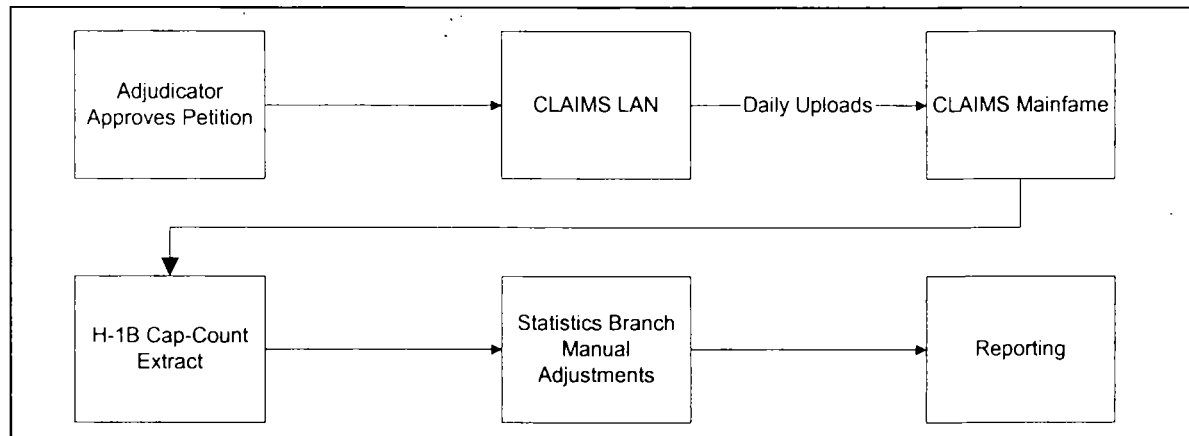
The INS process for determining the number of approved H-1B petitions applied against the Cap can be summarized in the following steps (See Figure 1):

- Approved Form I-129 petitions are entered into the CLAIMS LAN at each of the four INS Service Centers⁸. Approved Form I-129s are used for categories of nonimmigrant workers other than H-1Bs, such as H-2A, H-2B, H-3, E, L, O, P, Q, and R;
- On a daily basis, the LAN data from each Service Center is uploaded to the CLAIMS Mainframe, which is located in Dallas, TX;
- On a bi-monthly basis, the Office of Information Resource Management (OIRM) extracts the Form I-129 data used for the Count computation from the CLAIMS Mainframe; and

⁸ California Service Center (CSC) – Laguna Niguel, CA; Nebraska Service Center (NSC) – Lincoln, NE; Texas Service Center (TSC) – Dallas, TX; Vermont Service Center (VSC) – St. Albans, VT.

- At the INS Headquarters level, adjustments are made to the Service Center-provided LAN data; either through the automated extract process, or manually by the INS Statistics Branch. Adjustments are made to correct for Duplicate Records, Multiple Petitions, and Revocations.

Figure 1: H-1B Cap-Count Process



The INS categorizes approved H-1B petitions as Cap and Non-Cap. Non-Cap petitions are not subject to the Cap limitation. A petition will be counted towards the Cap if, in Part 2 of the Form I-129, the following blocks are marked⁹:

- Questions 2A and 4A, which indicate: “New employment” and “Notify the office in Part 4 so the person(s) can obtain a visa or be admitted; or
- Questions 2A and 4B, which indicate: “New employment” and “Change the person(s) status and extend their stay since they are all now in the US in another status (see instructions for limitations). This is available only where you check ‘New Employment’ in item 2 above.”

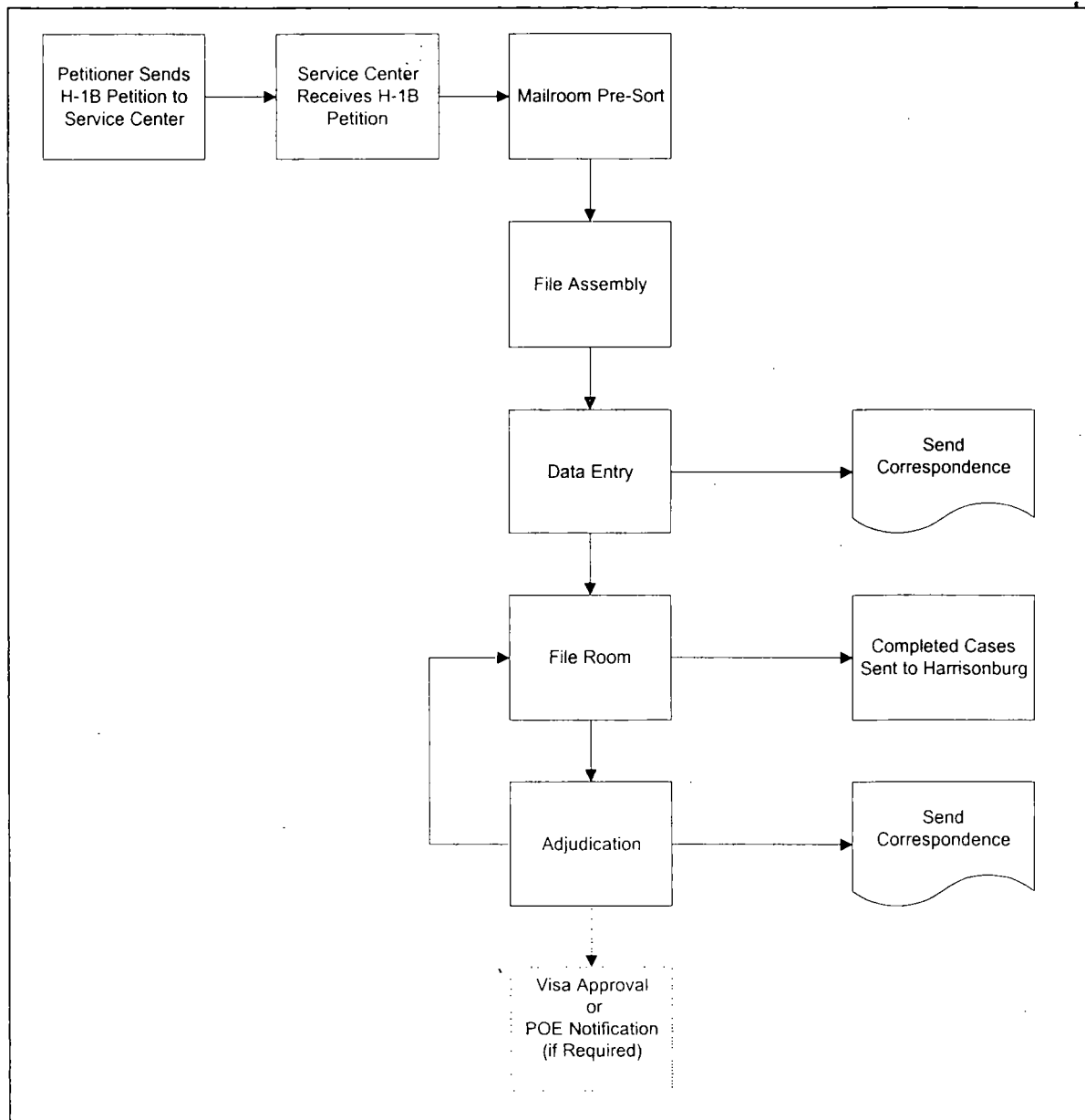
To meet the requirements for monitoring the Cap, the INS counts the number of approved H-1B Cap-Case petitions for each Fiscal Year. Twice a month, the Statistics Branch receives extracts from the Office of Information Resource Management (OIRM) indicating the number of approved petitions that meet the Cap-Case criteria, the number of Revocations processed, and the number of Multiple petitions identified. Multiple petitions are identified by matching the beneficiary’s Last-Name, First-Name, Date-of-Birth and Country-of-Birth to other approved Cap-Case petitions in the same Fiscal Year. Revocations and Multiple petitions are subtracted from the total approved petitions to determine the current Cap-Count. As the Cap is approached, the INS requests extracts more frequently from OIRM to monitor the Cap-Count more closely.

⁹ This definition is consistent with the INS Immigration Services Division, Service Center Operations, Operational Guidance Memorandum Number FY00-03, “Form I-129 and H-1B Cap Definitions and Proper Usage of Form I-824,” dated December 9, 1999.

2.1.2 H-1B Petition Process

The H-1B petition process can be summarized as follows (See Figure 2):

Figure 2: High-Level H-1B Petition Process Flow



- The Service Centers receive the H-1B petitions in the Mailroom and date-stamp each petition with the date it arrived at the Service Center.
- File Assembly clerks create a paper file which contains the original petition and all supporting documentation. This file becomes the official file of record for all activities associated with the petition.

- Data Entry clerks enter the petition information into the CLAIMS LAN and create an electronic version of the petition. The computer system generates a unique number for the file, known as a receipt number. The CLAIMS LAN generates a notice to the petitioner acknowledging the receipt of the petition at the Service Center and indicating the expected processing time. At this point, the Receipt of Alien File Accountability System (RAFACS) barcode, the INS' document locator system, is printed. The files are sent to the File Control Unit (FCU) until distributed to adjudicators.
- FCU clerks receive the files from data entry and sort the files into Cap and Non-Cap-Cases. This sorting is performed to control workload, allowing for continued processing of Non-Cap-Cases at the Service Centers if the annual Cap is reached. Files are then sent to the adjudicators based on local workload requirements.
- Adjudicators receive the files from the FCU, review the files and determine whether there is sufficient evidence in the file to support making a decision to either approve or deny the petition. If there is sufficient evidence, the adjudicator will make a decision. The decision will be recorded in the CLAIMS LAN by the adjudicator or a clerk supporting the adjudicator.
- In those instances where there is insufficient evidence for the adjudicator to make a decision, the adjudicator will send a Request for Evidence (RFE) to the petitioner, asking for any additional information required to support the petition. The petitioner must respond within a set period of time or else the petition will be considered abandoned and the adjudicator will deny the petition.
- Once the adjudicator's decision is made and the CLAIMS LAN has been updated, the paper file is retained at the Service Center for a short period of time to allow for any required reviews, or filing of Motions or Appeals. At the close of this period (which varies by Service Center), the paper files are then sent to the INS Depository in Harrisonburg, VA, for long-term storage.
- After a decision has been made the petitioner is notified. The petitioner provides a copy of the decision to the beneficiary.
- In the event the beneficiary associated with the approved petition is not in the US, notification is sent to the consulate or port of entry (POE) identified in the petition. The consulate will interview the beneficiary and either grant or deny the H-1B visa. In certain circumstances when the visa is denied, a "Memorandum of Investigation" (MOI) is sent back to the Service Center along with a copy of the petition, explaining the Consulate's actions.
- If the petitioner does not hire or decides to terminate the beneficiary listed on an approved H-1B petition, the petitioner is required to notify the INS. The petitioner would file a request for withdrawal of the approved H-1B petition, via letter, at the Service Center that approved the H-1B petition. At the Service Center, the request for withdrawal will be matched with the file and sent to an adjudicator for processing. The petitioner's written withdrawal of an approved H-1B petition results in the automatic revocation of the approved petition.

- In addition, a petitioner is subject to Revocation on Notice, if the Director of the Service Center that approved the H-1B petition finds that: the beneficiary is no longer employed by the petitioner in the capacity specified in the H-1B petition; if the statement of facts contained in the petition was not true or correct; if the petitioner has violated the terms and conditions of the H-1B program; or if approval of the petition was in violation of law or involved gross error. The Director of the Service Center will send the petitioner a notice of intent to revoke the petition, containing a detailed statement of the grounds for the revocation and providing the petitioner thirty days from receipt of the notice to submit rebuttal evidence. The Director of the Service Center is required to consider all relevant evidence in deciding whether or not to revoke an approved petition.
- The revocation of an approved H-1B petition also occurs automatically if the petitioner goes out of business.
- Once all required processing has been completed and any applicable hold or Appeal periods have passed, all H-1B files are transferred to the INS Depository in Harrisonburg, VA. Paper copies of all files and related correspondence are retained at the Depository for a six-year period. After this period, the files are destroyed.

2.1.3 Automated Information System

The CLAIMS LAN is a receipt tracking system in which the tracked entity is a form, i.e., a paper file containing an H-1B petition, that is first receipted and then processed as part of the ongoing H-1B process. The CLAIMS LAN provides users, including supervisors, with basic automated support for:

- Adjudicating cases;
- Processing various notices;
- Preparing deposit information for fees collected;
- Producing supporting documentation (e.g., signature cards) for files supported by the system; and
- Administrative functions related to the use of the system in support of the H-1B process.

The CLAIMS LAN is a hybrid application, with extensive functionality distributed between the Service Centers and the CLAIMS Mainframe in Dallas, TX. The LAN-based version of CLAIMS implemented at each Service Center is tightly coupled with a mainframe-based version of the same application. The “local” version of CLAIMS supports end users at each Service Center through four separate subsystems. These four subsystems are:

- Data Entry Subsystem – which provides users with automated support for the receipting and initial processing of applications and petitions. The Data Entry Subsystem is the entry point for receipting all applications and petitions accepted into the CLAIMS LAN. Its primary functionality is the receipting of fees and initial data entry into the CLAIMS LAN benefit processing. For data entry users, this support includes functionality associated with receipting or modifying cases and report generation.
- Adjudication (Case Analysis) Subsystem - which provides examination users with automated support for casework adjudication. The Case Analysis Subsystem is the adjudication component of the CLAIMS LAN environment. It provides automated support which allows an examiner to adjudicate a case, perform a batch status update, or print certain documents related to the adjudication of a case. This subsystem also supports the Administrative Appeals Office (AAO).
- Processing Support (Clerical) Subsystem – which provides the user with automated support for generating notices, such as approval notices. This subsystem provides users, including supervisors, with automated support for processing various notices, changing addresses, performing inquiries on case status, and producing manifests, cover sheets, and signature cards.
- Automatic Data Processing (ADP) Subsystem – which provides the user with a variety of system, data and network maintenance functions. Service Center-based end users perform very limited functionality using this subsystem, although local support personnel may do so.

CLAIMS is implemented in a LAN-based version at the Service Centers and in a mainframe-based version at the processing center in Dallas, TX. Locally, CLAIMS consists of a PC-based application which accesses data contained in B-Trieve datafiles which reside on one or more Novell servers (generally International Business Machines (IBM) NetFinity servers). These Service Center-based LANs are then linked to INS's Wide Area Network (WAN) through a series of NT servers. The mainframe version of CLAIMS houses its data in IDMS format on the Mainframe in Dallas, TX. The mainframe version of CLAIMS is updated from the LAN-based version through daily extracts from the LAN which are transferred to the mainframe over the WAN.

2.2 The Need for Improvement

As the *Current Process Report* illustrates, the INS is successfully processing Form I-129 petitions; the H-1B classification is a significant percentage of the total Form I-129 submissions. The INS has the responsibility to provide accurate and timely H-1B Cap-Count information, as well as to provide timely adjudication decisions. The current process for managing the Cap-Count has many challenges. The CLAIMS system was not designed to count petitions, provide workload information or automatically check for multiple submissions for the same beneficiary. CLAIMS functions well for its original purpose of processing and tracking documents; however, the INS' requirements have changed, and now needs CLAIMS to support additional functionality. Examples of new functions include:

- Have accurate H-1B information in near real-time;
- Be able to identify individuals that submit multiple petitions with slight variations in biographical data and count them only once against the Cap;
- Manage workloads at the four Service Centers when the number is approaching the Cap;
- Support the generation of an accurate and timely H-1B Cap-Count; and
- Split payments into multiple appropriation codes.

3.0 Future Process Recommendations

The purpose of this section is to document recommendations for improving the accuracy of the H-1B Cap-Count. KPMG is making these recommendations based on observations made predominately during the FY 1999 *Count Analysis* process. The INS has taken note of many of these issues and, in several instances, is already working to identify and implement improvements.

Even though the emphasis is on the Count, KPMG also identified additional recommendations for improving H-1B processing in general. Each recommendation has advantages and disadvantages - the INS must take into consideration the cost/benefit value for each recommendation when making a decision to implement the recommendation. For purposes of organizing this discussion, the recommendations have been divided into three general categories:

- Recommendations for Conducting the Count;
- Recommendation to Improve the Data Used for the Count; and
- Recommendations to Improve the H-1B Process at the Service Centers.

3.1 Recommendations for Conducting the Count

These recommendations deal with the mechanics behind actually producing an accurate Count of the number of Form I-129 petitions which count against the Cap. The recommendations address issues associated with improving the accuracy of the Cap-Count in a near-term (for FY 2000) and a long-term view (FY 2001 and beyond).

3.1.1 Improve the Count Process for FY 2000

To support analysis of the FY 1999 H-1B Cap-Count, KPMG developed a methodology and associated data processing schema which bypassed certain elements of the CLAIMS-based processing method. An overview of the methodology utilizing this "Master Cap Database" (MCD) approach is described in the *Count Analysis Report*¹⁰. The INS' review of the findings of that report, and the comparison of that methodology with their own, have helped to identify some specific issues with the count methodology the INS was using at that time. Many of those issues relate to anomalies which occurred when data was aggregated from the separate Service Center LANs to the CLAIMS mainframe computer.

From a timing perspective, the third quarter of FY 2000 has started, and the INS' Count of approved H-1B petitions is quickly approaching the current year Cap. Therefore, KPMG recommends, in the near-term, that the INS adopt a Count methodology similar to the one developed for deriving the FY 1999 Count which uses the MCD to bypass the CLAIMS mainframe aggregation process. Appendix A provides a detailed technical specification for determining the Cap-Count using the MCD approach.

In actuality, the INS has already recognized this need and is using this approach to prepare FY 2000 Cap-Counts for comparison to the traditional CLAIMS mainframe-based counting

¹⁰ Immigration and Naturalization Service, H-1B Data Collection Management Overview, *Count Analysis Report*, March 9, 2000.

process. By making this comparison, the INS can identify potential weaknesses and incorporate changes which should improve the CLAIMS mainframe-based approach for the future. If improvements to the CLAIMS mainframe-based approach are incorporated, the INS would be in a position to continue use of that approach for the future.

3.1.2 Conducting the Count Process for FY 2001

For the future, the INS can choose to either continue using the CLAIMS mainframe-based approach once they are confident all required modifications have been incorporated, or continue using the MCD approach, or use a combination of the two as a continuing check and balance.

- The most economical approach would potentially be to revert back to the singular use of the CLAIMS mainframe-based approach. However, given the frequent updates to the CLAIMS system, this approach could be the most risky.
- The highest cost approach would be to continue using both the CLAIMS mainframe-based approach and the MCD approach, where the MCD is updated on a weekly basis. However, because of the redundancy and the ability to continually compare results, this option would provide for the least amount of risk.
- The intermediate option would be to continue to rely predominately on the improved CLAIMS mainframe-based approach, but run the MCD-based process on a periodic basis as a quality assurance measure for the Count.

If the INS decides to continue using the MCD approach, there are additional improvements which could be made to gain additional value from the MCD.

3.1.3 Gaining Additional Use from the MCD

If the INS continues to maintain the accuracy of the MCD on a regular basis (as of the writing of this report the MCD is updated weekly), it could be modified to provide additional value for INS managers and decision-makers. In addition to supporting the accurate generation of the Cap-Count, the MCD could be turned into a data warehouse containing all information relevant to Form I-129 petitions (either just H-1B or potentially others). This data warehouse could be accessible by authorized users, in accordance with security policy and Privacy Act rules, at the Service Centers, Headquarters, and the public (for their own specific information) to perform such activities as:

- Multiple-matching across Centers;
- Prior-year matching across Centers;
- Near real time workload and process metrics; and
- Determining the status of individual petitions.

This concept could be used to increase access to information for all stakeholders in the petition process. This approach would not have to be limited to Form I-129 data alone. The concept could be applied to any electronic data maintained by the INS. The result would be a workbench for data analysis which could be used to answer a myriad of operational and

managerial questions. Additionally, this capability is not necessarily dependent on revising the MCD. The INS could (and we believe may already be) looking at this type of capability as a requirement for the next major revision of CLAIMS. A completely accurate cost for delivering this capability can not be determined until the complete scope of INS requirements is fully developed. However, general cost drivers would include: the number and complexity of the functions to be performed; necessary upgrades to the communications infrastructure to provide required bandwidth; and volume of data and storage capacity.

3.2 Recommendations to Improve the Data Used for the Count

CLAIMS is used to support the processing of Form I-129 petitions at the Service Centers. For purposes of this discussion, it is assumed that CLAIMS, or an improved version of CLAIMS, will continue to be used at the Service Centers to support workload processing. The following recommendations deal with improving the quality of the data which reside in CLAIMS and are subsequently used to generate the Cap-Count. Increasing the accuracy of the data and how it is treated, regardless of the counting process used (CLAIMS mainframe versus MCD) should lead to a more accurate Count.

3.2.1 Implement Standard Processing Procedures Across Service Centers

The results of this review indicate there are minor inconsistencies between Service Centers and how they process and adjudicate H-1B Form I-129 petitions. The Service Centers are operating independently of each other without a consistent method for processing H-1B petitions. To resolve these inconsistencies and support the capture of uniform data across all Service Centers, KPMG recommends the development and promulgation of detailed Standard Procedures for processing H-1B petitions.

The INS should create Service-wide Standard Procedures for H-1B processing, outlining all Service Center functions from the receipt of a petition in the mailroom to the archiving of a file at the Depository in Harrisonburg, VA. These procedures could be written by adopting the "best in class" written procedures at the Service Centers and incorporate them in the Service-wide Standard Procedures and could be modeled after the INS' Naturalization Quality Procedures (NQP).

The INS should verify the implementation of the Standard Procedures across all four Service Centers through the use of an inspection check-list or other means. This would demonstrate that the Service Centers are using the Standard according to the parameters established by Headquarters. The verification would also serve as an assistance visit to provide new guidance and policy changes that have been created by Headquarters.

These Standard Procedures would provide for consistent processing of H-1B petitions across all Service Centers and establish one official standard that is recognized by INS Headquarters and ensure all four Service Centers operate in the same manner. Additionally, Standard Procedures would establish internal controls for Service Center operations, as well as provide a clear vision and strategy for all Service Centers and the benchmark for processing H-1B petitions. Finally, the Standard Procedures could act as a communication tool between the INS Headquarters and Service Center employees.

In contrast, however, rigid standards may not allow Service Centers to adapt to local conditions. Additionally, the drafting and implementing of Standard Procedures will require appropriate resources from INS Headquarters and the Service Centers. Once drafted, the need will exist to re-train portions of the staff on modifications to their current processes. Finally, the creation of formal Procedures will require maintenance of these Procedures on an on-going basis.

3.2.2 Increase Use of Mandatory Fields in CLAIMS

All the data elements that must be filled out on the Form I-129 are not mandatory data elements in the CLAIMS LAN. Data Entry clerks, although governed by contract Standard Operating Procedures stating that they must enter in key information from the Form I-129, are not required by the CLAIMS LAN to input all this data.

Due to the lack of mandatory fields in the CLAIMS LAN, key biographical data from the I-129 form can be omitted during data entry into the system. This causes inaccuracies in matching the hard-copy petition file to the CLAIMS LAN record. It also means that individuals with multiple petitions are not clearly identified due to information not being inputted into the CLAIMS LAN, which may result in an inflated Cap-Count.

The INS should consider requiring the following fields identified in Figure 3 to be mandatory:

Figure 3: Proposed Data Field Parameters for the Form I-129 Screen, Part 2

Field	Currently Mandatory?	Current Restrictions	Recommended Mandatory?	Recommended Restrictions	Field Description
Nonimmigrant Class	No	Select from List	Same	Same	For H-1Bs, "1B1," "1B2," or "1B3" is Selected, Depending on the Nonimmigrant's Classification.
I-129W Attached?	Yes	No	Yes	Yes or No	If there is a Form I-129W Attached to the Petition, the Clerk Indicates "Y" for this Field.
Basis for Class	Yes	Select from List	Same	H-1B selection should automatically restrict the Total Number of workers in Petition to 1	Basis for Classification, as it Appears on the Form I-129 (Question 2).
Prior Petition	No	No	Same	Same	If the Beneficiary had Prior H-1B Status, Enter the Previous Receipt Number.
Requested Action	Yes	Select from List	Same	Same	Requested Action, as it Appears on the Form I-129 (Question 4).
Total Number of Workers in Petition	Yes	No	Same	Restrict to 1 if H-1B	H-1B procedures say 1, but the CLAIMS LAN does not prevent the inadvertent change of number.
Total Number of Dependents in Petition	Yes	No	Same	Restrict to 0	This will always be 0.

The INS should also require the following fields identified in Figure 4 to be mandatory:

Figure 4: Data Fields, Beneficiary Information Screen

<i>Field</i>	<i>Currently Mandatory?</i>	<i>Current Restrictions</i>	<i>Recommended Mandatory?</i>	<i>Recommended Restrictions</i>	<i>Field Description</i>
Name	No	None	Yes	Same	Beneficiary's Last, Middle, and First Name.
DOB	No	Date Format	Yes	Same	Beneficiary's Date of Birth.
COB	Yes	Select from List	Yes	Same	Beneficiary's Country of Birth.
SSN*	No	None	Same	Same	Beneficiary's Social Security Number, if He/She has One.
A#*	No	Must Start with "A"	Same	Same	Beneficiary's Alien Number, if He/She has One.
Date of Arrival*	No	Date Format	Same	Same	Beneficiary's Date of Arrival into the US, if Applicable.
I-94 #*	No	None	Same	Same	Beneficiary's I-94 Number, if He/She has One.
Current Status*	No	Select from List	Same	Same	Beneficiary's Current Visa Status, if Applicable.
Expires On*	No	None	Same	Same	Date Beneficiary's Current Status Expires, if Applicable.

*This data may not exist or be known in every case. Where it is available, however it should be mandatory.

Finally, the INS should update the pull-down list for Country-of-Birth, so that all countries and provinces are listed. For example, many of the former Soviet Union countries are not listed as options on the pull-down list.

Benefits of this approach include:

- The CLAIMS LAN updates would provide complete information on the petitioner and beneficiary;
- The CLAIMS LAN updates would allow the INS to better identify multiple petitions for the same individual based on matching biographic data; and
- The CLAIMS LAN updates would also improve that ability to distinguish between beneficiaries.

3.2.3 Clarify the Form I-129

During the course of this review, comments were noted during a discussion with Congressional and industry representatives that the Form I-129 is thought to be somewhat confusing and that the use of the block 2A/4A or block 2A/4B method of identifying a Cap-Case may be too indirect¹¹. In response to these and other comments from stakeholders, the

¹¹ Capitol Hill meeting with various industry representatives, INS and Senator Abraham's Staff on December 8, 1999.

INS is already working on revisions to the Form I-129 H-Supplement and has submitted a revised Form I-129 H-Supplement for public comment¹².

The next time the INS conducts a formal review of the Form I-129, they should consider modifications that would attempt to clarify and or define some of the terms used on the current form to minimize confusion among employers/petitioners (e.g., define "new" employment). In addition to reviewing potential modifications to improve clarity for petitioners, the INS could also identify modifications to improve the clarity of counting the petition against the Cap.

Clarifying any perceived confusion on the form could increase the accuracy of the data submitted and reduce average processing time due to decreases in the requirement to go back to petitioners with requests for additional data. However, any proposed changes may change the way the Cap-Count is generated and, therefore, may require changes to the underlying CLAIMS system and the Cap-Count process.

3.2.4 Automate the Form I-129 Submission Process via the World Wide Web

Using either the current Form I-129, or a future revision to the form, the process of receiving petition information could be improved by allowing the petitioner to submit petitions directly to CLAIMS via the World Wide Web. The application to provide this capability would be designed to make sure that all required information was completely supplied by the petitioner. It could also provide a context-sensitive help capability to help the petitioner complete and submit the form. This would benefit the petitioner by reducing the possibility of delays caused by submitting an incomplete form and also by providing computer-based answers to questions they may have while completing the form. The application could also allow payment of the petition fee through the use of a credit card, if any potential issues associated with payment tracking and control are resolved.

Like CLAIMS, the web application would require the capability to assign a unique receipt number to the submitted petition. The two systems would have to be interfaced to make sure the receipt numbers were coordinated and not duplicated. The web application would have the capability to print the receipt number as a barcode. Because the INS requires the petitioner to submit several pieces of evidentiary documentation with the Form I-129 petition, the petitioner would need to print their completed web-based petition, attach the required documentation with printed barcode, and submit the package to the appropriate Service Center. When the package is received at the Service Center, the data entry person would scan the barcode to display the petition data already submitted to the CLAIMS LAN, enter the date the additional data was received, and, if necessary, enter any additional remittance information.

The INS would have the option of determining if the submittal date of the electronic I-129, or the receipt date of the physical documents should be used to establish priority for processing the petition. Using the date of the electronic submittal could potentially incent petitioners to

¹² Federal Register: March 31, 2000 (Volume 65, Number 63)

make more use of the electronic submittal process, thereby decreasing data entry costs at the Service Centers and increasing the accuracy of petition information.

Benefits to incorporating this approach include: decreased data entry costs at the Service Centers; decreased receipt of incomplete Form I-129s; and shortening of processing times due to reduced instances of incomplete packages. The primary drawback is the initial development cost to create the web application and install the necessary technical and communications infrastructure, as well as the length of time and effort required to educate petitioners on the use of the new submittal option.

3.2.5 Improve the Ability to Process Rejects

Currently, there are two types of rejects - manual and system. Manual rejects are currently necessary because the CLAIMS LAN can only accept the data-entry of system rejects. Consequently, the Service Centers have created their own method for processing manual rejects - clerks individually type rejection letters into Microsoft Word and state the reason for rejection, for each reject found. The rejection letter and the entire petition are sent back to the petitioner.

Additionally, there is no set policy on what constitutes a manual reject; how, or even if, manual rejects are to be tracked; or how the rejection notice should be generated. The system rejects, however, are input into the CLAIMS LAN at all Service Centers, and the criteria for these rejects are the same across the Centers.

The manual process differs among the four Service Centers. There is no consistent methodology for processing manual rejects at the Service Centers and they each process them differently. Additionally, The manual rejects must be individually created, which creates additional work for the Service Centers and impacts processing times.

Additional resources are being applied to process these manual rejects. At each Service Center there are one to two Data Entry clerks designated to process manual rejects. This process is not as efficient as it could be, since processing rejects two different ways creates a demand on resources.

The INS should consider eliminating the separation of rejects. The CLAIMS LAN could then be updated to allow for the processing of all rejection types.

The three criteria that currently qualify as system rejects should remain unchanged in the CLAIMS LAN. However, an "Other" category could be added as a data-entry choice in the system reject warning "This case will be rejected because of no signature, incorrect fee, no signature or *other*. Reject this case? Y/N" sub-screen. If "Other" is selected by the user, a pull-down menu could then appear, allowing the clerk to choose from a list of all possible rejection reasons.

Potential benefits of this approach include:

- The CLAIMS LAN update would allow each Service Center to process all rejects in the same manner, thus reducing the possibility of human error; and

- The CLAIMS LAN update would also reduce differences in processing times and free up limited resources for other needs.

However, the CLAIMS LAN should be reviewed to see if it can be updated to list and accept all reject types.

3.2.6 Improve the Ability to Identify Individual Versus Multiple Petitions

The current process for identifying individuals with multiple petitions is to match the First-Name, Last-Name, Date-of-Birth and Country-of-Birth for each petition received. This process does not allow for misspellings or alternative spellings of names and other biographic data. The result is a possible inflation of the count as not all multiple petitions for an individual will be identified. A purely theoretical solution would be the establishment of a unique identifier for an individual which would be used on every Form I-129 ever submitted on that individual's behalf. Until that could be worked through and implemented, however, there are some immediate steps which could be taken to improve the ability to identify multiples.

Currently, biographic information on the Beneficiary (Last-Name, First-Name, Middle-Name, Date-of-Birth, and Country-of-Birth) can be omitted when entering information into the CLAIMS system. Ensuring that this information is entered into the system will improve the quality of matching multiple petitions to the same individual which will improve the accuracy of the Count by not counting the same individual more than once, see Section 3.2.2 and 3.2.4 for recommendations on improving the data integrity.

An additional possibility is to develop a process to identify individuals with similar names and matching biographic information through the use of a custom-developed matching algorithm or a commercial off the shelf (COTS) product. This process could be performed near the end of the year or as the Cap was close to being reached. Once suspected matches were identified, a determination could be made to pull the files for validation of the individual.

A longer-term alternative to identifying matches as part of the counting process would be to determine the match as part of the adjudication process. This would require providing an adjudicator the capability to execute an on-line search of current (and, potentially, prior) fiscal year records across Service Centers to determine if the beneficiary of a petition they are working was the beneficiary of any other petitions. The adjudicator could then review the other petition file data to make the determination that their current petition is, indeed, a multiple. Section 3.1.3 provides a recommendation to address this issue. The impact on processing time would be dependent on the final design and functionality of the MCD.

In theory, the ultimate solution for this could be the establishment of a unique identifier for an individual which would be used on every Form I-129 ever submitted on that individual's behalf. Establishing this identifier would require creating some form of relational database to specifically track beneficiary information which would be keyed off of the identifier and contain biographic and historic information on the individual. The source of the identifier would have to be researched, but theoretical possibilities include some form of non-immigrant alien registration process, the use of the individual's passport number, or biometric information such as fingerprints, face-prints or retinal scans. A cursory review

conducted by KPMG during the *Count Analysis*¹³ showed that approximately 1% of H-1B Cap-Case individuals had variances in biographic data which was slight enough to be considered a multiple petition. With a low occurrence of missing multiples and the large investment required for this solution, the INS may find this option impractical.

3.2.7 Review the Use of Prior-Year Status in the Count Process

The regulations are silent on the counting of an individual against the Cap in a current year that was counted against the Cap in a previous year. Current INS practice may result in the same H-1B beneficiary being counted more than once in a six year period if they cease working for the employer, leave the U.S. and seek to return with a new employer.

The INS has recognized the importance of clarifying the issue of counting an individual towards the Cap that is seeking concurrent employment or sequential employment and leaves the country to pick up their new documentation. The INS is addressing this matter in a forthcoming regulation for public comment by proposing when, if ever, an individual alien should be counted more than once against the Cap in a six year period.

Testing performed during the *Count Analysis* indicated anecdotally that this change in policy could decrease the annual Count somewhere around 3.5% (based on using the current individual-matching algorithm).

Actually implementing this change in policy would require the ability to accurately match current-year beneficiaries to prior-year applications using the matching techniques used to identify multiple petitions for individuals. Accurately matching prior-year data would potentially require the use of a more robust matching algorithm than the one currently used. This could also require modification to the CLAIMS system to provide real-time access to all current and historical petition data so that potential matches could be verified on-line during the adjudication process. Sections 3.1.3 and 3.2.6 provide recommendations for implementing this capability.

3.2.8 Review Revocation Processing

Regulatory guidance on the application of revocations is provided in 8 C.F.R. §214.2(h)(8), (11) and (12). The regulations are clear on the application of revocations to the Count where the approved petition is not used because the beneficiary does not apply for admission to the United States. However, the regulations are silent on the application of all other types of revocations as it relates to the Count, including revocations for Cap-Cases approved in previous years.

Currently, the INS applies all Cap-Case revocations received in the current fiscal year, regardless of the fiscal year the petition was originally approved, until the Cap-Count is reached. In FY 1998 and 1999, revocations were received after the Cap was reached and were not applied to the then-current year Cap-Count or the following year's Cap-Count. As a matter of practicality, it does not seem possible to create a system that would apply the revocations received after the Cap is reached since the INS is required by law to publish the

¹³ Immigration And Naturalization Service, H-1B Data Collection Management Overview *Count Analysis Report*, March 9, 2000.

date when the Cap is reached. The INS should consider clarifying the current regulation as it relates to this issue.

3.2.9 Improve the Aggregation of CLAIMS LAN Data

Problems identified with the current CLAIMS mainframe-based Cap-Count method appear to be associated predominantly with the processes required to aggregate data from the individual Service Center LANs and upload it to the CLAIMS mainframe. This step is required because each Service Center LAN is isolated and data transfer can only be accomplished through the physical transfer of magnetic media (diskette or tape cartridge) or via a telephone line and modem. The ability to accurately aggregate all H-1B petition data is necessary to generate an accurate Cap-Count. Given the current limitations of the Service Center LANs, two alternatives emerge to provide the necessary improvement for data aggregation. These include:

- Consolidating all H-1B processing at a single Service Center; or
- Increasing data connectivity between Service Centers.

Consolidating all H-1B processing at a single Service Center would serve to eliminate the data aggregation challenge – all data would already be aggregated on the Service Center's LAN. However, the impact of centralizing this process in one location may far outweigh the intended benefit of improving the accuracy of the Cap-Count. For consideration, other potential advantages and disadvantages which are being driven by other business reasons would have to be investigated. Some of these potential advantages include:

- Consistent processing of H-1B petitions;
- Improved economies of scale for processing H-1B petitions;
- Controlled workload of H-1B petitions – eliminating the likelihood of exceeding the Count;
- Consistent processing time frames;
- Validation of Cap-Count with hardcopy files; and
- Improved identification and resolution of errors in uploads to the CLAIMS mainframe.

Some potential disadvantages include:

- Additional facility space may be required if the “consolidated” Service Center does not have enough space to process and house all H-1B petitions;
- Workload of other petitions/applications would have to be shifted throughout the Service Centers;
- Key personnel may potentially resist relocating to a new facility;
- The need to retrain current or additional staff; and
- The Cap-Count is still dependent on the CLAIMS LAN.

An alternative to consolidating all H-1B processing at a single Service Center could be to increase data connectivity between the Service Centers and provide for a single virtual database of H-1B petition data. Compared to the cost of consolidating H-1B operations, and absent any other driving business reasons, this may appear to be a more cost-effective means of achieving this improvement. Implementation would require T-1 connectivity between Service Centers and Headquarters as well as the development of a data warehouse to draw the real-time LAN data together. This approach would provide the benefits already described in Section 3.1.3, but also provide access to all data in real time or near real time – depending on how data is updated into the data warehouse.

3.3 Recommendations to Improve the H-1B Process at the Service Centers

This set of recommendations deals with improving the work process used at the Service Centers to process H-1B visa requests. Although they do not necessarily lead to an improvement in the way the Cap-Count is determined, they are derived from observations and comments noted during the course of this review. Please note that these recommendations do not result from any detailed quantifying metrics. However, KPMG believes that they offer some level of improvement and are submitted here for INS consideration as part of INS' ongoing review of operations and focus on process improvement.

3.3.1 Improve Mailroom Ability to Identify Types of Mail

Service Centers have difficulty recognizing certain types of mail as it is received by the Service Center mailrooms. Specifically, Mailroom personnel cannot easily identify revocations, withdrawals, motions and consulate mail. Currently, these mail types are compiled together and labeled as general mail. General mail is given to Immigration Information Officers (IIO) to identify and forward to the appropriate operation within the Service Center for further processing.

The impact of this issue includes:

- Revocations, withdrawals, motions and consulate mail are difficult to identify in the mailroom and require further processing to identify, before forwarding to the appropriate operation within the Service Center for processing;
- The inability to process the above mail types in a timely manner directly affects the degree of customer service provided;
- Processing times are delayed due to the fact that the mail is not identified immediately upon receipt and forwarded to the operation needed to process the mail type; and
- Revocations are not being subtracted from the Cap-Count immediately. It can take weeks to sort revocations from general mail and to begin processing with an adjudicator, which adversely affects the Cap-Count.

To resolve the issue the INS should consider:

- Developing standard forms for revocations, withdrawals and motions. These forms should be unique to the specific type of mail. It is recommended that these forms be made available on the INS web-site for petitioners, and attorneys to download and send via US mail to the Service Centers, or to submit electronically via the World Wide Web. Section 3.2.4 provides ideas on web-enabling electronic submission of forms;
- The INS should also include examples of these new form types in the INS Service-wide Standard Procedures, if implemented, with specific instructions on how to identify types of mail received. Mailroom personnel would be able to reference the Procedures if a question or concern arose in the identification of mail. Section 3.2.1 discusses implementing Standard Procedures; and
- The INS should explain the identification of Consulate mail in the Service-wide Standard Procedures, as well. All consulate mail would have a return address in the upper left-hand corner of the envelope, which would identify the specific consulate or embassy from which the mail is being received. The return address would indicate that the correspondence contained inside the envelope is Consulate mail and should be forwarded to the File Control Unit (FCU) clerks for further processing.

The benefits of resolving the issue include:

- The implementation of a standard form for each mail type will provide mailroom personnel the ability to clearly identify mail as it is received in the mailroom;
- The standard forms would reduce the processing time of revocations, withdrawals and motions which would allow for a more accurate Cap-Count;
- The service provided to the customer would increase; and
- Both the paper-based and electronic standard forms would potentially allow for a reduction in human resources, as well as faster and more efficient sorting of mail received by the Mailroom.

However, the public would need to be notified and educated about the proper use of the new forms before any benefit could be achieved.

3.3.2 Reject Incomplete Petitions

The standing policy for the acceptance of a petition is that if the petitioner signs the petition and submits the proper payment, the INS will accept the petition regardless of its completeness (8CFR 103.2 (a) (7)). Accepting petitions with incomplete information increases the processing steps by the INS, allows for the creation of files with missing data, and, potentially affects the accuracy of the Cap-Count. The INS could revise its policy and state that only petitions that have been properly filled out in their entirety will be accepted - all other submissions would be returned to the petitioner. This would probably require a change to the Form I-129 so that the instructions on the form would clearly indicate which

data is mandatory and what the result of non-compliance would be. Therefore, this policy change should be considered in conjunction with the Form I-129 changes discussed in Section 3.2.3.

Advantages would include increased accuracy of initial CLAIMS data, and a reduction in the average time to process petitions. Disadvantages could include a potential decrease in recognition of fee revenue when petitions are returned, a decline in customer satisfaction as petitioners could lose their place in the queue, as well as the need to enhance the Service Center mail room process to identify and return incomplete petitions.

3.3.3 Increase Accuracy of Tracking Returned Remittances

Data Entry clerks receive the petitioners' remittances, along with the petitions. Once the clerks have entered all relevant payment information into the CLAIMS LAN, they hand-write the receipt number, which is automatically assigned by the CLAIMS LAN, onto the remittances. The files' receipt numbers are noted on the payments so the INS can trace the payments back to their original files, once a check has been separated from its file. The process for tracking checks relies on the clear and accurate recording of the receipt number on the remittance.

The impact of this issue includes:

- In the event that the receipt number on a returned check is illegible or incorrect, the INS must expend resources tracking down the correct petition and could potentially place the wrong petition on hold pending repayment of the returned check.
- The INS is unable to claim money owed because it cannot trace a returned check back to its corresponding petition.

To resolve the issue the INS should consider:

- Installing check-franking machines at every Data Entry clerk's station at all four Service Centers. These check-franking machines would print the receipt numbers onto the checks during the Data Entry process; and
- Accepting credit card payments in place of checks.

The Benefits of resolving the issue include:

- Remittances could always be tracked to the correct petition; and
- The likelihood of placing the wrong petition on hold is reduced.

3.3.4 Improve Processing Time for Requests for Evidence (RFE)

When an adjudicator does not have sufficient information to make a decision, the adjudicator can submit an RFE to the petitioner. Currently, when the Service Centers send the petitioners RFEs, they include an easily-identifiable RFE cover sheet (at the Nebraska Service Center, they include an envelope with a red-stripe). These sheets and envelopes are

used to identify RFEs when the documentation is returned to the Service Centers. After receiving the requested information from the petitioner, the case is returned to Adjudication.

The RFE process, as it currently functions, could be faster for many requests. Processing the RFE's through the U.S. Mail adds days to the process.

To resolve the issue INS should consider:

- Implementing the use of fax machines (a.k.a. "fax back"), which are currently being used as an alternative to the mail-in process at the Texas Service Center. The cover sheet would contain the adjudicator's identification number, so the response could be returned to the proper adjudicator. The case file would be kept on the adjudicator's desk or in the adjudicators work area, since many petitioners would respond within twenty-four hours. In the event that a response is not received in forty-eight hours, the adjudicator would follow up with a mailed notice.

The benefits of resolving this issue include:

- The "fax back" RFE would make the RFE process more efficient. Many responses to RFEs could be received in 24 - 48 hours instead of several days or weeks;
- The "fax back" RFE would reduce the Mailroom's and File Room's involvement in the process and allow for optimization of resources, since the requested documentation would go straight from the petitioner to the adjudicator.
- Postage costs would be reduced.

4.0 Implementation Considerations

The purpose of this section is to document additional considerations for implementing the recommendations identified in Section 3.0. Specifically, these additional considerations include a Rough Order of Magnitude (ROM) cost estimate for implementation, a notional implementation schedule for each recommendation, and the relationship and precedence between tasks.

4.1 ROM Cost and Timeframe for Each Recommendation

Figure 5 provides an overview of the total ROM cost and timeframe required for executing the identified recommendations.

Figure 5 – ROM Costs and Timeframe Estimates by Recommendation

Recommendation		Timeframe to Execute In Months	ROM* Cost Estimate
Number	Title		
Recommendations for the Count			
3.1.1	Improve Count Process for FY 2000	4 mos	\$170+K
3.1.2	Conducting the Count Process for FY 2001		
3.1.2A	Utilize MCD Weekly	10 mos	\$308K
3.1.2B	Utilize MCD Monthly as QA	10 mos	\$110K
3.1.3	Gaining Additional Use from the MCD	11 mos	\$1,294K
Recommendations to Improve Data			
3.2.1	Implement Standard Processing Procedures Across Service Centers	6 mos	\$1,043K
3.2.2	Increase Use of Mandatory Fields in CLAIMS	4 mos	\$256K
3.2.3	Clarify the Form I-129	21 mos	\$830K
3.2.4	Automate the Form I-129 Submission Process via the World Wide Web	9 mos	\$839K
3.2.5	Improve the Ability to Process Rejects	5 mos	\$276K
3.2.6	Improve the Ability to Identify Individual Versus Multiple Petitions		
3.2.6A	Identify, Acquire, and Implement Matching SW	4 mos	\$274K
3.2.6B	Match During Adjudication - See 3.1.3		
3.2.6C	Identify and Implement Unique Identifier	21 mos	>\$10,000K
3.2.7	Review the Use of Prior-Year Status in the Count Process	4 mos	\$126K
3.2.8	Review Revocation Processing	2 mos	\$29K
3.2.9	Improve the Aggregation of CLAIMS LAN Data		
3.2.9A	Consolidate H-1B Processing at Single Service Center	16 mos	>\$15,000K
3.2.9B	Increase Data Connectivity Between Centers - See 3.1.3		
Recommendations to Improve Processes			
3.3.1	Improve Mailroom Ability to Identify Types of Mail	17 mos	\$490K
3.3.1A	Web-Enable Form Distribution and Submittal	9 mos	\$839K
3.3.2	Reject Incomplete Petitions	17 mos	\$490K
3.3.3	Increase Accuracy of Tracking Returned Remittances	6 mos	\$193K
3.3.4	Improve the Processing Time for Requests for Evidence (RFE)	6 mos	\$200K

* Rough Order of Magnitude (ROM)

The details behind these cost and timeframe estimates are provided in the following section. Please note that Figure 5 identifies the estimated timeframe to develop a specific capability and excludes system maintenance time from those recommendations that include system maintenance (i.e., 3.1.3 and 3.1.4). Requirements for system maintenance are identified in the following section.

4.2 Recommendation Task Schedules

This section identifies a notional schedule for executing each of the recommendations identified in Section 3.0. These schedules, and associated cost estimates at a lower level of detail, are included on the following pages as Figure 6. Please note that the recommendations are not linked in any sequential fashion. No precedence or relationship between recommendations is assumed. Rather, execution of all recommendations is indicated to start in Month 1 (M1), and each schedule is designed only to show the length of each individual task.

Figure 6 also provides a ROM cost estimate for each task within a recommendation. The assumptions and factors which form the basis of these estimates are documented in Section 4.4 of this report.

Figure 6 – Task Schedule

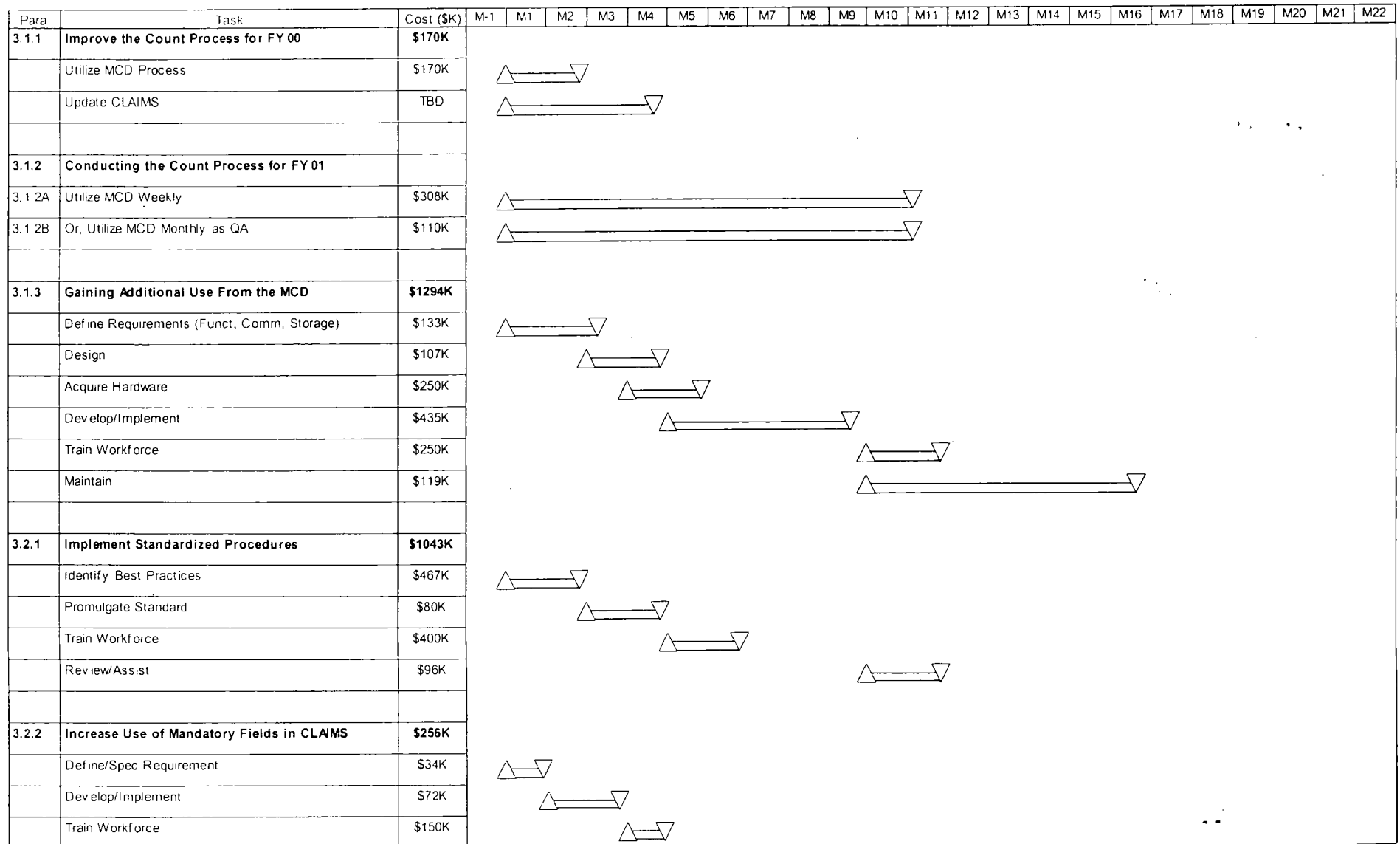


Figure 6 – Task Schedule (Continued)

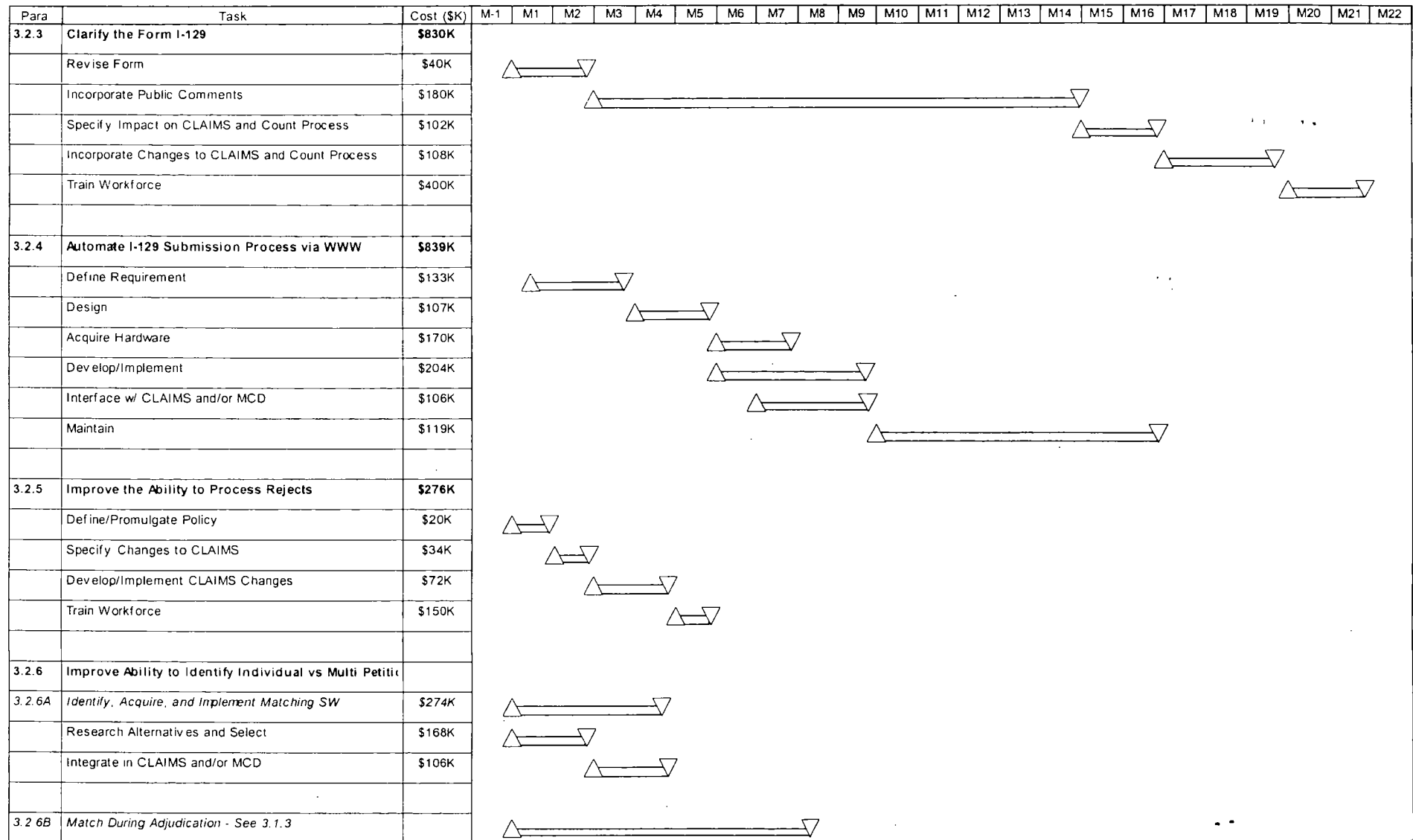


Figure 6 – Task Schedule (Continued)

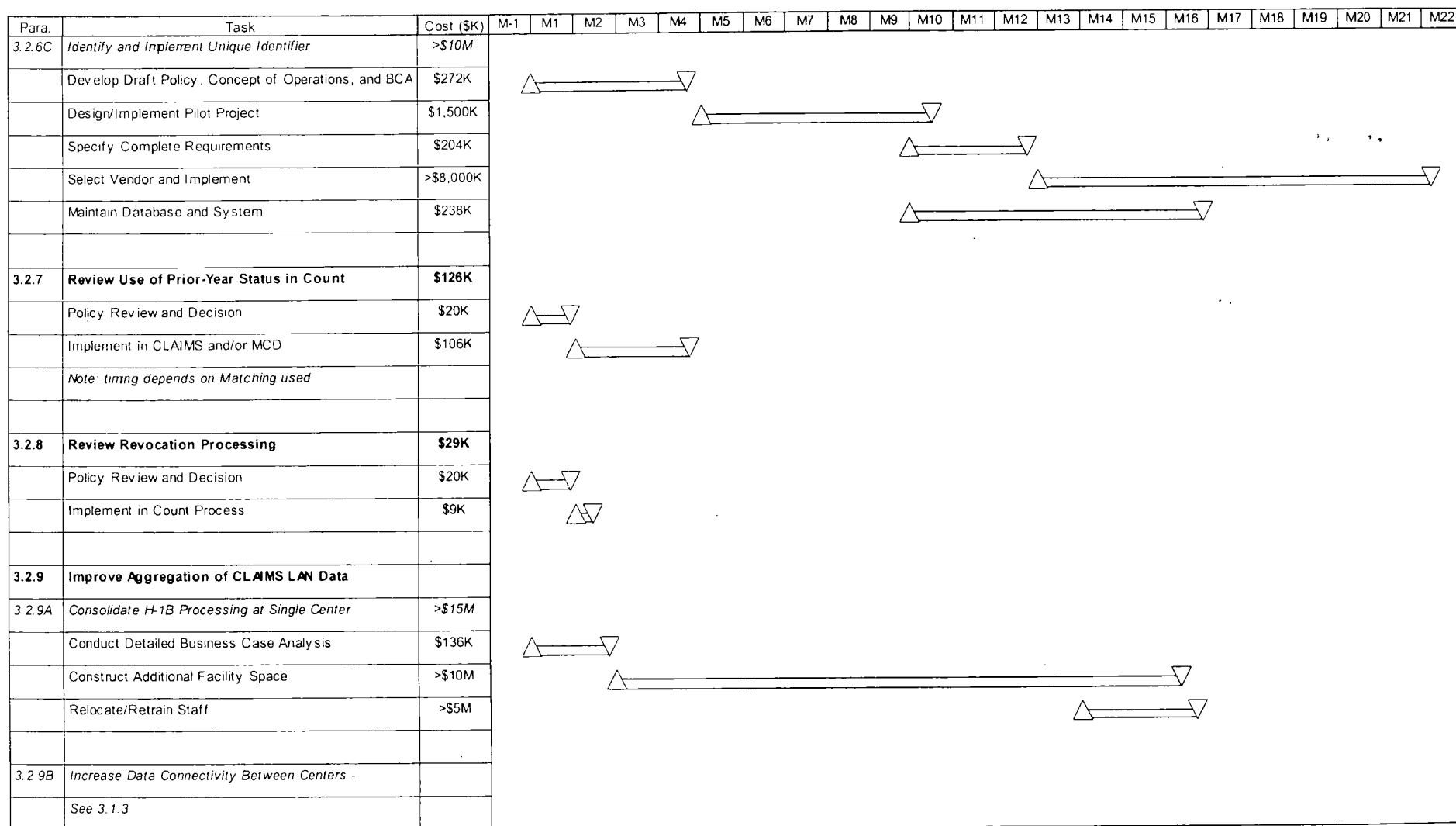
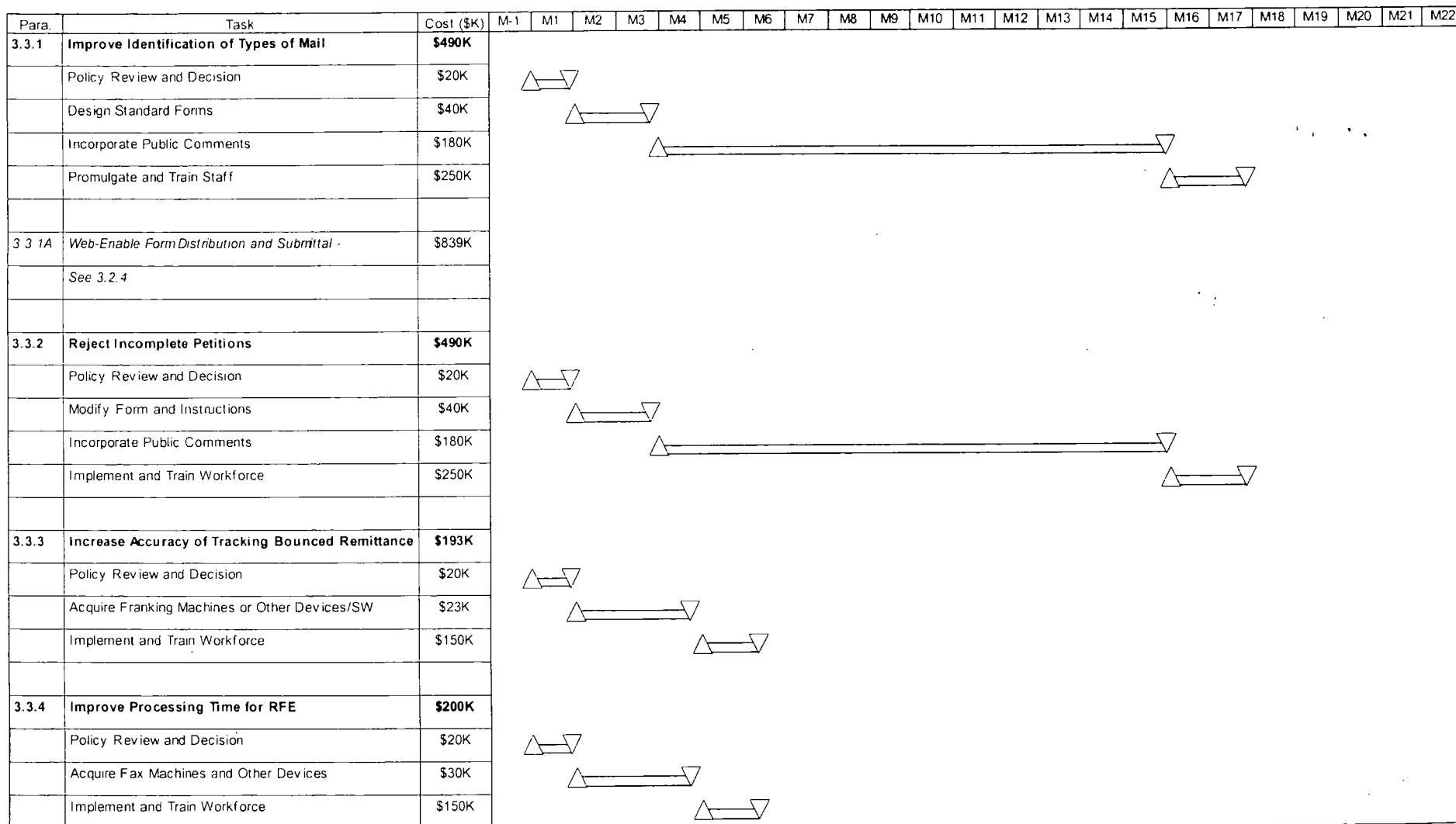


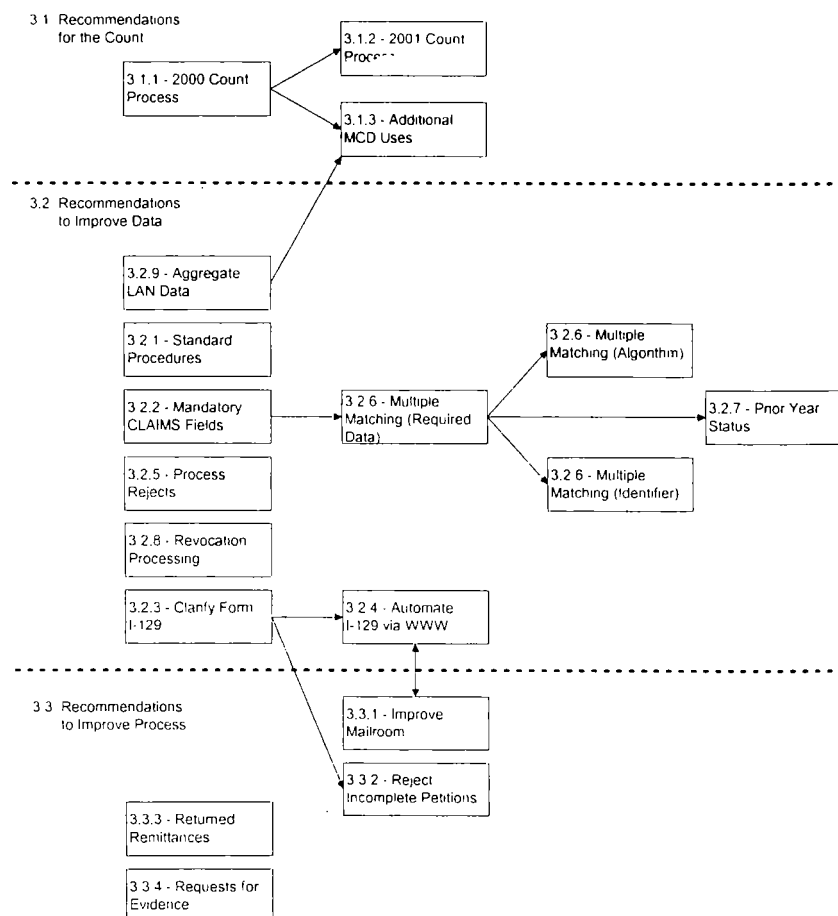
Figure 6 – Task Schedule (Continued)



4.3 Relationship and Precedence Between Recommendations

Section 3 identified sixteen different sets of recommendations for improving the H-1B Cap-Count, data, and associated processes. Some of these recommendations are mutually exclusive. Others are closely aligned and dependent on each other, while others can be executed in isolation. Figure 7 provides an overview of the perceived relationships between the identified recommendations. A dependency identified between recommendations does not necessarily mean that the preceding recommendation absolutely has to be accepted and implemented. Many of the successor recommendations can be implemented without the benefit of the predecessor. However, if both recommendations are selected for implementation, KPMG would recommend implementing them in the order indicated.

Figure 7: Relationships Between Recommendations



Factors which will guide the order of implementation include: the final list of recommendations actually selected for implementation; the INS' own prioritization of the importance of these recommendations; and the availability of resources to accomplish implementation. The information presented in Figures 6 and 7 are not in and of themselves sufficient to adequately guide execution of an implementation project. However, when

combined with the INS' prioritization and resource considerations, this information does provide a foundation for detailed project planning.

4.4 Cost Estimating Assumptions

This section identifies the basis and assumptions underlying the cost estimates generated for each recommendation. The information is presented by Section number and subtask.

3.1.1 Improve the Count Process for FY 2000

Utilize MCD Process: Currently on-going - \$170K is the cost of services to perform MCD estimates for FY 2000

Update CLAIMS: Currently on-going - Cost of required modifications to CLAIMS is unknown

3.1.2 Conducting the Count Process for FY 2001

Utilize MCD Weekly: 44 weeks @ \$7K/week

Utilize MCD Monthly as QA: 11 months @ \$10K/month (requires additional set-up per month)

3.1.3 Gaining Additional Use From the MCD

Define Requirements: (3 people @ \$17K/month for 2.5 months) + \$5.5K for ODC & Travel

Design: (3 people @ \$17K/month for 2 months) + \$5K for ODC & Travel

Acquire Hardware: 2 servers + 4 routers. Assumes T-1 connectivity already provided.

Develop/Implement: (5 people @ 17K/month for 5 months) + \$10K for ODC & Travel

Train Workforce: Combination of Computer-based, and Classroom training – Medium scenario ~ \$250K

Maintain: (1 person @ \$17K/month for 7 months)

3.2.1 Implement Standardized Procedures

Identify Best Practices: Government Working Group of 2 per Center plus HQ = (10 people @ \$2K/week for 8 weeks) + (TDY Travel for 8 people @ \$4K/week for 8 weeks) + (Facilitator support of 1.5 people @ \$17K/month for 2 months)

Promulgate Standard: (2 people @ \$17K/month for 2 months) + \$12K ODC & Travel

Train Workforce: Combination of Computer-based, Written, and Classroom training – Large scenario ~ \$400K

Review/Assist: (3 people @ \$8K/month for 2 months) + \$48K Travel

3.2.2 Increase Use of Mandatory Fields in CLAIMS

Define/Specify Requirement: 2 people @ \$17K/month for 1 month

Develop/Implement: 3 people @ \$12K/month for 2 months

Train Workforce: Combination of Computer-based and Written training – Small scenario ~ \$150K

3.2.3 Clarify the Form I-129

Revise Form: 2 people @ \$10K/month for 2 months

Incorporate Public Comments: 1.5 people @ \$10K/month for 12 months

Spec Impact on CLAIMS and Count: 3 people @ \$17K/month for 2 months
Incorporate Changes to CLAIMS and Count: 3 people @ \$12K/month for 3 months
Train Workforce: Combination of Computer-based and Classroom training – Large scenario ~ \$400K
Does not include GPO costs for form modification or printing.

3.2.4 Automate I-129 Submission Process via WWW

Define Requirement: (3 people @ \$17K/month for 2.5 months) + \$5.5K for ODC & Travel
Design: (3 people @ \$17K/month for 2 months) + \$5K for ODC & Travel
Acquire Hardware: 2 servers + 2 routers
Develop/Implement: 3 people @ \$17K/month for 4 months
Interface w/ CLAIMS and/or MCD: Same as 3.2.2 without Workforce Training
Maintain: 1 person @ \$17K/month for 7 months

3.2.5 Improve the Ability to Process Rejects

Define/Promulgate Policy: 2 people @ \$10K/month for 1 month
Specify Changes to CLAIMS: 2 people @ \$17K/month for 1 month
Develop/Implement Changes to CLAIMS: 3 people @ \$12K/month for 2 months
Train Workforce: Combination of Computer-based and Written training – Small scenario ~ \$150K

3.2.6 Improve Ability to Identify Individual vs. Multiple Petitions

3.2.6A Identify, Acquire, and Implement Matching SW

Research Alternatives and Select: (2 people @ \$17K/month for two months) + \$100K for software license
Integrate in CLAIMS and/or MCD: Same as 3.2.2 without Workforce Training

3.2.6B Match During Adjudication

Included as part of capability of 3.1.3

3.2.6C Identify and Implement Unique Identifier

Develop Draft Policy, CONOPS, and BCA: 4 people @ \$17K/month for 4 months
Design/Implement Pilot Project: Approximated @ \$1.5M
Specify Complete Requirements: 4 people @ \$17K/month for 3 months
Select Vendor and Implement: Approximated @ at least \$8M
Maintain Database and System: 2 people @ \$17K/month for 7 months

3.2.7 Review Use of Prior-Year Status in Count

Policy Review and Decision: 2 people @ \$10K/month for 1 month
Implement in CLAIMS and/or MCD: Same as 3.2.2 without Workforce Training

3.2.8 Review Revocation Processing

Policy Review and Decision: 2 people @ \$10K/month for 1 month
Implement in Count Process: 1 person @ \$17K/month for 0.5 months

3.2.9 Improve Aggregation of CLAIMS LAN Data

3.2.9A Consolidate H-1B Processing at Single Center

Conduct Detailed BCA: 4 people @ \$17K/month for 2 months

Construct Additional Facility Space: Approximated @ greater than \$10M, if required

Relocate/Retrain Staff: Approximated @ greater than \$5M, if required

3.2.9B Increase Data Connectivity Between Centers

Same as 3.1.3

3.3.1 Improve Identification of Types of Mail

Policy Review and Decision: 2 people @ \$10K/month for 1 month

Design Standard Forms: 2 people @ \$10K/month for 2 months

Incorporate Public Comments: 1.5 people @ \$10K/month for 12 months

Promulgate and Train Staff: Combination of Computer-based and Written training – Medium scenario ~ \$250K

Does not include GPO costs for form modification or printing.

3.3.1A Web-Enable Form Distribution and Submittal

Similar to 3.2.4

3.3.2 Reject Incomplete Petitions

Policy Review and Decision: 2 people @ \$10K/month for 1 month

Modify Form and Instructions: 2 people @ \$10K/month for 2 months

Incorporate Public Comments: 1.5 people @ \$10K/month for 12 months

Implement and Train Workforce: Combination of Computer-based and written training – Medium scenario ~ \$250K

Does not include GPO costs for form modification or printing.

3.3.3 Increase Accuracy of Tracking Returned Remittances

Policy Review and Decision: 2 people @ \$10K/month for 1 month

Acquire Franking Machines and Other Devices/SW: \$500/user for 45 users

Implement and Train Workforce: Combination of Computer-based and written training – Small scenario ~ \$150K

3.3.4 Improve Processing Time for RFE

Policy Review and Decision: 2 people @ \$10K/month for 1 month

Acquire Fax Machines and Other Devices: \$10K/Center for 3 centers

Implement and Train Workforce: Combination of Computer-based and written training – Small scenario ~ \$150K

Appendix A - Near-Term H-1B Cap-Count Details

This section documents the recommended process for counting the number of H-1B petitions approved for the Fiscal Year 2000 Cap-Count. To the extent possible, KPMG followed the INS' current criteria for identifying the individuals that apply towards the Cap. The methodology is driven by the following major assumptions:

An H-1B petition is identified by a value of "I-129" in the ***Pet.ReceiptNumber*** field and any one of the following fields exist in either the ***Pet.ClassPreference*** or ***MutiB.ClassGranted*** field: "H-1B", "1B1", "1B2", "1B3", "1B4", "1B5", or "1BS";

An approval of a petition is identified by the occurrence of a value of D followed by any character, "IEA", or "IEB" in the ***Hist.ActionCode*** field;

The Fiscal Year that the approval applies to is determined first by ***MutiB.ValidFromDate*** between 10/1/99 and 9/30/00;

If the ***MutiB.ValidFromDate*** is blank, then the Fiscal Year that the approval applies to is determined by a history date between 10/1/99 and 9/30/00;

A revocation of an approved petition is identified by the occurrence of a value of "EG" followed by any character, or "IR" in the ***Hist.ActionCode*** field. The history date of the revocation must occur after the latest approval action;

Whether or not an approved H-1B petition applies to the Cap-Count is determined by a value of "A" in the Pet.Part21 field and a value of either "A" or "B" in the Pet.Part22 field; and

Petitions with the same ***LastName***, ***FirstName***, ***DateOfBirth***, and ***CountryOfBirth*** are considered to apply to the same individual beneficiary and are counted only once toward the Cap. Likewise, petitions with the same ***DateOfBirth*** and ***CountryOfBirth*** where the ***LastName*** matches the ***FirstName*** and the ***FirstName*** matches the ***LastName*** are considered to apply to the same individual.

Identify the Relevant Tables from CLAIMS

In order to reduce the amount of data that is extracted from the CLAIMS database, KPMG identified the fields in the database that would be relevant to counting approved H-1B petitions. KPMG identified the following fields:

Figure 8: Summary of CLAIMS Data Fields

<i>Pet Table</i>	<i>MultiB Table</i>	<i>Hist Table</i>	<i>Remit Table</i>
ReceiptNumber	ReceiptNumber	ReceiptNumber	ReceiptNumber
FormNumber	SequenceNumber	YY	VoidFlag
ClassPreference	ClassGranted	MM	
Part21	LastName	DD	
Part22	FirstName	Time	
	Middle Name	ActionCode	
	DateOfBirth		
	CountryOfBirth		
	ValidFromDate		

Extract Data Representing the Population of Approved I-129 Petitions

KPMG recommends that on a weekly basis, the files containing the ***Pet***, ***MultiB***, ***Hist***, and ***Remit*** tables be copied from the Service Center LANs to the MCD server. From every CLAIMS LAN Service Center file, data will be loaded that represents the population of approved H-1B petitions for years that are relevant to the current Cap-Count. These records can be identified by the following criteria:

Pet.ReceiptNumber begins with the current Fiscal Year or the previous 5 years;

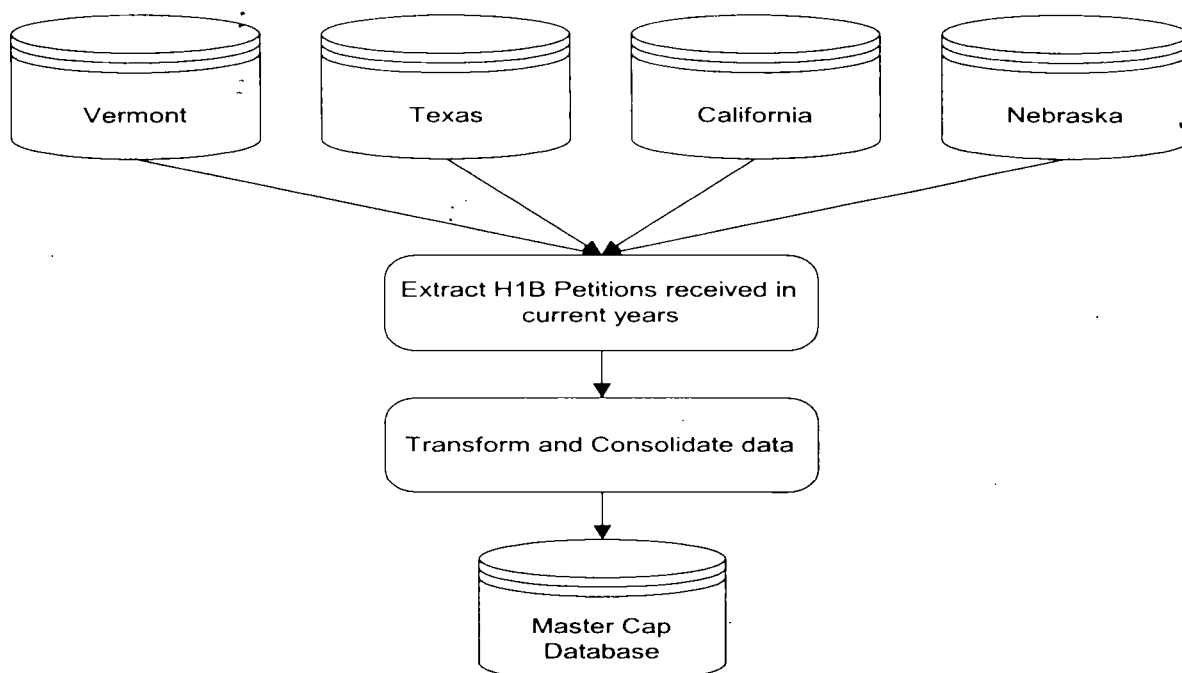
Pet.FormNumber = "I-129"; and

Either ***Pet.ClassPreference*** or ***MultiB.ClassGranted*** = "H-1B", "1B1", "1B2", "1B3", "1B4", "1B5", or "1BS."

This criteria is used to identify a set of Receipt Numbers, which is then used to identify records from the ***Pet***, ***MultiB***, ***Hist***, and ***Remit*** tables that will be included in the extract. Only those fields that were identified above from the three tables will be included in the extract.

Transform Data and Import into the Master Cap Database (MCD)

Before the four Service Center extracts can be imported into the MCD, the four tables need to be transformed into a common layout. In addition, the date fields need to be formatted to allow them to be accurately imported into 'date' type fields in the MCD. Finally, a visual inspection and determination will have to be made on date values that are not easily handled by the transformation algorithms. Once the four extracts are converted to a common layout, they can be consolidated and imported into the MCD. This process is presented in Figure 9 below.

Figure 9: Extract, Transform, and Consolidate Data for the Four Service Centers***Identify all H-1B Petitions Approved in the Current Year***

There are two criteria for identifying H-1B petitions approved in the current year. This set of **ReceiptNumbers** will include those that are approved and revoked in the current year. The first criteria that can be used is based on the **ValidFromDate** in the **MultiB** table. The second one is based on the **ActionCode** in the **Hist** table.

Based on ValidFromDate

ReceiptNumbers are included in the set of current year approved H-1B petitions if they meet the following criteria:

The **ValidFromDate** is between 10/1/99 and 9/30/00; and

There exists a record in the **Hist** table with a date before 10/1/00 and an **ActionCode** with one of the following values:

- D followed by any character;
- IEA; or
- IEB.

Based on ActionCode

ReceiptNumbers are included in the set of current year approved H-1B petitions if they meet the following criteria:

MultiB.ValidFromDate is blank; and

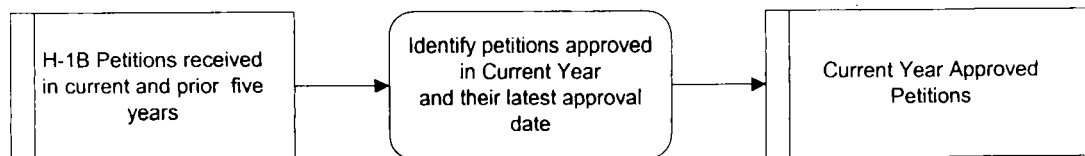
There exists a record in the **Hist** table with a date between 10/1/99 and 9/30/00 and an **ActionCode** with one of the following values:

- D followed by any character;
- IEA; or
- IEB.

Determine the Latest Approval Date

A **ReceiptNumber** may contain several approval actions. For each **ReceiptNumber** in the set of current year approved H-1B petitions, determine the latest date that an approval action was entered. This date will be used to compare to the latest revocation date to determine the petition's status at the end of the Fiscal Year. See Figure 10.

Figure 10: Identify Petitions Approved in Current Year



Remove Revoked Petitions from the Set of Current Year H-1B Petitions

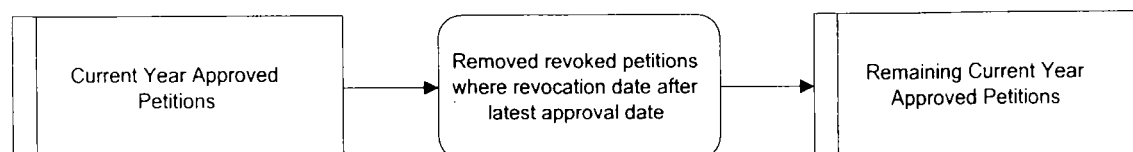
Those **ReceiptNumbers** from the set of H-1B petitions approved in FY 2000 that meet the following criteria are considered revoked and will be removed from the set (see Figure 11):

There exists a record in the **Hist** table with an **ActionCode** with one of the following values:

- EG followed by any character; or
- IR; and

The date associated with the action is later that the latest approval date.

Figure 11: Remove revoked petitions



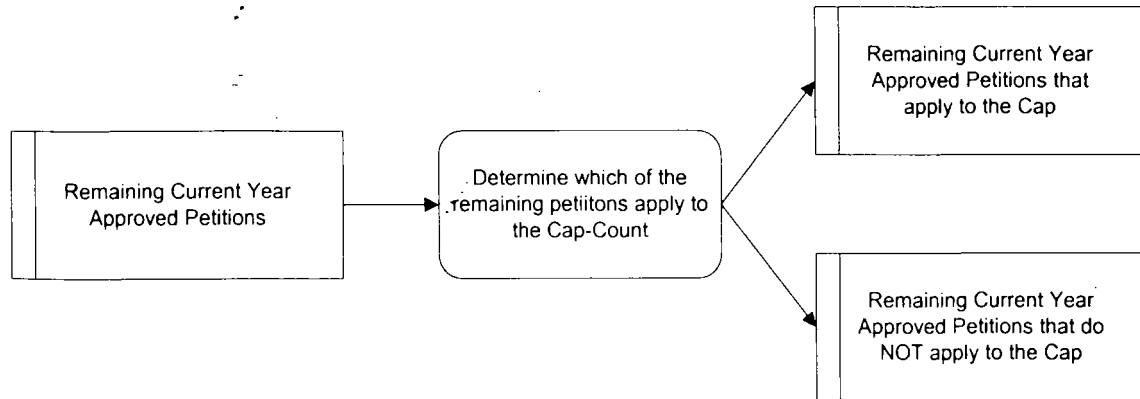
Determine which of the Remaining Approved Petitions Apply to the Cap-Count

A field is added to the remaining current year approved petitions that indicates whether or not the petitions will be counted towards the Cap. The field is set to "Yes" if it meets the following criteria (see Figure 12):

Pet.Part21 = "A"; and

Pet.Part22 = "A" or "B."

Figure 12: Determine which Petitions Apply to the Cap



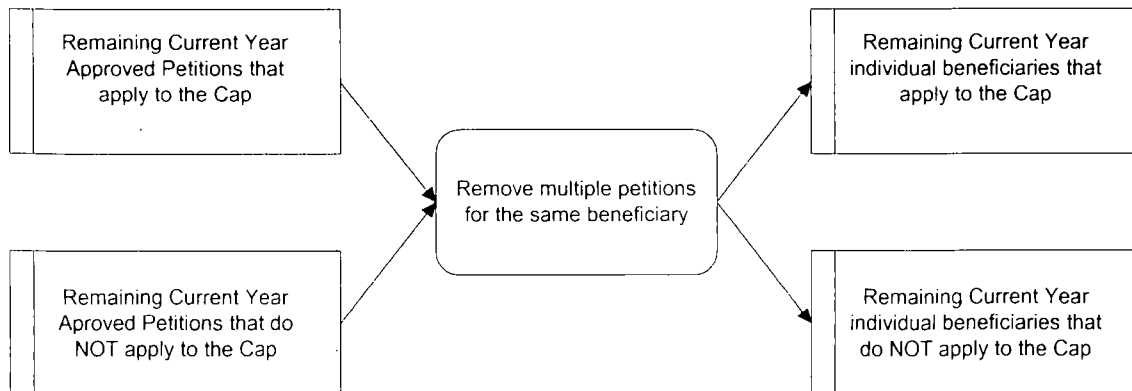
Remove Multiple Petitions for the Same Beneficiary

Of the remaining current year approved petitions, KPMG examined selected biographic data elements to determine the uniqueness of the petitions. If the biographic data elements matched between different ***ReceiptNumbers***, then it can be assumed that those ***ReceiptNumbers*** represent multiple petitions for the same individual beneficiary. The following demographic data elements were chosen:

- ***MultiB.LastName***;
- ***MultiB.FirstName***;
- ***MultiB.DateOfBirth***; and
- ***MultiB.CountryOfBirth***.

In addition, if ***LastName*** matched the ***FirstName***, and the ***FirstName*** matched the ***LastName***, and the ***DateOfBirth*** and ***CountryOfBirth*** matched, then it was assumed that those petitions, likewise, apply to the same beneficiary. All petitions that are assumed to apply to the same beneficiary are considered to be one petition and counted only once toward the Cap, if any of the multiple ***ReceiptNumbers*** pertain to a Cap petition (see Figure 13).

Figure 13: Remove Multiple Petitions for the Same Beneficiary



H1B STATEMENTS

PRESIDENT 4/5/00

I would just like to posit -- first of all, my sense is -- and I've fought this battle hard for all these years -- that the opposition to affirmative action is easing again, as the middle class members of the majority feel a little more secure. But what I am interested in is how do we take these hopeful numbers and sort of translate them into genuine economic parity.

For example, we're debating in the Congress now how much we ought to raise the cap for the H1b visas, basically to get the high-tech workers in the Silicon Valley into the Washington, D.C. area and other places. And I basically -- I'm a pro-immigration person, generally. I think it's made our country stronger, and I'm not against this. But we don't still have, in my judgment, a comprehensive enough strategy to move a lot of African Americans and Hispanics who are in the work force now -- so they have x level of education, but they're not yet in the new economy, so that they're fully participating.

And I think this is still a continuing challenge for us. Two years ago, African American high school graduation rates equaled white graduation rates for the first time in history. That's the good news. And all these things you've said are absolutely right. But we're still not there on college-going, college graduation, and participation in the new economy. And we need a lot of focus on it.

JOE LOCKHART ON 4/11/00

Q Congressman Smith has introduced his H1B visa legislation, and he would apply no caps on the number of H1B applicants that could come into the United States for the next three years. What's the administration's position on that?

MR. LOCKHART: I haven't seen the legislation. I think congressman Smith knows well what our view is, that we need to have a balanced approach that reflects both the need for U.S. industry to remain competitive, and from time to time bring skilled workers from other places, and the need to make sure that our workers are trained, and trained adequately and properly to fill many of these high-skill positions.

Q But a balanced approach would mean that a bill that had no caps would be unacceptable, wouldn't it?

MR. LOCKHART: Well, again, this is coming to me from here. I haven't had a chance to look at it. But I would -- I think our approach that calls for a balance, that we've implemented in the past, has worked quite well, and we have no intention of changing that.