



Contact: Media Services
Office of Public Affairs
(202) 514-2648 Fax: (202) 514-1776
Internet: www.ins.usdoj.gov

NEWS RELEASE

October 28, 1999

INS Achieves Naturalization Goal for FY 1999 *Agency Completes 1.2 Million Applications*

WASHINGTON – INS Commissioner Doris Meissner and Attorney General Janet Reno today announced that the Immigration and Naturalization Service (INS) completed more than 1.2 million naturalization applications during FY 1999—a 105 percent increase from FY 1998 (610,547). The agency also fulfilled its commitment to cut in half the average length of time it takes to process a naturalization application to 12 months—down from 28 months at the beginning of the fiscal year. This means that applicants who file in October 1999 can expect to wait an average of 12 months for their cases to be adjudicated.

"Citizenship is the embodiment of America's values of liberty, democracy and equal opportunity," said Attorney General Reno. "Improving our citizenship program to be efficient and effective will help our country meet the challenges of the 21st century."

"Welcoming new citizens is one of the most important things we do as a nation. I am grateful to the Attorney General for her support and to Congress for the \$176 million in additional funding provided to boost naturalization efforts," said Commissioner Meissner. "I am very proud of the remarkable headway INS has made with the naturalization program. This is a true testament to the extraordinary performance of INS employees."

In the last seven years, from 1993 to 1999, 6.4 million immigrants applied for citizenship, more than the total in the previous 37 years combined. Faced with this unprecedented workload, INS undertook a two-year initiative to clear the naturalization backlog and restore timely processing of citizenship applications.

At the beginning of FY 1999, INS had a pending caseload of more than 1.8 million applications. By the end of September, the agency had received 720,468 new applications. INS implemented an aggressive plan to solve production problems and succeeded in reducing the backlog to less than 1.4 million. The agency was able to welcome 872,485 new citizens.

Five major cities, which handle approximately 65 percent of the workload nationwide, achieved impressive increases in the number of applications completed over the year before: Los Angeles – 175 percent, New York – 191 percent, Miami – 175 percent, Chicago – 107 percent, and San Francisco – 98 percent.

(more)

The agency is now on track to meet its two-year goal of reducing the average time it takes to process an application to only six months by the end of FY 2000 (based on a projected 700,000 new applications). INS plans to meet this goal by completing 1.3 million naturalization applications in FY 2000. It is also positioned to take on other immigration benefit caseloads more effectively, such as the adjustment of status backlog and the Green Card (Form I-551) renewal program that began this fall.

“The dramatic reduction in the backlog of naturalization cases represents substantial improvements in customer service and enables us to expand our progress to other immigration services,” Meissner said.

To increase production for the naturalization program, the agency implemented a number of initiatives in FY 1999, which included: eliminating processing bottlenecks, improving the performance of new automated systems and their interfaces with other systems, allocating additional funding for application processing needs (i.e., contract support, overtime), and hiring 200 additional adjudicators.

In FY 2000, as the agency continues to make progress in handling the naturalization backlog, these initiatives will be extended to the adjustment-of-status backlog and to the Green Card (Form I-551) renewal program.

Adjustment of Status

Adjustment of status refers to the procedure that allows certain aliens already in the United States—those eligible to receive an immigrant visa and for whom one is immediately available—to apply for immigrant status with INS.

The agency’s adjustment-of-status application workload nearly doubled between 1994 and 1995 when Section 245(i) of the Immigration and Nationality Act was implemented. This provision, which expired in January 1998, allowed illegal aliens residing in the United States who were otherwise eligible for immigrant status to pay a penalty fee and apply with INS for adjustment of status in the United States, instead of acquiring a visa abroad from the Department of State. The pending workload of adjustment-of-status applications increased almost eight times from FY 1994 to FY 1999 (from 121,000 to 951,348).

By extending naturalization production initiatives to this workload, INS is embarking on a multi-year effort to eliminate the adjustment-of-status backlog. INS plans to complete 500,000 adjustment of status applications in FY 2000—a 67 percent increase from the number of applications completed in FY 1999 (299,887). This will reduce the national average processing time by nine months (from 33 months to 24 months).

Green Card Renewal

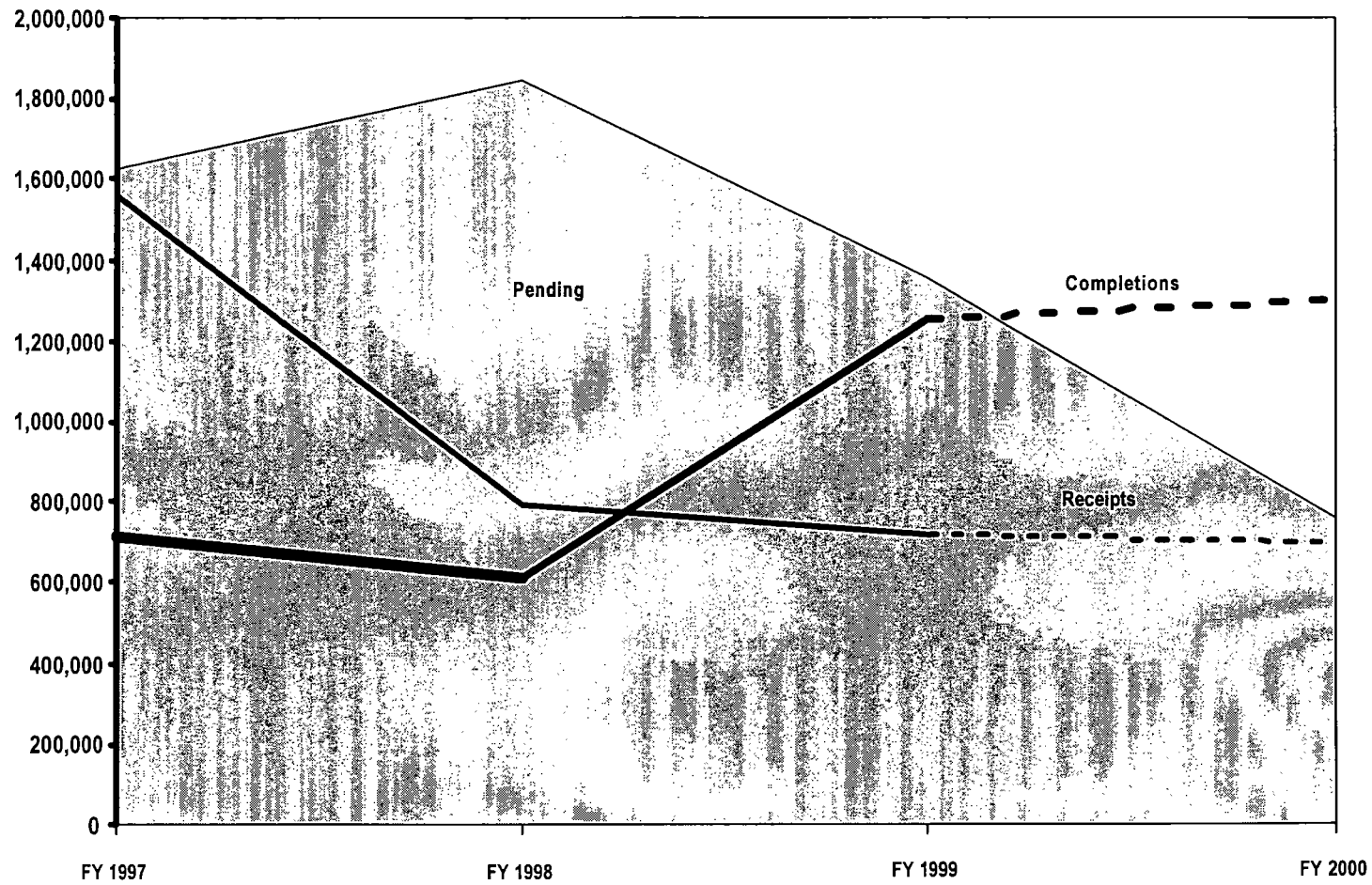
In the fall of 1989, INS began issuing Green Cards with 10-year expiration dates indicated on the front of the card. INS estimates that up to 660,000 lawful permanent residents will need to renew their Green Cards during the next 12 months. INS has implemented new procedures to handle this volume of work and improve customer service. The agency will continue to enhance these procedures in coming months to improve the renewal process and reduce the wait time for a new card.

In FY 2000, INS plans to achieve a 90-day processing time on applications for Green Card renewals—a significant drop from the current 12-month average time.

FY 1998-99 Naturalization Production Summary

DISTRICT	FY 1999 Receipts	FY 1998 Completions	FY 1999 Completions
Anchorage	1,024	1,258	874
Atlanta	20,274	17,868	23,092
Baltimore	11,772	16,032	12,923
Boston	26,184	27,616	47,345
Buffalo	4346	6,158	5331
Chicago	48,134	30,234	62,716
Cleveland	5,514	7,301	6,208
Dallas	18,704	10,489	38,547
Denver	9,298	6,770	17,828
Detroit	11,700	10,028	18,659
El Paso	5,646	9,546	20,934
Harlingen	3,756	5,793	11,768
Hawaii	5,259	8,105	5,854
Helena	1,228	1,211	2,010
Houston	22,958	10,760	33,546
Kansas	5,446	5,402	7,841
Los Angeles	139,177	109,461	301,318
Miami	45,715	51,694	142,276
New Orleans	8,579	8,862	12,870
New York City	94,184	54,028	156,957
Newark	55,429	32,796	44,574
Omaha	3,534	3,096	3,646
Philadelphia	13,592	14,093	19,281
Phoenix	24,651	13,174	26,475
Portland, Maine	856	1,300	1,021
Portland, Oregon	6,360	6,565	8,900
San Antonio	10,671	12,841	18,148
San Diego	17,362	23,544	27,765
San Francisco	88,299	60,107	118,788
San Juan	2,900	5,980	7,055
Seattle	13,241	18,933	16,852
St. Paul	6,736	6,694	8,895
Washington	13,858	12,808	20,897
Servicewide	720,468	610,547	1,252,687

N-400 Applications for Naturalization



Naturalization Program Review
June 25, 1998

1. Exam Fee Resource Explanation

a) FY 1998 Review Exams Fee funding spread by activity/program

- 1) Explain base availability and obligations to date
- 2) Identify FY 1998 Enhancements/Obligations year-to-date by item
- 3) Program improvements/performance measures and benefits
- 4) Workload modeling

b) Management efforts to ensure "best" use of dollars/technology/staffing resources

- 1) Status of Claims 4 and fingerprint/ASC process
- 2) District Office automation initiatives -- status
- 3) Records centralization -- status

B.T. Hong Fong (from Civil Div.)

Brought on new person
up in 4 Service Cntrs

Running in Chicago

Just installed in Miami
Will be in LA in a couple of wks

In Co office by end of
fiscal year.

Integrity

they have a
plan.

part of
follow up

2. Management Improvements

a) Status of EONO leadership

b) Implementing Naturalization Redesign

- 1) Status of Coopers' Review
- 2) INS' implementation of Cooper's recommendations

3. Backlog Reduction Strategy

- a) Summary of Proposed Strategy
- b) Performance Measures
- c) Explanation of current status and backlog

Have June and Sept. production goals
(paper)

We need to see
office-by-office strategy.

They need to prioritize

Fingerprints (?)
ASC is open
Scheduler is not
working well.

169,000
have to be retaken

rejected
expired
no response
(15 mo.)
old
Letters started
going in last week.

15 mo. from
receipt
by FBI (?)



Federal Services Group

**Department of Justice
Immigration and Naturalization Service
Naturalization Quality Procedures Implementation Audit**



FINAL REPORT

December 16, 1997
KPMG Peat Marwick LLP
Washington DC



The Global Leader



Peat Marwick LLP



2001 M Street, N.W.
Washington, D.C. 20036

Telephone 202 467 3000

Telefax 202 833 1350

December 16, 1997

Mr. Michael Archer
Department of Justice
Management and Planning Staff
National Place Building, Suite 1400
1331 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Dear Mr. Archer:

KPMG Peat Marwick LLP is pleased to present the Immigration and Naturalization Service (INS) Naturalization Quality Procedures Implementation Audit, Final Report. This report is submitted in accordance with DO 2023 under Contract 6C-K-JMD-0051.

The purpose of this report is to document the findings based on our audit of selected INS offices to assess the implementation of the Naturalization Quality Procedures that were effective June 30, 1997.

We are pleased to have the opportunity to support the Department of Justice in this very important project. If you should have any questions regarding the report please contact me at (937) 259-9850.

Very truly yours,

KPMG Peat Marwick LLP


Gary M. Ahrens
Principal

Table of Contents

<i>Title</i>	<i>Page</i>
Executive Summary	i
Introduction	1
Background	1
Scope	2
Methodology	2
Findings	6
Recommendations	19
Summary	20

Executive Summary

The Department of Justice, Justice Management Division, engaged KPMG Peat Marwick LLP to conduct an Implementation Audit to review the Immigration and Naturalization Service's (INS) implementation of the Naturalization Quality Procedures (NQP), effective June 30, 1997. The NQP addresses nine focus areas: Clerical Processing; Fingerprint Check Integrity; G-325 Biographic Information Checks; The Adjudication Process; Supervisory Review; Reverification; Quality Assurance Review; Training; and The Transition Period. KPMG audited the Training focus area during the period August 11 through August 15, 1997 and found the INS had adequately trained their personnel on the NQP guidance. The eight remaining focus areas were audited at twenty-four INS naturalization processing sites from October 6 through November 21, 1997. This report focuses on those findings.

The implementation of the NQP was a major undertaking requiring the standardization of processes at diverse locations throughout the United States; training of personnel at all levels and locations; implementation of major changes at a time of increased work load; and the institutionalization of a quality mind-set across the INS. It is understood that the accomplishment of organizational change of this breadth and complexity within a short timeframe is prone to some degree of error.

In the collection of audit data, KPMG recognized that not all NQP naturalization processing activities are of the same importance. KPMG's assessment paid particular attention to critical NQP controls that:

- Preclude the naturalization of applicants that do not meet the good moral character requirement; and
- Ensure all information is available and accurate prior to granting citizenship.

These critical control areas are FBI fingerprint check results, A-file transfer requests, supervisory review, and reverification. The evaluation of these critical controls is the main determinant for site compliance since a criterion of zero tolerance was applied during the analysis of the audit results.

Upon review of twenty-four INS naturalization processing sites, KPMG found that four of the twenty-four audit sites are not in compliance due to processing discrepancies in the critical control areas involving FBI fingerprint results; supervisory review of IDENT cases; and completion of the mandatory reverification process. However, the INS has instituted the key functions contained in the NQP at many of their main processing locations. There is evidence across all the audited sites that stricter controls are in place for the control and documentation of case files; in-process reviews have been implemented to preclude the naturalization of applicants with disqualifying conditions; and a quality review program has been instituted that focuses on in-process reviews, periodic self-audits, and sharing of quality improvement information.

As a result of the previous NQP Implementation Review, KPMG identified several processing problems in the *Naturalization Quality Procedures Implementation Review Report*, dated April 17, 1997. A major problem with the previous NQP implementation was the inconsistent dissemination and training of the new procedures. Throughout the conduct of this Implementation Audit, KPMG has observed the consistent dissemination of the guidance across the Service; an increase in the emphasis and execution of critical naturalization processes; an intensified training program; and an understanding of the NQP concepts at all management levels.

As a result of our site audits, it is clear that through the implementation of the NQP guidance, the INS has made significant improvements in the internal controls of the naturalization process and greatly reduced the risk of incorrectly naturalizing an applicant. Further, there was evidence across the INS of increased control and documentation of criminal history information. Though four sites are not in compliance with the June 30, 1997 NQP, KPMG can conclude that the INS has continued to reduce the likelihood of naturalizing aliens with disqualifying conditions.

Introduction

The Department of Justice (DoJ), Justice Management Division (JMD), engaged KPMG Peat Marwick, LLP (KPMG) to conduct an Implementation Audit to validate if the new Naturalization Quality Procedures (NQP) instituted by the Immigration and Naturalization Service (INS) on June 30, 1997 were correctly implemented. To ensure the new procedures were implemented correctly, KPMG conducted a two-part audit. The audit was comprised of site visits to thirteen INS sites to validate NQP training requirements, followed by a full scale audit of twenty-four INS sites to audit the remaining NQP requirements. This report provides the findings of the second part, the full scale NQP Implementation Audit.

The following sections provide the background, scope, and methodology used to conduct the Implementation Audit. This is followed by the audit findings, recommendations for improvement, and an overall audit summary.

Background

The Immigration and Naturalization Service (INS) processed approximately 1.3 million applications for citizenship between August 1995 and September 1996. During that period, the INS initiated a number of efforts under Citizenship USA (CUSA) to accelerate and streamline the naturalization process. While these efforts greatly increased the volume of applicants processed and approved, the potential for error during this period was also increased. To mitigate risk, the INS initiated two naturalization process control initiatives that included:

- Implementation of the initial NQP controls on November 29, 1996 which focused on improvements in seven key areas: standardization of work processes; fingerprint check integrity; enhanced supervisory review; instructions regarding temporary file (T-file) use; implementation of a standardized quality assurance program; guidance regarding revocation procedures; and requirements for increased monitoring of outside English and Civics test sites.
- Implementation of improved NQP controls on June 30, 1997, expanding the November procedures by providing guidance on nine focus areas: clerical processing; fingerprint check integrity; G-325 biographic information checks; the adjudication process; supervisory review; reverification; quality assurance review; training; and transition period.

KPMG was tasked to validate the correct implementation of both NQP initiatives. KPMG completed an implementation review of the INS implementation of the November 29, 1996 NQP and provided the *Naturalization Quality Procedures Implementation Review Report* on April 17, 1997.

KPMG was also tasked to conduct an Implementation Audit to validate the implementation of the June 30, 1997 NQP. The findings of that audit are the focus of this report. The Implementation Audit was conducted using a two-part approach. First, KPMG visited

thirteen INS sites from August 11 through August 15, 1997 to audit the INS implementation of the training requirements. In the final report, the *Naturalization Quality Procedures, Preliminary Review Report* dated September 4, 1997, KPMG concluded that the INS had adequately trained its personnel on the guidance contained in the June 30, 1997 NQP.

This report provides the findings from the second part of the audit, the full scale implementation audit to review the eight remaining NQP focus areas. The Implementation Audit was conducted at twenty-four INS naturalization processing sites from October 6 through November 21, 1997.

Scope

The Implementation Audit assessed the requirements contained in the NQP Memorandum effective June 30, 1997 which superseded all previous versions of the NQP. Since the NQP training requirements were previously validated, the scope of this part of the audit includes the remaining eight focus areas of clerical processing; fingerprint check integrity; G-325 biographic information checks; the adjudication process; supervisory review; reverification; quality assurance review; and transition period.

In the collection of audit data, KPMG realizes that not all NQP naturalization processing activities are of the same importance. KPMG's assessment paid particular attention to the critical NQP controls that preclude the naturalization of applicants that do not meet the good moral character requirement; and ensure all information is available and accurate prior to granting citizenship. These four critical controls are the FBI fingerprint check results, A-file transfer requests, supervisory review, and reverification.

Methodology

The Implementation Audit was conducted using the guidance contained in the *Naturalization Quality Procedures Audit Plan* dated September 16, 1997. The following is an overview of the key audit activities: the audit process, schedule, data collection, sampling methodology, and constraints that may have caused deviations to the audit plan.

Audit Process

KPMG conducted the audit using three teams. Each team consisted of a team leader and two auditors. Prior to beginning site audits, KPMG conducted NQP training and case file familiarization for the audit personnel at the INS facility in Charleston, SC. KPMG personnel validated the audit plan procedures during a training review conducted at the INS Washington DC District Office. INS personnel were in attendance and observed the audit processes. The results of the training site visit are not part of this report.

Three days were allotted to perform each site audit. KPMG audit teams began each visit with an overview of the planned audit activities. Following the activity overview, the INS point of contact provided a brief tour of the facility to familiarize the audit team with the naturalization processing activities conducted at that site. In conducting the audit, each team collected information on the eight focus areas through process review, documentation review, case file audits, and an FD-258 Civil Fingerprint Card audit.

Schedule

Figure 1 lists the sites and schedule for the implementation audit.

FIGURE 1
Implementation Audit Site Schedule

Type of Site	Location	Start Date	End Date
Service Centers	California	Oct 6	Oct 8
	Texas	Oct 9	Oct 14
	Nebraska	Oct 15	Oct 17
	Vermont	Oct 20	Oct 22
Citizenship USA Sites	Fresno, CA	Oct 6	Oct 8
	San Jose, CA	Oct 9	Oct 14
	Oakland, CA	Oct 15	Oct 17
	Laguna Niguel, CA	Oct 20	Oct 22
	Bellflower, CA	Oct 23	Oct 27
	El Monte, CA	Oct 28	Oct 30
	Miami, FL	Oct 31	Nov 4
	Chicago, IL	Nov 5	Nov 7
District Offices	Garden City, NY	Nov 10	Nov 12
	Washington, DC (training)	Oct 1	Oct 3
	San Francisco, CA	Oct 6	Oct 8
	Seattle, WA	Oct 9	Oct 14
	San Diego, CA	Oct 15	Oct 17
	Los Angeles, CA	Oct 20	Oct 22
	Phoenix, AZ	Oct 23	Oct 27
	El Paso, TX	Oct 28	Oct 30
	Dallas, TX	Oct 31	Nov 4
	Houston, TX (1st Visit)	Nov 5	Nov 7
	Omaha, NE	Nov 10	Nov 13
	Boston, MA	Nov 14	Nov 17
	Newark, NJ	Nov 19	Nov 20
	Houston, TX (2nd visit)	Nov 19	Nov 21
FBI	Clarksburg, WV	Oct 23	Oct 24

Data Collection

At each INS site the audit team collected, reviewed, and recorded findings for the eight NQP focus areas using four audit methods: process review, documentation review, case file audits, and an FD-258 Civil Fingerprint Card audit. The four audit methods and the applicable NQP focus areas audited are described below.

- The Process Review provided information relative to the implementation of clerical processing and G-325 biographic information focus areas. Since these areas could not be fully addressed through documentation review, INS local office management was required to explain how the processes had been implemented.
- The Documentation Review assessed the NQP focus areas of quality assurance review, clerical processing, supervisory review, and reverification.
- The Case File Audits assessed the NQP focus areas of clerical processing, G-325 biographic check, the adjudication process, supervisory review, reverification, transition period, and fingerprint check integrity. Case files were selected from three different points during the naturalization process, as detailed in the sampling methodology.
- The FD-258 Civil Fingerprint Card Audit assessed the NQP focus area of fingerprint check integrity. Fingerprint cards were selected for review as described in the sampling methodology.

KPMG recognizes that functions vary by the type of INS processing organization (i.e., District Office versus Service Center). Data collected during the audit was attributed to the site performing the activity which may not be the site possessing the file.

Sampling Methodology

KPMG applied random sampling techniques to select case files and FD-258 Civil Fingerprint Cards for review. Though universe size varied at each site, this process ensured the audit team was provided a good representation of the site's work products. This section describes the methodology used for KPMG's random selection.

KPMG collected samples from the following three universes:

- Cases Scheduled for Interview: This universe included case files that were scheduled for interview upon KPMG's arrival. These cases were restricted to those that had not yet had an adjudication interview. At Service Centers, only files that were still located at the Service Center were included in the universe. When testing CUSA sites, only files located at the CUSA site were included in the sample. Each site provided the list of cases scheduled for interview to the audit team.
- Granted Cases: This universe included case files where an adjudication decision was made to grant citizenship, but the applicant had not completed oath ceremony. Only files that had completed the adjudication interview since June 30, 1997 were included in the

universe. Only CUSA sites and District Offices were included in the audit of granted cases.

- **Post Oath Ceremony Cases:** This universe of cases included applicants that had attended the oath ceremony since June 30, 1997, but whose files were not retired to the Federal Records Center. Only CUSA sites and District Offices were included in the audit of post oath ceremony cases.

At each location, 100 case files from each universe and 100 FD-258 Civil Fingerprint cards were selected. Where 100 sources were not available a 100% review was conducted of all files or cards in that universe. To select 100 samples from the universe an Excel spreadsheet was created to generate a random number for each element in the universe. The random numbers were generated by Excel using a random number table contained in the program's software. KPMG assigned a seed number as a pointer for Excel's random number table allowing anyone to regenerate the same random numbers at a later date. Once the random numbers were generated, the "Rank and Percentile" data analysis tool in Excel was used to sort each sequential number in descending order according to the random number. The 100 sequential numbers at the top of the Excel spreadsheet were used to indicate the case files or fingerprint cards selected for the random sample. Where lists were not available, files or cards were counted and sequential numbers were assigned corresponding to the item's position in the stack.

This selection method provided an avenue for replacement in the event that a file or card was not found or did not meet the requirements for the given universe. As replacement files were required, the next sequential number on the list was used.

Reporting

At the completion of each INS site audit, KPMG provided an exit brief outlining significant findings to include major process problems and case file discrepancies. At each site, KPMG informed INS personnel that a final assessment of the site's implementation status would not be provided until all site audits were completed, all data was reviewed and analyzed, and a final report was published.

Methodology Constraints

Several factors encountered during the audit impacted the planned methodology. To assist with the understanding of KPMG's findings and assessments, a brief description is provided for the major case file anomalies and audit process constraints that occurred during the review.

Many of the clerical requirements of the NQP were not applicable to the audit due to the case file backlog. Every site was processing applications submitted prior to the June 30, 1997 implementation of the NQP. As stipulated in the NQP, these files were marked as "See Attached" or "Record Starts Here" for much of the data on the N-400 Processing Worksheets. Expecting this, KPMG selected cases from three different points in the naturalization process

to allow auditors to gather data from files processed under the new guidelines. Regardless of these safeguards, when 100 case files were pulled, many of the required data points occurred prior to June 30, 1997 and were recorded as not applicable.

The audit plan required that KPMG review files that were located on site. The NQP does not stipulate where files are stored, so the audit team had to be flexible as to where the case file reviews would be accomplished. For example, Post Oath Ceremony cases for the El Monte, Bellflower, and Laguna Niguel CUSA sites and the Los Angeles District Office are stored at the El Monte location. In this instance, the Post Oath Ceremony case review for each office was conducted at El Monte. In addition, the Garden City CUSA site Post Oath Ceremony cases were stored at Garden City and Manhattan. In this instance, KPMG selected a sample comprised of cases from both locations and the cases were delivered from Manhattan to Garden City.

The process for selecting granted cases had to be altered at the Newark District Office. This office grants cases and conducts oath ceremonies on the same day. In addition, interviews were not scheduled for the days the team was on site. Consequently, Newark could not provide a Granted Cases universe for sampling. To ensure sufficient cases were reviewed to assess the NQP processes, samples were selected from the Post Oath Ceremony universe. No case was used as a sample in both the Granted and Post Oath Ceremony samples. In addition, Post Oath Ceremony related data was not audited when a case was reviewed for Granted conditions.

FD-258 Civil Fingerprint Cards were not collected during KPMG's visit as outlined in the NQP Audit Plan. Instead, the cards were collected by the INS site prior to KPMG's arrival. This provided a larger card universe from which to sample. In some offices, a very small universe of cards would have been available for review if not for this modification to the plan.

Findings

Our findings are grouped into Service Center, Citizenship USA (CUSA) site, and District Office findings. In each of these areas, our findings follow eight of the nine focus areas described in the Naturalization Quality Procedures (NQP). They include Clerical Processing; Fingerprint Check Integrity; G-325 Biographic Information Checks; the Adjudication Process; Supervisory Review; Reverification; Quality Assurance Review; and Transition Period. For Training, the ninth focus area, KPMG concluded in the *Naturalization Quality Procedures, Preliminary Review Report* dated September 4, 1997, that the INS had adequately trained its personnel on the guidance contained in the NQP.

In the analysis of the audit data, KPMG focused on critical NQP controls that (1) preclude the naturalization of applicants that do not meet the good moral character requirement and (2) ensure that all information is available and accurate prior to granting citizenship. Because of the importance of these critical controls a criterion of zero tolerance was applied during the

analysis of the audit results. This is the main determinant for site compliance. These critical control areas are:

- **FBI Fingerprint Check Results** - No case should be granted citizenship without evidence of the FBI fingerprint check results in the case file. This information is essential in ensuring adequate checks are in place to identify applicants not meeting the good moral character requirement.
- **A-File Search** - No applicant should be granted citizenship on a temporary file (T-file) until a diligent search for the A-file is completed. A diligent search for the A-file is defined as three documented requests made at a minimum of thirty day intervals. This control ensures that adequate research has been made to acquire all applicant historical information.
- **Supervisory Review** - No applicant is granted citizenship for any complex case, until the Supervisory Review is documented on the N-400 Processing Worksheet. This applies only to complex cases defined as an applicant with a potentially disqualifying criminal history or applications adjudicated on a T-file. This check is essential in ensuring adequate review of adjudication decisions for applicants that may not meet the good moral character requirement.
- **Reverification** - No applicant is naturalized before the case is reverified by a journeyman Adjudications Officer or Supervisory District Adjudications Officer. The reverification process is the last check for verifying that all data is accurately documented in the case file and the applicant meets all the requirements for citizenship prior to taking oath. It is the last step in ensuring all checks have been made to preclude the naturalization of applicants with disqualifying conditions.

We have categorized the implementation status into two areas that measure the level of implementation achieved by each site. Upon analysis of the audit results, each site is given an implementation status of either Compliant or Noncompliant.

- **Compliant** - A compliant rating indicates the site has no failures in any of the four critical control areas.
- **Noncompliant** - The site has failed any one of the four critical controls. A failure is defined as one or more occurrences per site.

Compliant and noncompliant sites may have additional process problems. These problems are further discussed under the NQP focus area findings.

Figure 2 provides by site, the implementation status and any noncompliant critical control areas. This is followed by the NQP focus area findings grouped by Service Center, Citizenship USA (CUSA) site, and District Office findings.

FIGURE 2
Implementation Audit Status

INS SITE	IMPLEMENTATION STATUS	NONCOMPLIANT CRITICAL CONTROLS
Service Centers		
California	Compliant	None
Texas	Compliant	None
Nebraska	Compliant	None
Vermont	Compliant	None
Citizenship USA Sites		
Fresno, CA	Compliant	None
San Jose, CA	Compliant	None
Oakland, CA	Compliant	None
Laguna Niguel, CA	Compliant	None
Bellflower, CA	Compliant	None
El Monte, CA	Compliant	None
Miami, FL	Compliant	None
Chicago, CA	Compliant	None
Garden City, NY	Compliant	None
District Offices		
San Francisco, CA	Compliant	None
Seattle, WA	Compliant	None
San Diego, CA	Compliant	None
Los Angeles, CA	Compliant	None
Phoenix, AZ	Noncompliant	Reverification
El Paso, TX	Noncompliant	Supervisory Review, Reverification
Dallas, TX	Noncompliant	FBI Responses
Houston, TX	Compliant	None
Omaha, NE	Noncompliant	Reverification
Boston, MA	Compliant	None
Newark, NJ	Compliant	None

Focus Area Findings

The focus area findings are provided by type of INS organization (Service Center, CUSA site, or District Office). Significant site specific discrepancies are provided within the applicable focus area. In the review of the focus area findings, it should be understood that KPMG used a random approach to review cases at each site. Through random selection, KPMG is provided a sample that is representative of all the naturalization cases at the site. Though the number of discrepancies identified in the findings can appear to be low, single errors may be indicative of a larger quality problem that should be reviewed and corrected by site management.

In the conduct of the audit, KPMG observed a wide array of error conditions. In the site specific findings, we have provided only those instances that would be of interest to INS management in that they may require corrective action and should be monitored through the NQP Quality Assurance Review process.

Clerical discrepancies appear to be a problem across the INS CUSA sites and District Offices. By following the NQP guidance, the N-400 Processing Worksheet should provide a clear and consistent history of the applicant's naturalization process. Upon review of a file by INS personnel or auditor all data should be clear and recorded in the correct position on the form. The term "clerical discrepancy" is not to be confused with the Clerical Processing focus area. It refers to clerical annotations that are difficult to read or are not recorded in the correct position on the form. Clerical discrepancies include, but are not limited to, data recorded in the wrong column; missing initials or dates, or both; and annotations that are missing or difficult to read.

During the audit KPMG observed clerical discrepancies across INS sites with varied degrees of occurrence. Examples of the most common clerical discrepancies are provided with the focus area findings. KPMG recommends this be a major focus of future NQP guidance updates and training initiatives.

KPMG performed an additional review of INS fingerprint card submissions at the FBI Fingerprint Processing Facility in Clarksburg, WV. The results of that visit are provided after the District Office findings.

Service Center Findings

In assessing Service Center compliance, KPMG addressed only the focus areas applicable to Service Centers. These focus areas included Clerical Processing, Fingerprint Check Integrity, G-325 Biographic Information Checks, Quality Assurance Review, and the Transition Period. The following documents our findings of the review of the Service Centers:

Service Center Clerical Processing

Clerical Processing includes A-file transfer request procedures and the completion of the clerical section of the N-400 Processing Worksheet. All Service Centers were in compliance with this NQP focus area, however, two significant errors were discovered:

- The Laguna Niguel CUSA site received an A-file with no N-400 Application, N-400 Processing Worksheet, or FBI fingerprint results. Though this file was most likely received from the California Service Center, KPMG cannot determine which site is responsible for this discrepancy.
- The Garden City CUSA site received an A-file with no N-400 Processing Worksheet. Since no worksheet was present, the FD-258 control number was not transcribed prior to interview scheduling. Though this file was most likely received from the Vermont Service Center, KPMG cannot determine which site is responsible for this discrepancy.

The above listed cases were discovered within the "Scheduled For Interview" universe and could be corrected prior to reaching the actual interview. The INS should ensure that stronger internal controls are in place to preclude reoccurrence.

Service Center Fingerprint Check Integrity

Fingerprint Check Integrity includes the review and quality submission of FD-258 Civil Fingerprint Cards to the FBI and the documentation of completed FBI fingerprint checks. All Service Centers met the requirements of this NQP focus area. In our review we found:

- All FD-258 Civil Fingerprint Cards reviewed by KMPG during the audit of the Service Centers were in compliance.
- All cases reviewed by KPMG at the Service Centers contained evidence of the FBI fingerprint check results in the file.

Service Center G-325 Biographic Information Checks

G-325 Biographical Information Checks are submitted by Service Centers to the FBI automatically by the RNACS system. These checks provide an indicator that information about an applicant resides at a third government agency, such as the IRS. KPMG audited to determine if the G-325 requests are submitted automatically to the FBI. In our review, the sites were aware that the RNACS system generated the requests, but could not confirm if the requests reached the FBI. In our review we found that:

- The California, Nebraska, and Vermont Service Centers have received responses from the FBI since June 30, 1997.
- The Texas Service Center has not received responses from the FBI.

Since the Texas Service Center has no evidence of responses to G-325 requests, KPMG cannot determine compliance in this focus area. All other Service Centers are compliant in this NQP focus area.

Service Center Quality Assurance Review

The review of this focus area involves the review of site-provided Quality Assurance Summary Reports. This validates that the site is conducting the quality reviews, preparing the reports, and submitting the results to higher headquarters by the fifth working day of the month.

In our review, we found that all the Service Centers had conducted the monthly reviews, prepared the summary reports, and submitted the information within the required time frame. Based on our review, all Service Centers meet the requirements of this NQP focus area.

Service Center Transition Period

Every file reviewed by KPMG was subject to the requirements of the transition period. The NQP requires sites to place a new N-400 Processing Worksheet on every file where action was taken after June 30, 1997. Previous actions taken with regards to a case file, in the naturalization process, are documented with a "See Attached" or "Record Starts Here" indicating the file was reviewed to determine if all actions were accomplished. In our review, we observed at all Service Centers that the N-400 Processing Worksheet and transition period administrative requirements were correctly applied. Except for the N-400 Processing Worksheet discrepancies noted above in the Clerical Processing findings, all Service Centers met the requirements of this focus area of the NQP.

Service Center Overall Conclusion

Based on the data collected during KPMG's audit, all the Service Centers met the requirements of the NQP and no major process problems were observed.

Citizenship USA (CUSA) Site Findings

In assessing CUSA Site compliance, KPMG addressed only focus areas applicable to CUSA sites. These focus areas include Clerical Processing, Fingerprint Check Integrity, the Adjudication Process, Supervisory Review, Reverification, Quality Assurance Review, and the Transition Period. The following documents our findings as a result of our review of the CUSA sites:

CUSA Processing Site Clerical Processing

Clerical Processing includes A-file transfer request procedures and the completion of the clerical section of the N-400 Processing Worksheet. All CUSA sites met the requirements of this NQP focus area, however, two significant errors were discovered.

- The Laguna Niguel CUSA site received an A-file with no N-400 Application, N-400 Processing Worksheet or FBI fingerprint results. Though this file was most likely received from the California Service Center, KPMG cannot determine which site is responsible for this discrepancy.
- The Garden City CUSA site received an A-file with no N-400 Processing Worksheet. Since no worksheet was present, the FD-258 control number was not transcribed prior to interview scheduling. Though this file was most likely received from the Vermont Service Center, KPMG cannot determine which site is responsible for this discrepancy.

The above listed cases were discovered within the “Scheduled For Interview” universe and could be corrected prior to reaching the actual interview. The INS should ensure that stronger internal controls are put in place to preclude reoccurrence.

CUSA Processing Site Fingerprint Check Integrity

This section includes the review and quality submission of FD-258 Civil Fingerprint Cards to the FBI and the documentation of completed FBI fingerprint checks. KPMG audited FD-258 Civil Fingerprint Cards at CUSA sites where the cards were processed. All CUSA sites met the requirements of this NQP focus area with the exception of the El Monte CUSA site. In our review we found:

- At both the Chicago and Garden City CUSA sites, one card was reviewed without the ORI code. This card would have resulted in an Immediate Reject from the FBI. Immediate rejects by the FBI will increase processing time for an applicant due to the required resubmission of an FD-258 Civil Fingerprint Card. This should not, however, result in an applicant being scheduled for interview without the benefit of an FBI fingerprint check.
- At the El Monte CUSA site, 79 resubmitted cards (out of the 100 card sample) had the incorrect ORI code. An incorrect ORI code will cause the FBI to bill the wrong INS location for services, however, the card would still be processed by the FBI. The ORI codes used in El Monte were codes from the Los Angeles District Office, so the FBI billing would be charged to the downtown district office and the resulting rap sheet may be sent there as well. Upon KPMG’s notification, the El Monte CUSA site took immediate corrective action by issuing a policy memorandum to correct the deficiency. Because of the high degree of error, INS management should monitor the El Monte site to ensure the corrective actions have resolved the problem.
- All cases reviewed by KPMG at the CUSA sites contained evidence of the FBI fingerprint check results in the file.
- Several clerical discrepancies were noted in how the INS records FBI response information. FD-258 Control Number lines were found with no initials or date; and lines were not completed though the FBI results were contained in the file.

CUSA Processing Site Adjudication Process

The Adjudication Process includes the completion of the officer portion of the N-400 Processing Worksheet and the procedures for adjudication on a T-file. Adjudication on a T-file is not permitted by the NQP until a diligent search for the A-file is established. If a case is adjudicated on a T-file the adjudicator must complete a "Record of sworn statement (T-file)" and include a Central Index System (CIS) printout verifying the satisfaction of residency requirements. All the CUSA sites met the requirements of this focus area. In our review we found:

- All CUSA sites were correctly interviewing applicants on a T-file only after three A-file transfer requests. For all interviews conducted with a T-file, a record of sworn statement was included. One T-file audited at the Chicago CUSA site did not include the CIS printout verifying the residency requirement had been met, however, the case file had undergone Supervisory Review.
- The Garden City CUSA site had one adjudication with no evidence of an Oath Declaration Statement in the file.
- There were several clerical discrepancies noted across the sites where the adjudicator did not complete lines of the N-400 Processing Worksheet when actions were accomplished at interview. These included missing dates or initials; no indication of final decision in the remarks column; and annotations in the wrong column.

CUSA Processing Site Supervisory Review

Supervisory Review is required for three types of complex cases. They include applicants with potentially disqualifying criminal histories (other than minor immigration violations), cases adjudicated on a T-file, or applicants with a 312-disability exception waiver. All CUSA sites met the requirements of this focus area.

CUSA Processing Site Reverification

Reverification is required for all cases after the grant decision and before oath ceremony. The reverification process is the last check for verifying that all data is accurately documented in the case file and the applicant meets all the requirements for citizenship prior to taking oath.

All CUSA sites have met the requirements of this NQP focus area, however, there was one significant finding at the Garden City CUSA site. A signature (not initials) is required on the N-400 Processing Worksheet Reverification line. At the Garden City CUSA site, the reverifier had used initials in eighteen cases. Garden City had discovered the problem prior to the audit and had reassigned the reverifier. All other file data indicated the files were in order, so KPMG did not record the discrepancy as a failure.

CUSA Processing Site Quality Assurance Review

The review of this focus area involves the review of site-provided Quality Assurance Summary Reports. This validates that the site is conducting the quality reviews, preparing the reports, and submitting the results to higher headquarters by the fifth working day of the month.

In our review, we found that all the CUSA sites had conducted the monthly reviews, prepared the summary reports, and submitted the information within the required time frame. Based on our review, all the audited CUSA sites meet the requirements of this NQP focus area.

CUSA Processing Site Transition Period

Every file reviewed by KPMG was subject to the requirements of the transition period. The NQP requires sites to place a new N-400 Processing Worksheet on every file when the first action is taken after June 30, 1997. Previous actions taken with regards to a case file, in the naturalization process, are documented with a "See Attached" or "Record Starts Here" annotation indicating the file was reviewed to determine that all actions were accomplished. In our review, we observed at all CUSA sites that the N-400 Processing Worksheet and transition period administrative requirements were correctly applied. Except for the N-400 Processing Worksheet discrepancies noted above in the Clerical Processing findings, all CUSA sites met the requirements of this focus area of the NQP.

Other than the errors identified in the CUSA Clerical Processing area identified above regarding the lack of a N-400 Processing Worksheet, all CUSA sites are consistently applying the new worksheet. All CUSA sites are meeting the requirements of this NQP focus area.

CUSA Processing Site Overall Conclusion

Based on the data collected during KPMG's audit, all the CUSA sites meet the requirements of the NQP.

District Office Findings

In assessing District Office compliance, KPMG addressed all focus areas since District Offices perform every portion of the NQP. These focus areas include Clerical Processing, Fingerprint Check Integrity, G-325 Biographic Information Checks, the Adjudication Process, Supervisory Review, Reverification, Quality Assurance Review, and the Transition Period. The following documents our findings as a result of our review of the District Offices:

District Office Clerical Processing

Clerical processing includes A-file transfer request procedures and the completion of the clerical section of the N-400 Processing Worksheet. Based on our review all District Offices meet the requirements of this NQP focus area.

District Office Fingerprint Check Integrity

This section includes the review and quality submission of FD-258 Civil Fingerprint Cards to the FBI and the documentation of completed FBI fingerprint checks. In this critical control area, we found the Dallas District Office noncompliant. All other District Offices met the requirements of this NQP focus area. In our review we found:

- The Dallas District Office was noncompliant in this critical control area. The instances that warranted this finding were two separate interviews conducted without the required FBI fingerprint analysis. The finding of noncompliance was based on the adjudicator granting citizenship without the required evidence of FBI fingerprint results present in the file.
- In the evaluation of FD-258 fingerprint cards, the Newark, Houston, and Dallas offices each submitted one card with a missing ORI code. At each site the card would have resulted in an Immediate Reject from the FBI. Immediate rejects by the FBI will increase processing time for an applicant due to the required resubmission of an FD-258 Civil Fingerprint Card. This should not, however, result in an applicant being scheduled for interview without the benefit of an FBI fingerprint check.
- Several clerical discrepancies were noted across sites in how the INS records FBI response information. FD-258 Control Number lines were found with no initials or date; and lines were not completed though the FBI results were contained in the file.

District Office G-325 Biographic Information Checks

G-325 Biographical Information Checks are submitted by District Offices to the FBI automatically by the RNACS system with the exception of non-RNACS offices (Omaha and El Paso). At non-RNACS sites, G-325 requests are submitted manually to the FBI. These checks provide an indicator that information about an applicant resides at a third government agency, such as the IRS. KPMG audited to determine if the G-325 requests are submitted to the FBI. In our review, the sites were aware that the RNACS system generated the requests, but could not confirm if the requests reached the FBI. In our review we found that:

- The Omaha and Los Angeles District Offices have received responses from the FBI since June 30, 1997.
- All other District Offices have not received responses from the FBI.

Since El Paso manually submits G-325 requests to the FBI, KPMG can confirm the submission. All District Offices other than Omaha, Los Angeles, and El Paso have no evidence of G-325 requests reaching the FBI, therefore, KPMG cannot determine compliance in this focus area for these sites. Omaha, Los Angeles, and El Paso are compliant in this NQP focus area.

District Office Adjudication Process

The Adjudication Process includes the completion of the officer portion of the N-400 Processing Worksheet and the procedures for adjudication on a T-file. Adjudication on a T-file is not permitted by the NQP until a diligent search for the A-file is established. If a case is adjudicated on a T-file the adjudicator must complete a "Record of sworn statement (T-file)" and include a CIS printout verifying satisfaction of the residency requirements. All sites met the requirements of this NQP focus area. In our review we found:

- There was no evidence that any INS District Office was interviewing applicants on a T-file without three A-file transfer requests. All T-files reviewed contained the record of sworn statement and a CIS printout verifying the residency requirement had been met.
- There were several clerical discrepancies noted across the sites where the adjudicator did not complete lines of the N-400 Processing Worksheet when actions were accomplished at interview. These included missing dates or initials; no indication of final decision in the remarks column; and annotations in the wrong column.

District Office Supervisory Review

The critical control area of Supervisory Review is required for three types of complex cases. They include applicants with potentially disqualifying criminal histories (other than minor immigration violations), cases adjudicated on a T-file, or applicants with a 312-disability exception waiver.

In our review we found the El Paso District Office noncompliant in this critical NQP control. All other District Offices met the requirements of this NQP focus area. In our review we found:

- The El Paso District Office was noncompliant in this critical control area. There were seven separate instances where interviews were conducted with an IDENT response from the FBI. In all of these cases, the adjudicator's recommendation for citizenship was not followed up with a supervisory review.
- The Houston District Office had two IDENT cases that did not receive Supervisory Review. These cases were completed by the adjudicator to indicate Supervisory Review was required, however, the infractions indicated on the rap sheet were minor INS-related violations not requiring Supervisory Review. Though this did not result in a noncompliant finding, a process weakness could exist that would allow an applicant with a more serious crime on the rap sheet to be naturalized without supervisory review.

District Office Reverification

Reverification is required for all cases after the grant decision and before oath ceremony. The reverification process is the last check for verifying that all data is accurately documented in the case file and the applicant meets all the requirements for citizenship prior to taking oath. In our review we found the El Paso, Phoenix, and Omaha District Offices were noncompliant

in this critical NQP control area. All other District Offices met the requirement of this NQP focus area. In our review we found that:

- At the El Paso District Office, Reverification was not conducted on one file. This file was also an IDENT case that did not receive Supervisory Review and is included in the discussion of the Supervisory Review focus area.
- At the Phoenix District Office, Reverification was not conducted on one file.
- At the Omaha District Office, Reverification was not accomplished on one file until thirty-four days after oath ceremony.

Both the Phoenix and Omaha District Offices discovered the reverification process problems during internal reviews. Though process failures were identified and corrective actions were taken, KPMG cannot attest that the corrective actions will correct the problem.

District Office Quality Assurance Review

The review of this focus area involves the review of site provided Quality Assurance Summary Reports. This validates that the site is conducting the quality reviews, preparing the reports, and submitting the results to higher headquarters by the fifth working day of the month. All District Offices met the requirements of this NQP focus area. In our review we found:

- All audited District Offices had conducted the monthly reviews and prepared the summary reports.
- The Omaha District Office's first monthly submission was submitted late. All other submissions were within the required time frame. All other audited District Offices had submitted the information within the required time frame.

District Office Transition Period

Every file reviewed by KPMG was subject to the requirements of the transition period. The NQP requires sites to place a new N-400 Processing Worksheet on every file when the first action is taken after June 30, 1997. Previous actions taken with regards to a case file, in the naturalization process, are documented with a "See Attached" or "Record Starts Here" indicating the file was reviewed to determine that all actions were accomplished. In our review, we observed at all District Offices that the N-400 Processing Worksheet and transition period administrative requirements were correctly applied. All District offices met the requirements of this NQP focus area.

District Office Site Overall Conclusion

Based on the data collected during KPMG's audit, the Dallas, El Paso, Omaha, and Phoenix District Offices are noncompliant. All other District Offices meet the requirements of the NQP.

FBI Site Visit

KPMG performed an additional review of INS fingerprint card submissions at the FBI Fingerprint Processing Facility in Clarksburg, WV. The results of this visit are presented as information in two parts: Service Center and CUSA Site/District Office.

Service Centers submit FD-258 Civil Fingerprint Cards in bundles with a Machine-Readable Data (MRD) tape and a hard copy manifest of the data on the MRD tape. The MRD tape contains the mast head data of the cards in the bundle. The cards are compared to the data from the tape to determine if they agree. Any cards not contained in the MRD tape are returned to the Service Center for reprocessing. Any information in the MRD tape that does not have a corresponding FD-258 Civil Fingerprint Card is not processed. Once the cards and the MRD data are determined to agree, a Process Control Number (PCN) is assigned and the fingerprints are classified. Unclassifiable fingerprints are rejected to the submitting Service Center.

KPMG's review of the Service Center data collected at the FBI reflects that 1,590 (or 6.6%) of 24,063 FD-258 Civil Fingerprint Cards submitted through the MRD process from September 29, 1997 to October 17, 1997 were Unclassifiable Rejects. Immediate reject data is not kept since cards are rejected for not matching the MRD tape rather than not containing the required masthead data. Because of their impact on both the processing time and amount of resources required to conduct naturalizations, the INS should take action to monitor and reduce the number of unclassified rejects submitted by Service Centers.

The District Offices and CUSA Sites submit cards to the FBI by mail. No MRD tape is included. These cards are individually reviewed for completeness upon receipt at the FBI. Incomplete cards are rejected by the FBI as Immediate Rejects when any of the following data is missing: Name, Sex, Date of Birth, ORI Code, Reason Fingerprinted, and Fingerprint Impressions. Once the cards are determined not to be an Immediate Reject, a PCN is assigned and the fingerprints are classified. Unclassifiable fingerprints are rejected to the submitting INS office.

Though KPMG's review of District Office and CUSA site submissions indicated immediate reject errors were rare, KPMG's review of the District Office and CUSA data collected at the FBI reflects that 2,152 (or 2.7%) of 78,329 cards reviewed from September 29, 1997 to October 17, 1997 were immediately rejected by the FBI. Of the 77,297 fingerprint cards that were classified by the FBI from September 29, 1997 to October 17, 1997, 5,275 (or 6.8%) resulted in Unclassifiable Rejects. Because of their impact on both the processing time and amount of resources required to conduct naturalizations, the INS should take action to monitor and reduce the number of unclassified rejects submitted by District Offices and CUSA sites.

Recommendations

During the preparation and the execution of the implementation audit, it was apparent that the INS was undergoing a major effort to ensure the concepts of the NQP became institutionalized within the Service. As evidenced by this report, the INS has made great strides in instituting standard naturalization processes and implementing a quality control program. KPMG has recognized these improvements and believes the current environment can serve as a foundation for continued improvement. The following recommendations are provided for consideration. These recommendations focus on possible improvements to the current processes and changes to the next version of the NQP.

The purpose of this review was to assess the implementation status of the NQP. Four of the sites have been determined to be noncompliant. KPMG recommends that the four noncompliant sites be revisited within sixty days to audit improvements in the discrepant areas.

Though the NQP standardizes many of the current processes and how they are to be documented, it does not always stipulate how the work is to be performed. Consequently, sites may be in compliance, but not performing their work in the most efficient manner. This was most evident when evaluating the methods for documenting A-file requests. Solutions across sites varied from manual logbooks or color code systems to the development of local spreadsheets. KPMG recommends that the INS implement a “best practices” forum where personnel from successful processing sites meet to discuss proven methods and tools. The recommendations and tools from these meetings would be shared across all INS sites as possible efficiency solutions.

In preparation for the audit, the INS went to great lengths to ensure their personnel were adequately trained; understood the audit process; and were performing the new NQP guidance. Because of the importance of the INS mission it is imperative that the level of quality continues to improve. To ensure this success continues, the NQP Quality Assurance Review process should be expanded to include occasional and unannounced site audits. The audits could be conducted by the Office of Internal Audit or an independent auditor. Lessons learned and findings should be included in refresher training distributed to the sites through the NQP-qualified trainers already on site. Further, the lessons should be used to facilitate improvements to the NQP.

As evidenced by the findings of this report, some INS sites continue to experience some degree of problems in critical control areas. The INS should consider linking the accomplishment of these tasks with employee performance standards. Results could be monitored through the Quality Assurance Reviews and periodic sampling by supervisors.

NQP policy should not allow interview decisions, supervisory reviews, and reverification to be accomplished by the same individual for the same file. By allowing the same individual to perform more than one of these activities, the chance of error is increased.

To ensure the level of quality continues to improve in the naturalization process, the INS should continue the use of Supervisory Review and Reverification controls. These quality checks ensure all case files are correctly adjudicated prior to oath ceremony. Until a fully automated process is implemented, clerical errors will continue due to the large volume of applications processed by INS sites. Most important, however, is the fact that these controls are the last security check in the avoidance of naturalizing aliens with disqualifying conditions.

Summary

The Department of Justice, Justice Management Division, engaged KPMG Peat Marwick LLP to conduct an Implementation Audit to validate if the new Naturalization Quality Procedures instituted by the Immigration and Naturalization Service on June 30, 1997 were correctly implemented. To ensure the new procedures were implemented correctly, KPMG conducted a two-part audit. The audit was comprised of site visits to thirteen INS sites to validate NQP training requirements, followed by a full scale audit of twenty-four INS sites to audit the remaining NQP requirements. This report provides the findings of the second part, the full scale NQP Implementation Audit.

The implementation of the NQP was a major undertaking requiring the standardization of processes across the INS; training of personnel during a period of increased work load; and the institutionalization of a quality mind-set across the Service. It is understood that the accomplishment of organizational change of this breadth and complexity within a short time frame cannot be accomplished without some degree of error. KPMG recognizes the magnitude of the quality improvement initiatives implemented with the NQP and have considered this in their assessment.

Upon review of twenty-four INS naturalization processing sites, KPMG concludes that the Immigration and Naturalization Service has implemented the guidance contained in the June 30, 1997 Naturalization Quality Procedures. However, four of the twenty-four audit sites are not in compliance due to processing discrepancies in the critical control areas involving FBI fingerprint results; supervisory review of IDENT cases; and completion of the mandatory reverification process.

As a result of our site audits, it is clear that the NQP has made significant improvements in the internal controls of the naturalization process and greatly reduced the risk of incorrectly naturalizing an applicant. Further, there was evidence across the INS of increased control and documentation of criminal history information. Though four sites are not in compliance with the June 30, 1997 NQP, KPMG can conclude that the INS has continued to reduce the likelihood of naturalizing aliens with disqualifying conditions.



HERE'S AN INTERESTING FAX...

... From the Office of Public Affairs
IMMIGRATION & NATURALIZATION SERVICE

425 I Street, NW, Washington, DC 20536



(202) 514-2648



(202) 514-1776



www.ins.usdoj.gov

Date: 2/10/98

Fax to: Leanne, White House

Fax Number: 456-7028

From: Andrew L. Lluberes, 202-307-2331, 514-9320 (fax)

Pages (Including Cover):

Comments: Q&As you requested from Julie Anbender

File
Immigration
Naturalization
KPMG Audit

(For Internal Use Only)

**KPMG Reports: Qs and As
Feb. 9, 1998, Press Briefing**

Q: Will you seek to revoke the citizenship of the individuals whose case files were pulled for the random sample and have been determined to be improperly naturalized because of felony arrests or other disqualifying conditions?

A: Cases that reflect case decision errors related to felony or CIMT arrests or convictions have already been turned over to the Office of General Counsel for review and institution of revocation proceedings where appropriate. In the vast majority of other cases where the review suggests that improper case decisions may have been made, the reasons for those errors, such as processing applications that were filed too early, are not appropriate for revocation. INS will not be engaging in additional review of those cases.

Q: Why is there a discrepancy between the 6,319 cases found in the criminal history review and 11,548 cases out of the population that KPMG estimates lacked Good Moral Character? What happened to the other 5,000+ cases?

A: The GMC review in the Random Sample Review was broader than the Criminal History review. The Random Sample Review considered whether any type of arrest, including INS administrative and minor and old misdemeanors, was not disclosed. Because of the serious nature and high legal hurdles associated with revocation, the Criminal History Review focused ultimately on felony arrests and convictions, other potentially disqualifying arrests and convictions, and other more recent and serious arrests and convictions, or a failure to disclose such serious crimes.

Q. What about the estimated 920,733 cases—almost 90 percent—where the case decision couldn't be reviewed because of a lack of sufficient documentation in the file?

A. 4,805 cases in the random sample did not have sufficient documentation—mostly due to lack of evidence that the fingerprint card was sent to the FBI. However, based on the Criminal History Review, we are confident that all 1,049,876 applicants naturalized had fingerprint or name checks conducted by the FBI, and we know what the results of those checks were, because the FBI provided us with the rap sheets. Therefore, as part of the Criminal History Review, we have already reviewed any of the files from the projected 921,000 that had serious criminal histories that would warrant review for possible revocation.

Q: The overwhelming majority of those who the report suggests were improperly naturalized were people who filed their applications too early. Did INS have any kind of informal policy allowing people to file early?

A: No. The statute determines when applicants are allowed to file. INS did not and does not have any informal policy modifying the statutory requirement.

Q. How can you explain the number of people whose applications were accepted and processed before they were statutorily eligible to apply?

A. It appears that many applications were not returned to applicants but were instead placed in the cue for later processing. This could have been due to a lack of clerical support to return the large numbers of applications being filed prematurely, the fact that large and growing backlogs made it likely that the applicants would have become eligible before their interview, and because of a reluctance to have applicants pay the \$95 filing fee again.

Q: The review found that in 2 cases, people who did not meet the English and civics requirements were nonetheless naturalized. Is there any explanation for why those people were naturalized?

A: In both cases, the adjudicators recommended denial of the application. It appears that clerical error was responsible for these two cases going forward for naturalization.

Q: Did you have any idea that the number of processing errors was so large across the board before you implemented NQP?

A: Any time that an organization is dealing with an enormous volume of applications, in a largely paper-driven environment, with procedures that require decision-making by humans, there is the potential for error. INS believes that the completion of direct mail, improvements in automation, and a consistently applied, standard N-400 procedure—such as the NQP—will significantly reduce processing errors.

Q: Doesn't this confirm the view that Citizenship USA was a program that sloppily rushed through potential new voters and threw integrity to the wind?

A: No. The naturalization process primarily suffered from a lack of standardization and automation. The reviews demonstrate that less than 1% of the approximately 1.3 million applications that were processed for naturalization during this period resulted in applicants with disqualifying criminal histories being naturalized. INS of course regrets that even this small number were improperly naturalized, and has taken all steps possible to ensure that citizenship will be revoked in appropriate cases.

Q: Does that mean you believe that these same kinds of processing errors were happening before CUSA?

A: Given the paper-driven nature of the task, and the lack of emphasis on documentation of case decisions, it is inevitable that there were processing errors prior to the creation of CUSA.

Q: How well did Newark perform on its NQP audit—are you confident that it is no longer making the kinds of mistakes it had been making?

A: The Newark District Office was found to be compliant—it had no failures in any of the four critical control areas audited by KPMG. The dramatic improvement in the Newark office's performance is a good indication of the effect NQP has had in addressing the types of problems identified in the KPMG reports.

Q: Are you referring the 38 improper cases from the deportation and exclusion review to the INS revocation team?

A. Yes, the 38 cases have already been referred to the revocation team for further review.

Q. The random sample review projected that 38,845 people, or 3.7 percent of those naturalized between August 1995 and September 1996, were "presumptively ineligible," a category previously used to describe only 369 people with a disqualifying conviction. Why is there a discrepancy?

A. The term "presumptively ineligible" is used in two different reports. In general, it describes any case that contained evidence in the file of a prima facie disqualification. In the Criminal History Case File Review, presumptively ineligible was used to describe those cases that contained evidence of a prima facie disqualification based on a disqualifying conviction. In the Random Sample Case File Review, however, it was used to describe ALL cases that contained evidence of a prima facie disqualification of any kind, the majority of which pertained to cases where the applicant had filed early. As the KPMG report on the criminal history review indicates, the classification "presumptively ineligible" is not an absolute indication that the cases in that category were improperly granted naturalization or are subject to revocation.

Q: The next largest category of those presumptively ineligible in the random sample—59—were those who failed to establish good moral character. Does that mean they were criminals?

A: No. Most had failed to disclose either an INS administrative violation or a non-disqualifying arrest.

Q: Why were 46 cases from the criminal history review included in the random sample projections?

A: The random sample was drawn from the full universe of 1,049,867 cases. When the sample was drawn, 46 cases included in the Criminal History Review were randomly selected for inclusion in the Random Sample Process File Review.

Q: You still haven't found the 180,000 cases naturalized without a complete background check?

A: As the Justice Department said last May, the decision was made not to seek voluntary submission of fingerprints from the 180,000. Instead, INS and KPMG conducted the criminal history review, which determined that 6,319 cases, or 0.6 percent of the 1,049,867 naturalized between August 1995 and September 1996, should be reviewed for possible revocation.

Q: Has anyone's citizenship been revoked? Does INS notify any other federal or state agency that a person's citizenship has been revoked?

A: To date there have been six final decisions revoking naturalization. We are currently preparing letters to the Department of State's Office of Passport Services and to the governors of the states in which the individuals reside. (NOTE: Two of these individuals are seeking further administrative review.)

Q: How many Notices of Intent to Revoke (NOIRs) have been issued to date from the Charleston review?

A: As of January 1, 1998, INS completed final review on 2,158 cases and found 1,481 of these to be appropriate for revocation. NOIRs have been issued in 1,481 of these cases.

Q: What happens now to those cases?

A: The Service must first verify that the person has been properly served with the NOIR. Once personal service is accomplished, the individual has 60 days to respond to the NOIR in writing. If the individual responds in writing without requesting a hearing, the Service will issue a final decision from the central revocation facility. If the individual requests a hearing, the file will be sent to the district office for the hearing. After the hearing has been conducted, a final decision will be drafted and returned to the central revocation facility for review and issuance.

Q: Where are the administrative hearings held, by whom?

A: The hearings will be held in the district office where the individual currently resides. Hearings will be conducted by immigration examiners authorized to conduct naturalization hearings.

Q: INS earlier said the Charleston review would be completed by December 1. Why hasn't it been?

A: The December 1, 1997, estimate was offered at the beginning of the process, before any significant experience had been gained in the exercise of the administrative revocation power. It has since become apparent that the process must be carried out somewhat differently from the initial plan, primarily because of a more substantial need for additional field investigation than originally foreseen. As a result, it became infeasible to finish the issuance of all the NOIRs before having to devote attention to the later phases of the administrative process for the earliest of the NOIRs; i.e., to the preparation and holding of hearings and the drafting and issuance of final decisions. The revocation team therefore shifted from the original December 1, 1997, deadline to a plan for rolling issuance of NOIRs on a schedule meant to meet the two-year limitations period on initiation of administrative revocations, while devoting resources to completion of hearings and decisions on those cases for which early NOIRs were issued. Issuance of NOIRs will therefore continue through the summer and early fall of 1998, but the process is monitored to assure, wherever possible, the issuance and service of the NOIR before the two-year mark in the particular case.

Q: Can an individual appeal a revocation beyond the INS administrative process?

A: Yes, an individual is entitled to *de novo* review in federal district court.

Q: Does revocation subject an individual to removal?

A: The removal process is independent from the administrative revocation of naturalization process. After the completion of the administrative revocation process and any appeal to the federal district courts, the Service will review each case to determine if removal is warranted.

Q: How many lawyers and examiners has INS had working on revocations?

A: The central revocation unit has a central staff of six individuals—two attorneys, two examiners, and three investigators. There are also an average of eight attorneys, five examiners, and three investigators on detail to this unit. We anticipate increasing the personnel to meet the increased caseload for the duration of the project. The team of INS lawyers, examiners and investigators reviewing the remaining cases recently relocated to INS headquarters in late January.

Naturalization

6-24-98

Integrity

Coopers & Lybrand plan (modernization)

Backlog reduction — all fingerprint centers in place (up & running)

still need mobile capability up (July)

Retooled relationship btm INS and FBI

(FBI reply w/in 30 days)

Fingerprint process is working very well, so
deficiency & time lags are in interviewing
capacity.

Moved entirely to direct-mail
to 4 Service Centers

They are then
told to go
to ~~some~~ get
fingerprints
and sent to
Service Center.

automated centers.
fingerprints submitted
from the center to
FBI.

Answer comes back to the
Center

Then ~~sent~~ send out to
field w/ an appt.

~~Automated~~
System increasingly supported by
automatic (now in 6 heaviest
traffic districts)

2/3 of hiring from last Nov. reprogramming
are there.

(switching lots of temp. to term staff)

\$ is going out to areas that need it.

Predict Spt. production
1.2 million level

One year to bring ^{nat'l} waiting time to 10-12
mo.

big Spt. 1.2 million/year
w/ current \$

BUT

need fee increase
to sustain the new
items that are being
put in place.

from average
of 16 mo.

950 25 → 225 + 25
\$100 → \$250

direct mail
app supp center
CLAIMS & funding
in large district
Free waiver policy

(to sustain)
Depends also on fee increase: Oct. 1st
(worth \$97 million)

DM put down 5 criteria for fee increase Met 4; didn't
meet "reduced waiting times"
(= moving in a different direction)

Have until Aug. 1st to get fee in Fed Reg.

Will know caseload trend this week

→ Doing things this summer that will make clear the
comprehensiveness seen there.

In LA: next TH will naturalize 10K people
by Aug. a nat. ceremony 20K (over 2 days)

~~Ref~~ Refingerprinting the "continuing cases"

→ Working out an arrangement w/ state of CA
to do electronic criminal disposition paper.

→ What with more \$ (?)

Congress is sloughing off other expenses against
Exams-fee acct.

EOIR — \$80 - \$90 million

Performance measures

Concrete steps

Timeline

⊕ better accounting system

detailed data for
sources and uses
of funds

We must be as specific as possible w/ the groups.

Management issues (?)

- ① Lost Bob Bratt - as head of Nats. Operations
(was detailed from DOT)

Understand

MD - look @ base resources -

(including fee increase)

- ④ cash flow exercise (people paid \$95 two years ago for services that now cost much more).

Lamar and Abraham remain interested in a Nats bill.

Lamar is fishing for a bi-partisan bill.

Abraham has resisted abandoning his effort.

INS reform
leg. (?)

@ OMB

Broad informatist

today
(asap)

later



Examinations Fee Account

Status of FY 1998 Enhancements (Dollars in Thousands)

Item: Claims	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
	...	\$5,210	...	\$4,079	78%

Accomplishments:

- At present, INS completed 95 percent of the development work for CLAIMS 4 supporting the Naturalization process. Testing of close-out of ceremonies is the only module remaining to be completed. INS has completed the development of a fingerprint scheduler that will schedule an applicant to the nearest ASC. This feature will ensure appropriate scheduling and improve workflow and production at ASCs. A Fingerprint tracking system was also developed that includes the automated capture of the masthead information for the FBI card in a 2D bar code format to ensure the integrity of the process and minimize errors and data entry costs.
- CLAIMS 4 has been deployed in all four Service Centers as well as the Chicago and Miami District Offices. While CLAIMS 4 is not yet performing optimally, software changes and capacity upgrades continue to be improve performance. INS expects to deploy CLAIMS 4 to the top 6 cities (Chicago, Miami, Los Angeles, San Francisco, New York City, and Newark) and their sub-offices by the end of FY 198. Sixty-four percent of the total workload will be processed through CLAIMS 4.
- INS has also continued its development of the Naturalization Web Page. Currently available is the ability to get information, forms, and take a civic and history self -test online. INS is getting an average of 20,000 visits and 6,100 self-tests a month on the Naturalization page. We also have NATZ news online which is a newsletter that describes ongoing activities.

Item: Records Centralization	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
	...	\$11,096	...	\$4,600	41%

Accomplishments:

- INS is fully prepared to implement the Records Centralization project. A notification was forwarded to Congress on November 6, 1997 and INS is awaiting Congressional approval on the location of the facility. Therefore, the vast majority of these resources (\$6.5 million) are held in abeyance awaiting congressional approval.
- Items funded include contract support for records cleanup in an offsite location (relocating specific and temporary records backlog and cleanup activities), Office of Naturalization data integrity and audit effort to support naturalization re-engineering and backlog reduction, targeted records backlogs initiatives in major districts, training and standard operating procedures revisions and implementation.
- Developed plans to utilize these resources to invest in efforts that promote the underlying goals of the RAPID Project. INS will invest in projects that address fundamental records problems that affect the Service as a whole rather than invest in piecemeal, temporary solutions at selected sites.

Item: Central Index System	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
	...	\$1,250	...	\$942	75%

Accomplishments:

- Resources have been allocated to enhance the Central Index System. In FY 1998, there is a total of \$2.6 million (\$1.3 million in base resources and \$1.3 million from FY 1998 program enhancements) available for CIS, as of April 30, \$1.6 million has been obligated.
- INS has improved its response time in CIS this year by streamlining soundex queries to provide response from 31 minutes to 31 seconds.

Item: Records Contract Support	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
	...	\$4,800	...	\$4,800	100%

Accomplishments:

- Records Contract Support (\$4,800,000) - resources have been allocated to provide funds for additional records contract support in seven locations in various INS District Office.

Item: Naturalization Ceremonies	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amo	
	...	\$5,273	...	\$5,273	100%

Accomplishments:

- \$3.2 million has been allocated for oath ceremonies and \$2.1 million has been allocated for administrative ceremonies and other general expense items relating to the Naturalization process. A total of \$5.8 million has been obligated for these purposes.

Item: Fingerprint Requirements	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
Exams Account	130	\$67,000	...	\$40,000	60%
Salaries and Expenses	...	<u>16,800</u>	...	<u>*2,000</u>	12%
Subtotal	...	\$83,800	...	\$42,000	50%

* Final estimate for fingerprint machines is not complete as of today; however, INS projects \$13 million in obligations in the first week in August.

Accomplishments:

- INS has opened 68 freestanding Application Support Centers (ACS), 52 ASCs collocated within existing INS offices, and as of May 7, 1998, all 41 Designate Law Enforcement Agencies have signed and returned agreements to fingerprint applicants for the INS. The mobile routes are scheduled to be fully operational by the end of July 1998. These offices and mobile units along with 41 designated law enforcement agencies operating under sole source agreements with INS will take all fingerprints for all immigration benefits applications requiring a FBI background check. A \$25 application fee is being collected, since April, for fingerprint processing.
- INS has purchased 100 live scan fingerprint machines and intends to purchase approximately 300 additional machines off the GSA schedule. All 130 positions have been added to the INS' position tracking system (POST) and recruiting actions are under way.

Item: 400 Term Positions	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
	...	\$38,287	...	\$19,877	52%

Accomplishments:

- Term positions were provided to convert 400 temporary positions to term appointments to process naturalization and adjustment of status applications. Of the 400 term positions, 239 are on-board as of June 6, and 161 are in recruitment process. In addition, due to the

fact that position came on-board later than originally planned, approximately \$8 million of this amount was spent on temporary clerical support.

Item: Quality Assurance	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
	121	\$10,913	58	\$5,961	

Accomplishments:

- Quality Assurance - Resources were provided for quality assurance staff to oversee processing of naturalization applications and to provide for the continued audit of the procedures. Of the 121 positions, 60 positions have been deployed to the field, 3 positions to Regional Offices, 11 positions to Internal Audit (of which 5 positions are pending Congressional notification). The Office of Naturalization Operations will also receive 2 positions that are also pending Congressional notification. The remaining 47 positions for the field are being added to POST for recruitment action. Of the 58 positions on board, a portion of the positions have filled critical district adjudication officer positions needed to address the surge in applications and the remaining have been assigned to quality assurance initiatives.

Item: Direct Mail	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
	125	\$33,169	98	\$31,000	

Accomplishments:

- All 80 offices have been transitioned to Direct Mail for all new naturalization applications filed. All 125 positions have been added to INS' position tracking system (POST) and approximately 98 are on-board as of June. The remaining 27 positions are in the recruitment/hiring process.

Item: Overtime and Service Center Contract Support	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
	...	\$14,081	...	\$5,739	

Accomplishments:

- The \$14,081,000 for overtime and Service Center contract support to address naturalization backlogs and processing times has been allocated. Of that amount, \$5,738,690 has been obligated to date and plans are underway to utilize the remaining resources during the fourth quarter.
- Specifically, \$2,063,000 was allocated to buildout space and move files in Los Angeles, \$875,690 has been allocated to pay for detailees to support backlog reduction efforts in Arlington, Charlotte, Miami, New York City, San Jose, and San Francisco, and \$2,800,000 has been allocated to pay for overtime, contract support, and equipment for all district offices.

Item: Texas Service Center	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
	...	\$1,900	...	\$1,900	

Accomplishments:

- \$200,000 has been obligated by the Construction and Engineering program and the remaining \$1,700,000 to the Adjudication and Naturalization program for the expansion of the Texas Service Center purchase of computers, 2D bar code readers, other miscellaneous equipment and facility expansion.

Item: Revocations	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
	27	\$3,400	12	\$1,644	

Accomplishments:

- The Central Revocation Unit currently has 5 attorneys (detailed) located in Headquarters (CNN building) and 7 newly hired attorneys are on-board in field offices. The remaining 8 attorneys will be filled with Honor Graduates entering on duty at the end of the fiscal year.

- As of June 18, the Central Revocation Unit has finalized 3,968 of the approximately 6,300 cases referred from the various audits conducted by KPMG Peat Marwick, Justice Management Division, and INS. Notices of Intent to Revoke (NOIR) have been issued in 2,507 cases, and 1,461 cases are not legally sufficient to proceed with revocation.
- More than 1,400 responses have been received to date, and more than 650 hearings have been requested, with more than 100 having been held.
- The Revocation Unit has issued 45 final decisions, 6 cases affirming naturalization, 27 cases terminating administrative proceedings, and 13 cases revoking naturalization. Although policies and procedures for revocation hearings and final decision have been developed, our resources are currently devoted primarily to the issuance of NOIRs within the two year limitations period. We remain on target to issue all legally sufficient NOIRs in a timely manner.

	Received		Obligated		Percent Obligated
	Position	Amount	Position	Amount	
Total FY 1998 Enhancements	273	\$213,179	168	\$127,815	59%

FY 1999 Budget Proposal

Fixing the naturalization system is the agency's top priority, and our focus has been and will continue to be improving customer service while ensuring integrity in the system. We have made tremendous progress in the last year. Of particular note are the opening of new Application Support Centers, which will greatly reduce inconvenience to applicants of having to retake prints and shorten the turnaround time for completing FBI background checks. We have also deployed INS' Direct Mail process to all four Service Centers and all offices for all new naturalization applications filed. This allows applicants to send in their applications to one of the agency's four highly automated Service Centers rather than presenting that application in person. This allows the District Offices to focus their resources on adjudicating applications and conducting interviews. Direct mail also allows INS to pre-process the naturalization applications at one site, using standardized, quality controlled procedures. Also, we have installed the new CLAIMS 4.0 software in our key Service Centers and key District's to process new naturalization applications. This will ensure consistency and include checks and balances that prevent applications from moving forward before all steps have been completed, including FBI background checks. And finally, we have implemented and continue to follow the Quality Assurance practices and procedures (NQP3) that were instituted in FY 1997. INS completed its training and continues to ensure its full implementation. These changes have laid the groundwork for INS to deliver better service to its customers.

However, despite these efforts and our recent infusion of resources in the Exams Fee account, the Service-side of INS remains under funded and is continuously out paced by the tremendous growth we have experienced in the past few years. We want not only to handle this growth, but to excel at it. This package requests \$222 million in additional resources (both Exams Fee account and Salaries and Expenses Appropriation) that will allow us to face the challenges we are experiencing on the Service-side. The initiatives range in scope from backlog reduction, to infrastructure requirements, to bringing our information and application systems into a more modern age.

At present, the Exams Fee account receipts will not cover this aggressive level of program enhancements. The Fee account does not have the additional funding or the flexibility in using available receipts to meet these demands. We are at a crossroads. We can continue to make incremental changes as receipts become available, or we can request a combination of receipts and appropriated resource to bring these issues to the forefront and take a more proactive approach to address the Service-side issues-- Aggressive Backlog reduction in both Naturalization and Adjustment of Status applications, Improved Customer Service, and Modernized access and use of information whether its obtaining status information or utilizing that information to adjudicate applications for benefits.

WHY THE FEE ACCOUNT CANNOT SUPPORT THIS LEVEL OF ACTIVITY:

Proposed New Fees: As you know, after conducting an extensive study of our fee structure, INS knows the fees we are collecting do not cover the real cost of doing business. Our fees have not increased in over four years despite the increase in the cost of processing immigrant benefit application and petitions. The cost of processing immigration adjudication and naturalization applications and petitions has risen primarily because of salary and benefit increases (increased by 9 percent alone in the past three years), price increases for general expense and support cost, and the cost of infrastructure and program improvements. We have a proposal to correct that situation; however, that proposal will only cover the cost of new applications received after the new fees are in place, it does not cover the over 1 million pending applications that have already been collected that are short in some cases by 50 percent of the required costs.

Re-direction of INS' 245 (I) Penalty Fee- Recent amendments to section 245(I) of the Immigration and Nationality Act re-directed the penalty revenue received from 245 (I) applicants to be deposited into the Breached Bond Detention Fund and be made available for detention and deportation activities, resulting in a loss of almost \$160 million from penalty fees in FY 1998, and potentially another \$100 million in FY 1999.

Legislatively Mandated Expenditures- The available resources in the Exams Fee account are also limited because the cost of programs, like asylum and refugee services, are provided free of charge to applicants. Also, over the years, Congress has moved program that were previously funded by appropriated resources, into the Exams Fee account, thereby further constraining the Exam Fee account's flexibility. In total, INS funds over \$130 million in Legislatively mandated non-revenue generating programs.

Exams Fee Account Base- In response to Congressional direction, INS performed a detailed review of the Exams Fee account to reallocate \$38.1 million in base resources for additional Naturalization spending. The review focused on FY 1998 spending for all programs funded in the Exams Fee account, including the Inspections and International Affairs programs. INS has and continues to move in the direction of ensuring that the most critical activities are funded with the available resources and the base is accounted for.

Requested Increases

	Position	Amount
Item: Staffing Backlog		
Adjudications and Naturalization		
Naturalization	300	\$26,009
Adjustment of Status	190	10,571
245 (I) Clean-up & Centralized	...	
Address Change at SCs.		3,200
Clerical Support (Natz and Adj.	...	7,500
Of Status)	...	
Overtime		6,850
Oaths		2,401
Reprint expired fingerprints		2,225
IRM		790
Total	490	\$59,546

- Taking the time to understand and work with the community, as well as giving each customer the time and attention he or she deserves is in large part a function of having the right number of staff and the right staff to do the job. Backlog reduction, however, is not an overnight process. Personnel resources, other than overtime funding, require recruiting, hiring, security clearances, and training before they have an effect on pending caseload. Therefore, we must act now in securing additional resource to address the backlog in applications. INS currently lacks sufficient staff dedicated to service functions. Adjudicators are needed to examine the applications and administrative staff is needed to provide clerical help and answer incoming calls. The huge rise in applicants has not been matched by a concurrent increase in staff to process their paperwork and interview them. This has not only contributed to longer waiting times, but it has also consumed the time and attention of staff, making it harder for them to give each customer the quality of service they deserve.
- The addition of 490 officers to augment current staff assigned to naturalization and adjustment processing will be sufficient to reduce the backlog to six and five months, respectively, by the end of FY 2000. The assumption is based on the funding availability as of November 1998, new staff on board by April and fully productive by June 1, 1999, at 12 completions per day per officer for naturalization and 8 completions per day for adjustments. This production level is based on the assumption of full staffing of current personnel assigned to adjustment processing, and continuation of present receipt levels. In addition, several efforts are in place to increase INS efficiency through automation, standardization of quality procedures, which will minimize case deferrals, and better use of statistical data as a production management tool. The new staff in conjunction with improved processing procedures will result in meeting the processing time goal for FY 2000.

- In addition, there are specific Information Resource Technology (IRM) requirements for the following: Specialized extracts and Pic lists automation (\$250,000); special processing in ASC for backlog fingerprint cases (\$300,000), specialized application training for new staff (600 staff--\$240,000).

Item: Service Centers	Position	Amount
Adjudications and Naturalization Service Centers IRM	...	\$3,200
	...	145
Total	...	\$3,345

- This item will allow INS to reduce the number of pending applications from the current 870,000 to 450,000 by the end of third quarter FY 1999 (June 30, 1999). It also provides specific IRM enhancements for special processing and synchronization of cases in C3/RNACS.

Item: Direct Mail - Final Phase	Position	Amount
Facilities	...	\$12,000
INS Staff	164	11,508
Contract Staff	...	6,000
IRM	...	16,212
Remaining Office deployment that need high end TIP	...	9,250
Total	164	\$54,970

- At the end of FY 1999, Direct Mail infrastructure requirements will be completed. These resources will allow INS to move other than N-400 forms, refugee Asylum 485s, EADs and NACARA applications into the Direct Mail process. In addition, IRM will deploy CLAIMS 4 to all adjudicators and 10 percent of clerical support. Other IRM enhancements include: hardware, software, Central Repository Backup System, SMS Server upgrade, upgrade of tape for MRD, upgrade/expand INSDIRECT System to support increase in active cases.

Item: Comprehensive Telephone Center	Position	Amount
Telephone Center	122	\$31,450
Total	122	\$31,450

- In addition to strengthening the way we handle the information that related to our customers internally, we have begun to create better ways of communicating with them externally. We want to make sure that people do not have to come to an INS office every time they need information. Although we have made some improvements in our phone systems, it is still not good enough, particularly in the Western part of the country. We have given our customers the option of telephoning a centralized information office or using the Internet to get basic facts and forms, but both our Western Phone Center and our Web site need to be improved.
- In 1996, INS created two Phone Centers where customers can call for answers on eligibility for benefits, application procedures and individual case status. The Eastern Phone Center enables people for the first time to call INS toll free 24 hours a day for recorded messages and from 8-6 for personal assistance. In FY 1998, we planned to made the same toll-free service available to our customers in the West, but had to reduce the funding we had set aside for that due to priority issues in Naturalization application processing.
- We carefully monitor our performance at each of these centers because we want to deliver service on par with industry standards. The industry standard is to answer calls within 45 seconds. We are close in the Contract Phone Center (Baltimore) at 1 minute but the Eastern Phone Center at 6 minutes, and the Western Phone Center remains at 10 minutes. Similarly, the average industry standards for those caller who hang up before their call is answered is 2 percent, we are currently at 4 percent in the Contract Phone Center, 24 percent in Eastern Phone Center and 53 percent in the Western Phone Center.
- This initiative includes 10 management staff, 112 information officers, and 274 contract customer service representatives. This fully functional nationwide phone system (1-800) is estimated to be able to handle 15 million calls per year to bring us to industry standards--less than 1 percent busy rate and a wait time of less than 1 minute.

Item: Improve Records Program	Position	Amount
	...	\$13,500
Records Program	...	\$13,500
Total	...	\$13,500

- INS is in the process of centralizing all of INS' records (over 25 million files located in 80 different offices), so that we can improve the way we handle customer's case information.
- In November we asked Congress to approve a comprehensive plan to move our paper records out of file rooms into a central facility where they will be reconciled with information in our automated computer databases. This will allow INS to rely more on electronic data available. Outdated, decentralized record keeping is the reason for lost files--a problem that creates delays for people at the beginning and end of the application process. For example, if we can't find a naturalization applicant's permanent file, our Service Center must wait three months before creating a temporary file and moving the application forward. If the permanent file is never found, that person's case must be reviewed by a supervisor before it is granted--an extra step that can further slow the case.
- Whether or not we centralize, resources in records will be required to invest in the field offices to implement new and standardized procedures, a revised management structure, and an oversight program. Part of the resources requested will provide the equipment and training required to implement these.
- Additional changes will need to be made to the current records locations in the areas of the mailrooms, new shelving and auditing supplies, and other capital assets that will be required by the changes in our customer operations because of backlog reduction and full Direct Mail implementation.
- Finally, we will be targeting specific records backlogs in the field that are part of the Naturalization casework backlog such as overdue files requests, resolution of lost files, and closing out of cases.

Item: Customer Service	Position	Amount
Customer Service	...	\$3,000
Total	...	\$3,000

- A plan for instituting a customized, service-wide Customer Service Training has been developed. The training programs described in the plan have been piloted in several field sites. These pilots have taught us a great deal about the criteria that will be required in order to make a positive, service-focused change in our culture. The following are the three criteria.
- Make the term “customer service” meaningful for each INS employee regardless of job function. Many employees do not see a practical connection between their work and customer service. Because of this, they tend to view leadership’s vision as platitudes.
- Use customer service as an organizing principle as INS moves toward significant changes in its organizational structure.
- Establish a strategic, long-term service improvement program that factors in all levels of the organization. Involve top leadership in a structure to ensure coordination of all service improvement efforts. This recognizes that customer service is not relegated to a buffer group, but that it is integral to the way our business is run.

Item: Claims 4 Development-Non-Naturalization Applications	Position	Amount
Claims 4	...	\$15,410
Total	...	\$15,410

- Begin installing a new computer database and tracking system, called CLAIMS 4, that will allow our offices to share individual case information and enable our staff and our customers to quickly check the status of cases. It will also help strengthen our quality assurance process by ensuring that cases move forward only when each step in the application process is appropriately completed.

Item: Quality Assurance	Position	Amount
Quality Assurance	58	\$9,070
Total	58	\$9,070

- **Positions:** The FY 1999 enhancements will allow INS to fully implement quality assurance within the Naturalization process and expand coverage to the Service's other benefits programs. Initial emphasis will be directed to the Adjustment of Status process and records.
- **Information Systems Modifications:** Some quality assurance functions can be performed more productively through the use of automation to identify populations, determine samples, develop processes to identify errors for correction, compile results, and analyze data for assessment. During FY 1999, INS will identify the requirements and design, develop, test, and field modifications to CLAIMS 4.0 to automate these functions. In addition, INS will identify current and proposed information systems used in the functions for which quality assurance procedures and instruments will be developed in the out years, to begin systems planning and development of quality assurance functions.
- **Contract Support:** Continued contractor participation in monitoring Naturalization Quality Assurance and expand coverage into other benefits functions.
- **Travel:** To support the general travel required for the requested staff.

Item: ICPS	Position	Amount
Out source EAD Card Production		\$2,400
Out source INS ICPS Staff		2,400
Overtime for Card Production (SC)		100
Total	...	\$4,900

- In order to meet Employment Authorization Document (EAD) demand, it would be more efficient and effective for the government to outsource card production to a contractor. INS would provide the consumables and the task order for the contractor to produce the card on an ICPS card production machine. Monthly card production estimates would be 140,000 cards and a cost/benefit analysis has already been commissioned by INS.

- Overtime needs for ICPS operation will be great. It is estimated that the annual cost of overtime will be \$144,000 or half year cost of \$75,000.
- Currently, INS is dedicating 27 FTE's to the ICPS program. Under the current proposal, the service centers would need a total of 15 FTE-P's and 48 FTE-O's, four lead operators and 12 operators at each center to run a 24 hour shift, 7 days a week.

Item: Decentralize District Office Facilities based on ASC locations	Position	Amount
	...	\$800
Two Pilots	...	\$800
Total	...	\$800

- In an effort to improve customer service, INS is redesigning the way services are provided to its customers. INS will take advantage of new technologies and economies of scale, and move much of the applications processing and provision of customer information to large, centralized facilities where service can be provided more quickly, cheaply, and in a standardized fashion. This will allow INS to change the role of the field offices from having to provide all support services (i.e. records maintenance, application data entry) to focusing on customer services that require face-to-face meetings or outreach. Building on the success of the application support centers, INS will move towards placing large numbers of smaller offices in close proximity to our customers. These funds will pay for contract support to design the process flow and layout of these smaller offices in order to provide service as quickly and efficiently as possible while standardizing the look and feel of future field offices. In addition, the funds will pay for the buildout and rent for two pilot offices.
- INS wants to develop "Immigration Services" offices that will provide a range of services from fingerprinting to interview to testing. Depending on community needs, some offices may be configured as full-service centers and others will serve as satellite locations to perform specific functions. Like the application support centers, these offices will be located in immigrant communities, where public transportation and parking is accessible. Each is being designed with standard, customer-friendly features, like comfortable waiting areas, clear signage and some evening and weekend hours.

Item: Field Office ADP Support ADP Support	Position	Amount
	...	\$12,870
Total	...	\$12,870

- Increase field Office ADP support to average office support of less than 1:60 (52 ADP staff). Specifically for large offices, a 1:60 and Service Centers (12 per Service Center). This support will provide onsite help desk services, network administration, local systems backups, and troubleshooting. This will allow the offices to keep pace with the additional automation that has been provided to the field in support of a more modernized application and adjudication process.

Item: Re-engineering Business Process of Other Applications Naturalization Testing N-400 Production N-400	Position	Amount
	...	\$5,000
	...	1,200
	...	2,000
Total	...	\$8,200

- INS will establish an interagency agreement with the Department of Justice to provide contractor support for INS' efforts to re-engineer all benefit applications, and continue KPMG reviews. INS used this method to re-engineer the Naturalization process in FY 1998. The continuation of this project will provide for standardization of operating systems, methods, and tools to complete all adjudication application processes.
- The contractor will be required to examine program organization, facilities issues, information and computer technology, organizational culture, external and internal communications, and the management structure. This will enable a new process and realize benefits through integrated project coordination and management to address the wide range of implementation issues. This process will enhance integrity, streamline processes, reduce paperwork, and improve customer service.

Item: Revocation	Position	Amount
Legal Proceedings		
Examiners	20	\$1,900
Investigators	19	2,451
Contract Interpreters	...	188
Total	39	\$4,539

- As of June 8, 1998, the central revocation unit has finalized 3,968 of the approximately 6,300 cases referred from the various audits conducted by KPMG Peat Marwick, Justice Management Division, and INS. NOIR's have been issued in 2,507 cases, and 1,461 cases are not legally sufficient to proceed with revocation. More than 1,400 responses have been received to date, and more than 650 hearings have been requested, with more than 100 having been held. The central revocation unit has issued forty-six final decisions, six cases affirming naturalization, twenty-seven cases terminating administrative proceedings, and thirteen cases revoking naturalization. Although policies and procedures for revocation hearings and final decisions have been developed, our resources are currently devoted primarily to the issuance of NOIR's within the two year limitations period. We remain on target to issue all legally sufficient NOIR's in a timely manner.
- An additional 20 examiners will be deployed to those districts with the largest revocation caseload. Personnel already designated and trained in revocation will remain as the full-time revocation examiners as there is inadequate resources and time to retrain new personnel. These examiners must be assigned full-time for revocation cases, whether on detail or back in their home district.
- Also, 19 investigators will required in those districts where the revocation caseload is the greatest. These investigators will be responsible for coordinating service of NOIR backlogs in the district, and working with exams and counsel to ensure that all necessary follow-up investigation is performed on all revocation cases, whether at the administrative or judicial revocation phase.
- In many cases, interpreters will be necessary to hold a meaningful hearing in a revocation case. Service personnel are often not able to adequately perform this function in an independent manner. Thus, it is necessary to contract with professional organizations to provide interpreters as necessary. An estimate of the need for interpreters indicates that as many as 750 cases may require their services.

Item: Revocation	Position	Amount
Legal Proceedings		
Examiners	20	\$1,900
Investigators	19	2,451
Contract Interpreters	...	188
Total	39	\$4,539

- As of June 8, 1998, the central revocation unit has finalized 3,968 of the approximately 6,300 cases referred from the various audits conducted by KPMG Peat Marwick, Justice Management Division, and INS. NOIR's have been issued in 2,507 cases, and 1,461 cases are not legally sufficient to proceed with revocation. More than 1,400 responses have been received to date, and more than 650 hearings have been requested, with more than 100 having been held. The central revocation unit has issued forty-six final decisions, six cases affirming naturalization, twenty-seven cases terminating administrative proceedings, and thirteen cases revoking naturalization. Although policies and procedures for revocation hearings and final decisions have been developed, our resources are currently devoted primarily to the issuance of NOIR's within the two year limitations period. We remain on target to issue all legally sufficient NOIR's in a timely manner.
- An additional 20 examiners will be deployed to those districts with the largest revocation caseload. Personnel already designated and trained in revocation will remain as the full-time revocation examiners as there is inadequate resources and time to retrain new personnel. These examiners must be assigned full-time for revocation cases, whether on detail or back in their home district.
- Also, 19 investigators will required in those districts where the revocation caseload is the greatest. These investigators will be responsible for coordinating service of NOIR backlogs in the district, and working with exams and counsel to ensure that all necessary follow-up investigation is performed on all revocation cases, whether at the administrative or judicial revocation phase.

- In many cases, interpreters will be necessary to hold a meaningful hearing in a revocation case. Service personnel are often not able to adequately perform this function in an independent manner. Thus, it is necessary to contract with professional organizations to provide interpreters as necessary. An estimate of the need for interpreters indicates that as many as 750 cases may require their services.

	Position	Amount
	873	\$221,600
GRAND TOTAL		

**Immigration and Naturalization Service
FY 1999 Budget Package
(Dollars in Thousands)**

Assumption I:

-- New Fees implemented on
October 1, 1998

Assumption II:

-- New Fees implemented on
November 1, 1998, loss of \$55,000

Assumption III:

-- New Fees implemented on
December 1, 1998, loss of \$83,000

Examinations Fee Account--

-- Available Resources	\$57,000-\$97,000*
--Projected Obligations	\$57,000-\$97,000

Examinations Fee Account--

-- Available Resources	\$1,600-\$41,600
--Projected Obligations	\$1,600-\$41,600

Examinations Fee Account--

-- Available Resources	\$-26,000 - \$14,000
Note: General base reduction due to delay in new fees and preliminary indication of a reduction in Naturalization applicants	
--Projected Obligations	\$-26,000 - \$14,000

Appropriated Resources--

Salaries and Expenses	\$164,600-\$124,600
-----------------------	---------------------

Appropriated Resources--

Salaries and Expenses	\$222,000-\$180,000
-----------------------	---------------------

Appropriated Resources--

Salaries and Expenses	\$247,600-\$207,600
-----------------------	---------------------

Total Reproramming Request \$221,600

Total Reproramming Request \$221,600

Total Reproramming Request \$247,600

* NOTE: Range is based on early indications that Naturalization applications receipts may be lower than anticipated for FY 1998 and FY 1999.

June 24, 1998

**Immigration and Naturalization Service
Examinations Fee Account
FY 1999 Reprogramming Requirements
(Dollars in Thousands)**

Item	Pos	Amount
Staffing Backlog		
Adjudication and Naturalization		
Naturalization	300	\$26,009
Adjustment of Status	190	10,571
Clerical Support (Nat'z and Adj of Status)		7,500
Overtime		6,850
Oaths		2,401
Clean-up and Address Correction		3,200
Reprint expired fingerprint		2,225
IRM		790
Subtotal	490	59,546
Service Centers		
Service Centers	...	3,200
IRM	...	145
Subtotal	...	3,345
Direct Mail - Final Phase		
Facilities	...	12,000
INS Staff	164	11,508
Contract Staff	...	6,000
IRM	...	16,212
Remaining Office deployment that need high end TIP	...	9,250
Subtotal	164	54,970
Comprehensive Telephone Center		
Telephone Center	122	31,450
Improve Records Program		
Records Program	...	13,500
Customer Service		
Customer Service	...	3,000
Claims 4 Development - Non-Naturalization Applications		
Claims 4	...	15,410
Quality Assurance		
Quality Assurance	58	9,070
ICPS		
Out source EAD Card Production	...	2,400
Out source INS ICPS Staff	...	2,400
Overtime for Card Production (Service Center)	...	100
Subtotal	...	4,900
Decentralize District Office Facilities based on ASC Locations		
Out source EAD Card production	...	800
Field Office ADP Support		
ADP Support	...	12,870
Re-engineering Business Process of Other Applications		
Naturalization Testing	...	5,000
N-400 Production	...	1,200
N-400	...	2,000
Subtotal	...	8,200
Revocation		
Staff	39	4,539
Total	873	221,600

Revised: June 10, 1998; based on March 18, 1998 Fee Projection Group Meeting

EXAMS FEE ACCOUNT PROJECTED BALANCES
FYs 1996, 1997, 1998 and 1999
(DOLLARS IN MILLIONS)

Administratively Confidential

New Fees: October 1998

	FY 1997	FY 1998	FY 1999	FY 2000
	Actual	Projected *	Projected	Projected
Carryover Balance: Regular Exams	238.9	228.0	0.0	49.5
Carryover Balance: Land Border	13.1	23.0	18.9	15.3
Receipt Projections:				
Regular Exams Receipts: 1/				
Naturalization		162.5	351.3	351.3
Other Adjudications		290.4	452.4	458.4
245(i)**		39.8	45.8	45.6
Proposed Fingerprint Surcharge 1/		40.8	56.2	56.2
Subtotal	\$630.6	533.5	905.7	911.5
Fees for Services Receipts:				
Fees for Services		19.7	19.1	19.1
New Fees:				
CIPRIS				7.8
NACARA				12
Subtotal	\$0.0	\$0.0	\$0.0	\$19.8
Recovery of Prior Year Obligations	11.9	5.7		
Total Resources Available	\$881.4	\$809.9	\$943.7	\$1,015.2
Obligations				
Exams Account	\$487.0	\$547.7	\$561.3	\$566.3
Fee for Services (Includes NIIS Reprog.)		\$23.8	\$22.6	\$17.2
Conference Agreement for FY97 Budget:				
(Transfers funding from VCRTF to Exams Fee)				
Asylum Processing	\$29.6			
Automation/Infrastructure for Exams Programs	\$26.9			
FY 1997 First Reprogramming (app'd 2/97)	\$48.7	\$19.7		
FY 1997 First Reprogramming (App'd 2/97)		(\$1.8)		
Adjustment for First Reprogramming based on Congressional Action				
FY 1997 OIG Reprogramming	\$4.0	\$3.7	\$3.7	\$3.7
FY 1997 Second Reprogramming	\$34.3			
Subtotal, Base Resources		\$593.1	\$587.6	\$587.2
Annualization of Approved Reprogramming		\$34.3	\$0.0	\$0.0
DOJ Oversight		\$5.0	\$0.0	\$0.0
Total, Base Obligations		\$632.4	\$587.6	\$587.2
Congressional Action on FY 1998 Budget:				
Program Increases		\$196.1	\$205.3	\$205.3
Base Reductions		(\$1.9)		
Base Realignment		(\$38.1)	(\$38.1)	(\$38.1)
FY 1998 Reprogramming - OIG		\$2.5		
Total, Congressional Action		\$158.6	\$167.2	\$167.2
FY 1999 Preliminary Reprogramming			\$97.6	\$84.6
FY 1999 Budget Request			\$26.5	\$26.5
Total Estimated Obligations	\$630.5	\$791.0	\$878.9	\$865.5
				\$66.6
Carryforward	\$250.9	\$18.9	\$64.8	\$83.1

*Source for revenue projection: The fee group projections of March 18, 1998

**Assumes \$130 application fee and \$75 of \$1,000 penalty fee to cover costs of processing 24¹ application after Jan. 1, 1997 (H.R. 2202) (General Counsel's legal opinion dated 1/14/97)

¹Source: SF-133 Report on Budget Execution (9/30/97).

/1 Assumes that the new fees go into effect on October 1998. Also assumes that a \$25.0 surcharge for fingerprinting process in April 1998 for benefit applications.

/2 The obligations for FY 1998 congressionally approved FY 1998 budget requests and reprogramming items

/3 Assumes the continuation of 245(i) for eligible applicants who have apps pending for (I-130) by Jan. 14, 1998.



Status of Examinations Fee Account

Exams Fee Account Review--

INS performed a detailed review of the Exams Fee Account to comply with the Congressional mandate to redirect five percent of the account's base budget toward the naturalization initiatives. The Exams Fee account review resulted in a \$38.1 million base reallocation. The review focused on FY 1998 spending for all programs to ensure that resources were available to continue with the improvements in the Naturalization program, to continue with the Service-wide records centralization project, and to provide the required funding for the fingerprint program. A Congressional notification of the base reallocation is currently being prepared by the Department of Justice.

Revenue Received as of April 30, 1998--

As of April 30, the Exams Fee Account has collected a total of \$271 million in application fees, of which \$158,656 is from fees charged for fingerprint processing. The revenue collected to date is 49 percent of the current \$513.4 million projection. The following is an explanation of legislative changes and impact of delayed fee implementation on the Exams Fee account.

- **Legislative changes for 245(i)** - Section 245(i) of the INA allowed aliens who have a current immigration visa number, but who are unlawfully in the United States to remain and adjust their status on payment of a \$1,000 penalty. This section of law was terminated on January 14, 1997, except for those aliens whose sponsors have filed an immigrant visa petition with INS, or an application for labor certification in accordance with Department of Labor regulations. This change decreased the projected volume of applications by 14 percent from FY 1997 to FY 1998 to a total of 214,575.
- **Delayed Implementation of New Fees** - The projected level of resources (\$513.4 million) for the Exams Fee account has already been reduced by approximately \$57.4 million based on the revised schedule for the implementation of new fees compared to the November 1997 estimate when fees were expected to be implemented by August 1, 1998. If the implementation of new fees are not



Immigration and Naturalization Service

effective at the beginning of FY 1999, it will have the following impact on the Exams Fee account:

- **Implementation of new fees in October** - The revenue collected will provide additional resources that will allow INS to reprogram \$97.6 million to address backlog reduction in naturalization applications.
- **Implementation of new fees in November** - The revenue collected will be reduced by \$55.4 million, a 7 percent decrease in revenue from the projected level if the new fees were implemented in October. The Exams Account will have to reallocate base resources even further to cover the revenue shortfall, or reduce the amount of resources planned in the FY 1999 reprogramming request for improvements in the processing of naturalization applications.
- **Implementation of new fees in December** - There will be an \$83 million reduction in revenue received, a 9 percent decrease in revenue from the projected level if new fees are implemented in October. This level of funding would eliminate the possibility of requesting a FY 1999 reprogramming request for reducing the backlog in naturalization applications, and reaching a 10 month processing goal.
- **Implementation of new fees in January** - A decrease of \$110.7 million, a 13 percent loss of revenue from the current projected level if the new fees are not implemented until January 1999. The Exams Fee account would not have the \$97.6 million currently projected in FY 1999 for a reprogramming to address backlog reduction in naturalization applications. In order to provide funds to address backlog reduction, and the FY 1999 budget request, a base reallocation of \$89.6 million would be required. A loss of revenue of this amount, would halt the progress that INS has made in improving the naturalization process and result in a large number of terminations for temporary employees and would eliminate any possibility for INS to reach a 10 month goal for processing naturalization applications.



Immigration and Naturalization Service

FY 1998 Appropriation--

The FY 1998 Appropriation provided an increase of \$196.1 million in the Exams Fee account to address naturalization initiatives. The status of these initiatives is listed below:

- CLAIMS System (\$5,210,000) - Software development is mostly complete and CLAIMS 4.0 is being piloted at the Nebraska Service Center and the Chicago District Office. While CLAIMS 4.0 is not yet performing optimally in either pilot, software changes continue to improve. Simultaneous, CLAIMS IV has been deployed to Texas and California Service Centers, they are processing some applications through CLAIMS 4.0. INS expects to deploy CLAIMS 4.0 to the top 6 cities (Chicago, Miami, Los Angeles, San Francisco, New York City, and Newark) and their sub-offices by the end of FY 1998. Sixty-five percent of their workload will be processed through CLAIMS 4.0.
- Records Centralization (\$11,096,000) - INS is fully prepared to implement this project. A notification was forwarded to congress on November 6, 1997 and INS is awaiting Congressional approval on the location of the facility. Therefore, the vast majority of these resources (\$9.1 million) are held in abeyance awaiting congressional approval. However, plans are underway to utilize these resources to invest in efforts that promote the underlying goals of the RAPID Project. INS will invest in projects that address fundamental records problems that affect the Service as a whole rather than invest in piecemeal, temporary solutions at selected sites.
- Central Index System (\$1,250,000) - resources have been allocated to enhance the Central Index System. IN FY 1998, there is a total of \$2.6 million (\$1.3 million in base resources and \$1.3 million from FY 1998 program enhancements) available for CIS, as of April 30, \$1.6 million has been obligated.
- Records Contract Support (\$4,800,000) - resources has been allocated to provide funds for additional records contract support in district offices and the proportionate amount of obligations should be occurring throughout the year. As of April 30, \$2.2 million has been obligated.



Immigration and Naturalization Service

- Naturalization Ceremonies (\$5,273,000) - \$3.2 million has been allocated for oath ceremonies and \$2.1 million has been allocated for administrative ceremonies, of which \$300,000 has been obligated. A total of \$5.8 million has been obligated for oath ceremonies as of April 30, this amount includes FY 1998 program enhancements and base resources.
- Fingerprint Requirements (130 positions and \$67,000,000) - 75 Application Support Centers (ACS), 51 ASCs co-located within existing INS offices, 44 mobile routes, and 38 designated law enforcement agencies operating under sole source agreements with INS will take all fingerprints for all immigration benefits applications requiring a FBI background check. A \$25 application fee is being collected for fingerprint processing. INS has purchased 100 live scan fingerprint machines and intends to purchase approximately 300 additional machines, once a cost benefit analysis of vendors is complete. All 130 positions have been added to the POST system and recruiting actions are under way.
- 400 Term Positions (\$38,287,000) - Term positions were provided to convert 400 temporary positions to term appointments to process naturalization and adjustment of status applications. Of the 400 term positions, 213 are on-board as of May 12, 32 selected and 54 are in recruitment process.
- Quality Assurance (121 positions and \$10,913,000) - Resources were provided for quality assurance staff to oversee processing of naturalization applications and to provide for the continued audit of the procedures. Of the 121 positions, 60 positions have been deployed to the field, 3 positions to Regional Offices, 11 positions to Internal Audit. The remaining 47 positions are being added to POST for recruitment action. Five positions in Internal Audit and 2 positions in the Office of Naturalization Operations are pending Congressional notification.
- Direct Mail (125 positions and \$33,169,000) - All 80 offices have been transitioned to Direct Mail for all new naturalization applications filed. All 125 positions have been added to POST and 85 are on-board as of April 30. The remaining 40 positions are in the recruitment/hiring process.



Immigration and Naturalization Service

- \$14,081,000 for overtime and Service Center contract support to address naturalization backlogs and processing times has been allocated. Only \$1.3 million has been obligated as of April 30; however, there are plans currently being developed to allocate the remaining resources to the field.
- Texas Service Center (\$1,900,000) - \$200,000 has been allocated to the Construction and Engineering program and the remaining \$1,700,000 to the Adjudication and Naturalization program for the expansion of the Texas Service Center. As of April 30, \$1.3 million been obligated for computers, 2D bar code readers, other miscellaneous equipment and facility expansion.

Based on current receipt and planned expenditures carryover into FY 1999 is expected to be minimal. The only known item for which we do not expect to obligate all of the available funding in FY 1998 is the FBI fingerprint reimbursement. As a result of electronically submitting prints to the FBI we anticipate savings in the range of \$8 - \$10 million, part of which will be used to fund DFS refunds and costs of the Kentucky ICPS facility.

NATURALIZATION PROCESS ENHANCEMENT AND BACKLOG REDUCTION INITIATIVE

I. INTRODUCTION

Increases in the number of applications filed, in combination with manual naturalization process integrity improvements, have caused pending applications to rise. As a result, waiting periods are now at an unacceptable level. To facilitate a reduction in our pending applications and our waiting periods, the Service has embarked on a major backlog reduction effort. The following is a brief discussion regarding the improved processes we have implemented to date in the areas of integrity, standardization, backlog reduction, production projections, and performance measurements.

II. INTEGRITY

Quality Assurance

- **Naturalization Quality Procedures (NQP).** Quality assurance controls to ensure that naturalized individuals meet all requirements of U.S. citizenship, and that determinations of citizenship are made only on the basis of all required applicant information, including FBI Criminal Justice Information System records. The first NQP improvements were adopted on November 29, 1996.

Training: As these new procedures were implemented, INS began mandatory Servicewide training for all personnel involved in the naturalization process. As we refine these procedures to incorporate new technology and procedural developments, we continue to provide on-going mandatory training.

NQP3: On June 30, 1997, revisions to NQP were implemented to instill operational controls and ensure uniform application throughout the naturalization process.

NQP4: On June 5, 1998, development of NQP4 was completed to refine and strengthen the process to reflect recent enhancements in automation, fingerprint procedures, and Direct Mail processing for all naturalization applications. Implementation of NQP4 will be completed by November 1, 1998.

- **Independent Review.** A system of independent office reviews (both contractor and INS Office of Internal Audit) has been established to ensure thorough distribution, training, implementation, and compliance with NQP requirements.

KPMG: On December 16, 1997, KPMG validated INS implementation and adherence to the principals of NQP. We anticipate that the next KPMG audit will occur before the end of this fiscal year.

Fingerprint Processing

- Implementation of machine readable technology to expedite fingerprint processing was completed in April 1998. INS began using and testing two dimensional bar code technology to provide masthead information. Bar code identifiers are being phased in, and will be in use for all new applications by September. INS began to pilot the use of an automated fingerprint capture system in 1998.
- INS has opened 68 freestanding Application Support Centers (ACS) and 53 ACSs collocated within existing INS offices. Additionally, mobile routes are scheduled to be fully operational by the end of FY 1998, and 41 Designated Law Enforcement Agencies (DLEAs) have signed and returned agreements to fingerprint applicants for the INS. With the exception of fingerprints taken overseas, these offices, mobile units and DLEAs, operating under sole source agreements with INS, will take fingerprints for all immigration benefits applications requiring an FBI background check.

Data Integrity

- **Data Validation.** Comprehensive reliable data reporting is essential for a coordinated and focused approach to backlog identification and workload monitoring. It also permits greater effectiveness in the allocation of resources devoted to backlog reduction. Problems with underlying data systems for reporting naturalization have been improved. In addition, validated data reflecting receipts, completions, and pending for October 1997 through May 1998 will be available June 30, 1998.
- **Records Support.** The Records Program will support the backlog reduction initiative by developing enhanced procedures to capture record movements that can be used to obtain naturalization workload data.

III. STANDARDIZATION

- **Direct Mail.** Implementation of automation, facilities, records, personnel, and budget requirements was completed April 15, 1998. This permitted the nationwide transition to a centralized process whereby naturalization customers mail their applications directly to one of four INS Service Centers.
- **CLAIMS 4.** Implementation of a single nationwide automated system for processing all naturalization applications has begun and will be completed by the end of FY 99. The system improves the quality of INS data collection, enhances operational efficiency, and ensures uniformity of application processing.

- **Naturalization Application SOPs.** New standard operating procedures (SOPs) are being developed for naturalization applications at service centers to ensure the uniform application of objective performance requirements and compliance monitoring in service center operations.

IV. BACKLOG REDUCTION

- **Backlog Reduction Plan (BRP).** Designed to address long term fixes in all service offices. The BRP process is on-going and the Service anticipates developing plans for all offices by August 31. Many of the offices involved in this process have already realized significant increases in productivity. Plans will be drafted and implementation responsibility will be vested in the District Directors.
- **Funding.** Allocated approximately \$4.9 million in current year facilities, staffing, and overtime funding in support of backlog reduction. Will distribute \$7.4 million during the fourth quarter of the fiscal year to enhance backlog reduction efforts. In FY 99, we expect \$14 million in base funding for backlog reduction support.

V. PRODUCTION PROJECTIONS AND PERFORMANCE MEASUREMENTS

Production Projections

- The Office of Naturalization Operations (HQONO) and Field Operations (HQOPS) have been working with the regions and field offices to develop a 120 day plan to establish realistic naturalization production projections for June and September. The final projections, which were established on June 9, 1998, were based on each office achieving standard interview and completion levels for each adjudications officer involved in the naturalization program.

June: The June projected Servicewide total of 58,453 is indicative of the increased productivity seen by the Service over the last six months. After a low point in January when completion figures were 32,133, we have and will continue to see increases through June which will result in an 82% gain over the January figure. The process improvements and increased resources in some offices account for these increases. This June commitment, annualized, would result in a total of approximately 700,000 completions.

September: The September production total of 99,044 is 69% greater than the total projected for June, and 98% greater than the September 1997 total. To give a little more perspective, it is also 67% greater than the average monthly completions for FY 1997. The September completion totals will be the result of additional process improvements and increases in the levels of resources. This September commitment, annualized, would result in a total of approximately 1,200,000 completions.

FY99: All offices will submit quarterly production commitments beginning in FY99.

Performance Measurements

- **Performance Monitoring.** INS will measure its accomplishments in comparison with the projections noted above and report on its performance each month. This systematic quarterly process will be on-going.
- **Data Reporting.** Performance Analysis System data reflecting applications received, completed, and pending will be available monthly and compiled quarterly for purposes of performance monitoring. The number of interviews conducted will be obtained through separate office reports and will be reported on the same schedule.

Steven M. Mertens

02/05/98 03:31:00 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Citizenship USA Audit to be Released Monday

FYI: On Monday, DOJ will release the final Peat Marwick report and brief the Hill on its findings concerning INS management of the problem plagued Citizenship USA initiative (which inadvertently naturalized unqualified aliens). The final results are not particularly good and will likely add ammunition to Hill calls for immigration benefit/services to be stripped from the INS.

In brief, the report repeats the December findings that of the 1.1 million aliens naturalized in 1996, 6,000 criminal aliens were inappropriately granted citizenship benefits. These individuals are currently in revocation proceedings. Few actual revocations have been effected to date. The report will also state that 38 aliens who were under deportation or final orders of exclusion were also naturalized (INS did not check the Executive Office of Immigration Review's data base which documents immigrant court actions prior to granting citizenship).

The most serious problems relate to the results of Peat's sampling of the entire 1996 naturalization universe which the Hill agreed would be acceptable in lieu of investigating all 1.1 million new citizens. The results of this sampling (6,018 applications by population strata and geographic location) identified an error rate of 3.9 percent equating to approximately 38,000 ineligible aliens being granted citizenship. The majority of these (25.5K) were found to have applied for citizenship prior to being eligible and INS should not have accepted the application. INS had permitted immigrants to apply if they were 90 days from the 5-year residency/permanent legal resident requirement. Peat found applications INS had accepted which were 6 months to a year prior to eligibility. Most, however, were eligible (time in residency) by the time they actually reached the citizenship ceremony and became citizens.

The remaining (11.5K) were found not to have met the "good moral" certitude requirement of the law (DWI, etc).

The review also found that 90 percent of the cases lack sufficient file documentation to justify granting citizenship and that in 70 percent of the sample cases audited, the reviewer was unable to determine whether fingerprints had been sent to the FBI. Overall, based on the sample set, Peat Marwick documented a 95 percent error rate -- a strong indictment of INS' management of the naturalization process.

DOJ is planning to package the results of the Coopers and Lybrand redesign of the naturalization process to temper the negative press associated with the Peat audit findings.

Message Sent To:

Q: What did the reforms do to address these problems?

Doesn't Bob dispute this number?

Sampling found 3.9% error rate not under

are these criteria explicit?

369 need revocation / disqualifying felony conviction others need more looking into in process of looking at 5000+

Michael Deich/OMB/EOP
Elena Kagan/OPD/EOP
Kenneth L. Schwartz/OMB/EOP
David J. Haun/OMB/EOP
Julie A. Fernandes/OPD/EOP
Ingrid M. Schroeder/OMB/EOP