



Homeland
Security

June 5, 2017

Re: **2017-HQFO-00201**

Dear :

This is the electronic final response to your December 12, 2016, Freedom of Information Act (FOIA) request to the Department of Homeland Security (DHS) for any and all materials produced for, received by or relating to President-Elect Donald Trump's Transition Team, including any questionnaires relating to the transition, the incoming administration or produced by any the Transition Team for Office of Inspector General (OIG). This office received your request on December 30, 2016.

In responding to a FOIA request, The Department of Homeland Security, Privacy Office will search for responsive documents in its control on the date the search began. We began our search on January 21, 2017. A search of the Presidential Transition Office for documents responsive to your request produced a total of 165 pages.

We are granting your request under FOIA, 5 U.S.C. § 552, and DHS FOIA regulations at 6 C.F.R. Part 5. After carefully reviewing the responsive documents, I determined that they are appropriate for public release. The documents are enclosed in their entirety; DHS has claimed no deletions or exemptions.

If you need any further assistance or would like to discuss any aspect of your request, please contact the analyst below who processed your request and refer to **2017-HQFO-00201**.

You may send an e-mail to foia@hq.dhs.gov, call 202-343-1743 or toll free 1-866-431-0486, or you may contact our FOIA Public Liaison in the same manner. Additionally, you have a right to right to seek dispute resolution services from the Office of Government Information Services (OGIS) which mediates disputes between FOIA requesters and Federal agencies as a non-exclusive alternative to litigation. If you are requesting access to your own records (which is considered a Privacy Act request), you should know that OGIS does not have the authority to handle requests made under the Privacy Act of 1974. You may contact OGIS as follows: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

Provisions of FOIA allow DHS to recover part of the cost of complying with your request. In this instance, because the cost is below the \$14 minimum, there is no charge. 6 CFR § 5.11(d)(4).

Sincerely,

A handwritten signature in black ink, appearing to read 'Saffie Goushe', with a horizontal line extending to the right.

Saffie Goushe
Information Specialist

Enclosures: Responsive Records, 165 Pages

DEPARTMENT OF HOMELAND SECURITY

Office of Inspector General

U.S. Citizenship and Immigration Services' Progress in Modernizing Information Technology



Office of Inspector General

U.S. Department of Homeland Security
Washington, DC 20528



Homeland Security

November 30, 2006

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, effectiveness, and efficiency within the department.

This report is the result of our follow-up review of the challenges that U.S. Citizenship and Immigration Services (USCIS) faces in modernizing information technology (IT) to carry out its immigration benefits processing responsibilities more effectively. The findings discussed in this report are based on interviews with USCIS officials and employees, direct observations, and a review of applicable documents.

It is our hope that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General

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Abbreviations

CIO	Chief Information Officer
DHS	Department of Homeland Security
GAO	Government Accountability Office
IT	Information Technology
ITIL	Information Technology Infrastructure Library
OCIO	Office of the Chief Information Officer
OIG	Office of Inspector General
TPO	Transformation Program Office
USCIS	U.S. Citizenship and Immigration Services

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Executive Summary

Effective use of IT, coupled with updated processes, is vital to increase efficiency and address demands in immigration benefits processing. In our September 2005 report, *USCIS Faces Challenges in Modernizing Information Technology* (DHS-OIG-05-41), we identified inefficiencies in USCIS' operational environment and an unfocused approach to improving processes and systems in order to provide citizenship and immigration services more effectively. In the report, we recommended a number of actions that USCIS can take to leverage IT to achieve its modernization objectives. Such actions also will be critical to support potential increases in benefits processing workloads that could result from proposed immigration reform legislation.

As part of our responsibility for assessing the efficiency and effectiveness of departmental operations, we conducted a review of USCIS' efforts to improve its processes and systems. The objectives of our review were to assess progress in implementing IT modernization initiatives, as well as addressing our prior recommendations. The scope and methodology of this audit are discussed in Appendix A.

Although USCIS has taken steps to address the recommendations in our prior report, several challenges continue. Specifically:

1. Although USCIS has exhibited new commitment to business transformation, the bureau faces challenges in finalizing its approach and advancing to transformation implementation.
2. USCIS has accomplished the first phase of its IT staffing integration effort, however, remaining phases remain on hold until the bureau addresses organizational deficiencies that hinder day-to-day IT operations.
3. USCIS has made progress in applying IT to support mission business operations, but improved strategic planning by the Office of the Chief Information Officer (OCIO) could help in managing IT resources.
4. Process engineering is contingent on implementing a "to-be" transaction-based environment and a supporting acquisition approach.
5. While significant progress in IT infrastructure upgrades has been made, plans to complete remaining sites are on hold pending funding approval.
6. USCIS has outlined strategies to increase stakeholder involvement in transformation planning to promote buy-in and minimize risks that redesigned processes and systems may not meet user needs.

Each of our prior report recommendations will remain open until additional progress is demonstrated and updated information is provided for our review.

Background

Our September 2005 report discussed inefficiencies in USCIS' IT environment that hindered its ability to carry out its immigration benefits processing mission successfully. Specifically, USCIS' processes were largely manual, paper-based, and duplicative, resulting in an ineffective use of human and financial resources to ship, store, and track immigration files. Adjudicators used multiple and non-integrated IT systems to perform their jobs, which has reduced productivity and data integrity. IT software and hardware systems also were not well configured to meet users needs.

Further, although federal guidelines require effective planning and management of IT to increase efficiency of business operations, USCIS has not had a focused approach for updating its legacy systems and manual workflow practices. Rather, IT planning and implementation were conducted in a reactive and decentralized manner across the organization. Additionally, USCIS relied on personnel rather than technology to meet its backlog reduction goals.

Based on these findings, we recommended that the Acting Deputy Director, U.S. Citizenship and Immigration Services:

1. Develop a modernization strategy that includes short- and long-term goals, funding plans, and performance measures to guide USCIS entities in accomplishing their citizenship and immigration services missions.
2. Complete implementation of plans to centralize IT by placing all USCIS IT employees, budgets, and systems under the Chief Information Officer's (CIO) authority and control.
3. Ensure that the centralized CIO operation and its IT transformation plans and systems initiatives are linked to and effectively support the consolidated USCIS strategy.
4. Review, analyze, and reengineer benefits adjudication activities to help eliminate duplication, transition from paper-based processes, better integrate systems, and provide systems access to the users who need it.
5. Finalize and implement plans to upgrade and standardize IT hardware and software systems to support reengineered processes and systems integration and access improvement initiatives.
6. Ensure representation and participation of users at the various levels from across USCIS in all process reengineering and IT transformation activities.

In December 2005 and May 2006, USCIS provided compliance updates, including milestones and actions plans, for addressing our report recommendations. Over the past year, the bureau has undergone several leadership changes and made demonstrable progress toward achieving its

modernization goals. For example, the backlog reduction initiative that was a focus for the bureau during our previous review concluded with USCIS completing more than 70 percent of all previously backlogged cases by the end of FY 2006. Now, the bureau faces large-scale immigration reform as Congress debates pending legislation reform that could significantly affect USCIS' processes and workloads. Specifically, the House of Representatives passed an immigration bill that focuses on strengthening the enforcement of existing immigration law and enhancing border security.¹ The Senate passed a separate bill with provisions to create a guest worker program and a program to legalize undocumented aliens.²

If enacted, this legislation could dramatically increase the number of applicants for immigration benefits, also requiring improved biometrics management, and new systems to track guest workers and their employment eligibility. IT modernization will be vital for USCIS to meet these new requirements and overcome its long standing challenges in achieving operational efficiency.

Results of Audit

Transformation Strategy Development Continues

The *Government Performance and Results Act of 1993* holds federal agencies responsible for strategic planning to ensure efficient operations and effective use of resources to achieve mission goals.³ However, at the time of our September 2005 report, USCIS had not implemented a consolidated strategy to move from its outdated, paper-based processes to a more efficient electronic environment. Therefore, we recommended that:

USCIS develop a modernization strategy that includes short- and long-term goals, funding plans, and performance measures to guide USCIS entities in accomplishing their citizenship and immigration service missions.

Since our previous report, USCIS has demonstrated progress through the evolution of a bureau-wide, business-driven transformation program. Finalizing and moving ahead with implementation of this transformation program remains a challenge for the bureau nonetheless.

¹ *Border Protection, Antiterrorism, and Illegal Immigration Reform Act of 2006*, H.R. 4437, 109th Cong., 2nd Session (2006) U.S. House of Representatives.

² *Comprehensive Immigration Control Act of 2006*, S. 2611, 109th Cong., 2nd Session (2006) U.S. Senate.

³ *Government Performance and Results Act of 1993*, Public Law 103-62, August 3, 1993.

Business Transformation Has Brought New Direction and Commitment

Over the past year, USCIS has made transformation a leadership-driven priority. The bureau demonstrated progress by defining a solid mission, vision, and supporting principles to guide process improvements and IT modernization efforts. Senior leadership sign-off of these high level plans underscores USCIS' commitment to achieving business transformation objectives.

USCIS' establishment of its Transformation Program Office (TPO) in November 2005 is a positive step toward modernization. The TPO provides oversight of modernization activities as well as a centralized management structure for coordinating transformation teams. In February 2006, the TPO established a Governance Plan, which defines the office's roles and responsibilities, as well as the structure of the office and its sub-teams. A corresponding Transformation Program Management Plan defines at a high level the scope, tasks, milestones, and objectives of the transformation effort. In May 2006, the Acting DHS Chief Financial Officer authorized \$25 million to complete the program planning phase. Subsequently, in June 2006, USCIS submitted an "exhibit 300" business case to the Office of Management and Budget, outlining the purpose, benefits, and justification for continued transformation funding. The TPO drafted a concept of operations to help validate its approach to instituting new business processes and systems. These achievements, as well as additional key milestones, are summarized in the chart below. (See Figure 1.)

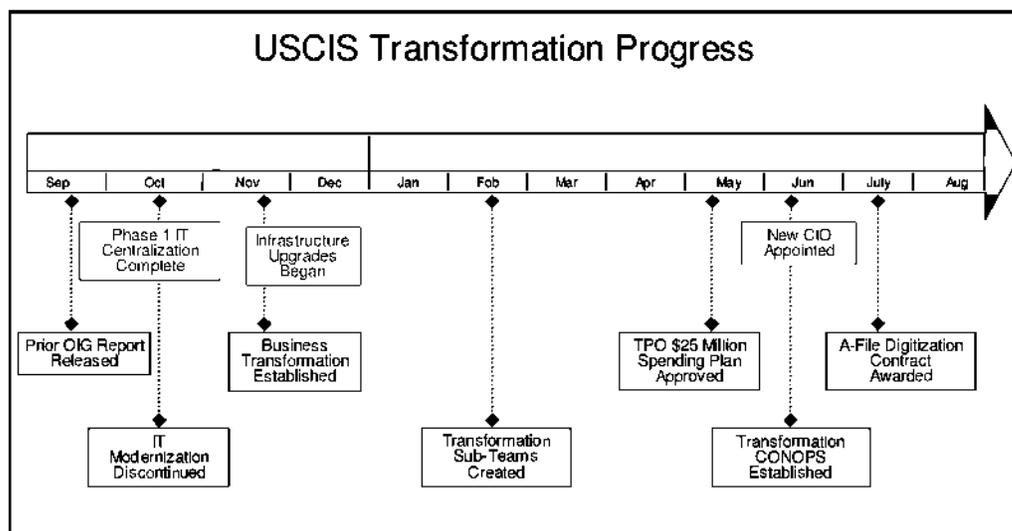


Figure 1: USCIS Transformation Progress Since September 2005 OIG Report

Senior-level endorsements and communications to internal stakeholders are expected to generate broad acceptance of transformation throughout the

bureau. For example, the DHS Secretary’s “Second Stage Review,” providing an assessment of the department’s organization structure, policies, and operations in June 2006, discussed USCIS’ outdated IT environment and the need for modernization. Further, numerous USCIS senior executives compared the current business transformation with previous IT efforts, indicating that program success is now more likely, given increased leadership and support. For example, by designating transformation as a top priority, the USCIS director has sought to heighten visibility and stakeholder support for the program. Additionally, the director’s 100-day message and USCIS’ monthly newsletter have helped highlight transformation plans and activities.

Cycle of Continuous Planning

Despite the progress made in transformation planning, USCIS faces challenges in finalizing its approach and advancing to the implementation phase. Because of repeated changes in focus and direction, USCIS has tended to duplicate previous modernization initiatives and has not demonstrated the ability to execute its planned strategies. (See Figure 2). For example, the current transformation approach replicates elements of the former USCIS CIO’s effort to modernize bureau technology. At the time of our September 2005 report, the OCIO had developed portions of a transformation strategy under the title, “IT Modernization.” This CIO effort focused on replacing legacy systems with a new case management system. In April 2005, the DHS Joint Requirements Council approved the mission needs statement for the CIO’s IT Modernization effort. However, in October 2005, USCIS discontinued IT Modernization midstream, replacing it with the broader Business Transformation Program. Although the ongoing transformation effort focuses on upgrading technology to support business objectives, much of the planning conducted under the former CIO’s IT Modernization initiative remains underutilized. For example, as part of IT Modernization, USCIS conducted a market study to identify procurement options and possible vendors and produced a request for proposals. However, the current business transformation program has begun a new market research effort to identify leading practices and procurement options.

USCIS Modernization Initiatives Since Joining DHS

Name	Timeframe	Status
Business Transformation	2005-Current	On-Going
IT Modernization	2004-2005	Cancelled
Office of Services Modernization	2003-2005	Cancelled

Figure 2: USCIS Modernization Initiatives Since Joining DHS

Similarly, USCIS has repeatedly developed plans to pilot elements of the transformation program, but has not fully implemented any of these plans. For example, USCIS originally planned to pilot a new process for managing H-1B visas in April 2006, with deployment potentially scheduled for October 2006.⁴ However, the director agreed to discontinue this pilot after the TPO determined that the program was unlikely to succeed due to incomplete cost estimates as well as procurement and timing risks. Likewise, in March 2006, USCIS planned a pilot to test end-to-end electronic processing of a limited sample of immigration benefits. USCIS planned to begin this pilot at 25 field offices in its western region in May 2007, and then incrementally roll it out to other locations nation-wide. Although USCIS presented this pilot to the DHS Investment Review Board for approval, the TPO agreed to re-evaluate the scope of the effort after conceding that it was ambitious and possibly needed to be scaled down. As of September 2006, no other business transformation pilots had been executed. By repeatedly revising and delaying implementation of the pilots, USCIS may be losing momentum and user confidence in its transformation approach.

Delays in completing the overarching plans and strategies to guide business transformation have been a concern as well. Several key documents are behind schedule; others, such as a risk management plan and a security plan, have not been developed. More importantly, due to funding uncertainties, USCIS postponed development of the overall transformation strategy from July 2006 to September 2006. Consequently, the bureau has not defined its short- and long-term transformation goals and associated milestones. Until this strategy is outlined, USCIS may have limited ability to prioritize activities, execute plans, or clearly align ongoing projects with overall transformation objectives. Additionally, according to the 2007 Appropriation Act, transformation funding may not be obligated until the Senate and the House Committees receive and approve a USCIS transformation strategic plan that has been approved by the Secretary of Homeland Security and reviewed by the Government Accountability Office.⁵

USCIS' unique funding structure poses major obstacles to transformation planning. Because of the limitations imposed by its fee-based revenue, the bureau continues to look for creative ways to augment appropriations for enterprise-wide transformation. Although USCIS has begun to discuss alternative funding strategies, the bureau has not defined an acceptable acquisition approach to move forward. In July 2006, a contractor completed a review of possible acquisition strategies and provided a wide range of cost estimates, from \$387 million to \$1.4 billion. However, the contractor

⁴ H-1B is a nonimmigrant classification for aliens who will be temporarily employed in specialty occupations, such as accounting, engineering, or law.

⁵ *FY 2007 Homeland Security Appropriations Act*, H.R. 5441, 109th Cong., 2nd Session (2006), Title IV.

concluded that USCIS must finalize its transformation requirements first in order to obtain more accurate costs and risks.

This recommendation will remain open until USCIS finalizes its transformation strategy, including short- and long-term goals, associated milestones, relevant plans, and a funding and acquisition approach.

Challenges In Centralizing IT Resources

According to DHS Management Directive 0007, the CIO of each DHS component is responsible for managing its IT budgets and resources.⁶ As we reported in September 2005, although USCIS had taken some steps to place major IT projects under the control of its CIO, the bureau continued to operate with a decentralized IT management structure. Therefore, we recommended that:

USCIS complete implementation of plans to centralize IT by placing all IT employees, budgets, and systems under the CIO's authority and control.

Since our 2005 report, USCIS has made additional progress in realigning its IT employees to report to the CIO. However, centralization of the remaining IT employees, as well as IT assets and budgets, is on hold while organizational improvements are made.

IT Realignment and Organizational Improvements

USCIS has made considerable progress in accomplishing the first phase of its IT staff integration effort. In October 2005, USCIS transferred 90 technical positions and administrative staff from its four service centers, the National Records Center, and the National Benefits Center to report to the bureau CIO. This initial realignment has yielded a number of benefits to IT personnel. For example, a number of IT staff in field locations said that they now have greater awareness of OCIO operations and activities. Increased use of teleconferences, emails, and working groups has helped unify IT staff across headquarters and field locations. To illustrate, the OCIO now holds weekly conference calls with its IT field area directors to improve communications and coordination.

Additional realignments of IT assets are planned for FY 2007, pending completion of related organizational improvements currently underway.

⁶ *Information Technology Integration and Management*, Department of Homeland Security Management Directive System, MD Number 0007, October 14, 2004.

Specifically, USCIS recently hired a new CIO to restructure the IT organization and implement a number of initiatives to address internal control deficiencies identified in its FY 2006 self-assessment. According to the study, OCIO met fewer than 10 percent of the internal control standards established by the Government Accountability Office to measure operational performance. The most significant weakness was a lack of permanent OCIO staff to manage and deliver IT services in support of the USCIS mission. Additional deficiencies involved strategic planning, IT security, program and contractor oversight, communications, training, and performance management.

To address these deficiencies, the new CIO has made organizational restructuring—particularly in the areas of IT security, enterprise architecture planning, and IT service management—a top priority. In July 2006, the CIO released a request for quotations to acquire IT consulting assistance for this restructuring effort, as well as to adopt leading practices in IT service delivery. Instituting the “IT Infrastructure Library” (ITIL), a federal framework for IT service management, is one such leading practice. USCIS plans to identify the new OCIO structure and fully define supporting IT business processes and internal controls in October 2006.

To address the IT staff shortages, the OCIO developed a recruiting plan to fill key positions, starting with IT security. Since July 2006, the OCIO also worked to reduce the number of contractor positions performing inherently government functions. These staffing improvements are to increase the OCIO’s ability to accomplish its mission with a permanent workforce and adequate contractor oversight. In the long run, such reductions also are expected to result in a more balanced mix of government and contractor employees, as well as cost savings.

Other OCIO improvements underway include heightened focus on improving employee and project management practices. For example, in July 2006, the office developed a new CIO newsletter, “More About the OCIO,” which will be issued on a regular basis. The newsletter will provide up-to-date information about key projects, workforce changes, and other issues of concern to the CIO. Training also is underway for IT project managers, as a means of standardizing their management practices and improving their skills.

Continuing IT Management Difficulties

Although the OCIO organizational improvements constitute positive steps forward, a number of challenges hinder day-to-day operations. For example, USCIS placed the remaining consolidations of IT staff from organizations such as district offices and asylum offices on hold while the organizational

improvements are underway. According to the OCIO's FY 2006 self-assessment and a number of employees that we interviewed, IT field staff not yet realigned to report to the CIO continue to perform various services and functions in a decentralized manner.

For example, in the absence of OCIO guidance on system life cycle management, field IT staff continue to develop non-standard systems that may not integrate with the enterprise-wide infrastructure. This proliferation of non-standard systems has created a number of concerns for the OCIO. For example, after recently beginning efforts to upgrade its field offices to Windows XP, USCIS found that a number of locally developed applications were not compatible with the new MS Office operating system. According to a USCIS Corrective Action Plan and Milestones developed in response to our previous report, the OCIO is building a systems inventory to help identify and eliminate applications developed in field offices outside of its control.

Further, IT employees who have already moved to the OCIO lack adequate support in some areas. According to several field IT staff, the OCIO has not provided adequate guidance or sufficiently addressed their basic administrative needs since realignment. They said that the OCIO also has not defined clearly the processes and reporting structure for personnel, training, and budget management. For example, several employees recalled having to fax their leave requests to several different contacts at headquarters numerous times to obtain the required approvals. In addition, one field official had difficulty getting funding for basic expenses such as local travel, overtime, and postage.

Historical concerns regarding OCIO budget management and spending practices have resulted in increased USCIS oversight of the office's IT spending. USCIS employs a range of internal controls to review and approve spending. Although the OCIO budget is mainly used for operations and maintenance of existing systems, additional IT expenses are subject to these overarching internal control processes, which involve review and approval by business and IT representatives from across the bureau.

However, many OCIO personnel expressed concerns about a lack of IT representation in the investment management decision-making. USCIS officials stated that business representatives also are too heavily involved in system and infrastructure change decisions that require considerable technical knowledge and expertise. For example, one IT official described the oversight process as "broken," citing an instance in which OCIO presented a clear case to a senior review board for potential cost savings through network enhancements. However, one business member repeatedly voted against the IT proposal, effectively killing the program when consensus approval could

not be achieved. The IT official concluded that not having the right mix of business and technical representation may lead to ineffective IT decisions.

This recommendation will remain open until USCIS addresses its organizational deficiencies and makes demonstrable progress in centralizing its IT resources.

Ongoing Efforts to Link OCIO Objectives to the USCIS Strategy

According to the Office of Management and Budget, an agency's IT plan should support its strategic plan and should describe how information resources will be used to help accomplish the agency's mission.⁷ Although centralized IT is key to executing this planning guidance, we reported in September 2005 that USCIS' IT programs and services were neither centrally nor strategically managed. Instead, IT initiatives were planned and implemented in an ad hoc manner to respond to immediate needs. Accordingly, we recommended that:

USCIS ensure that the centralized CIO operation and its IT transformation plans and systems initiatives are linked to and effectively support the consolidated USCIS strategy.

In recent months, USCIS has taken steps to strategically align its business transformation program objectives with the overarching DHS strategy. OCIO efforts also are underway to strengthen investment management controls and enhance coordination between business and IT organizations. However, OCIO has not clearly linked its IT objectives and initiatives with USCIS goals to ensure that technical solutions and services meet bureau needs effectively.

Progress in Applying IT to Support Mission Business

The TPO linked the business transformation program both with the DHS and the USCIS strategic plans. For example, the TPO has taken steps to ensure that its Transformation Program Management Plan supports key mission themes, including prevention, service, and organizational excellence, outlined in the DHS strategic plan. Additionally, four priorities outlined in the USCIS strategic plan are included in the Transformation Program Governance Plan. The four priorities are providing accurate and useful information to customers, granting immigration and citizenship benefits, promoting awareness and

⁷ *Management of Federal Information Resources*, Revision of Management and Budget Circular A-130, Transmittal 2, July 15, 1994.

understanding of citizenship, and ensuring the integrity of the immigration system.

Further, USCIS strengthened its investment management review processes to better ensure that programs and initiatives align with the bureau's strategy. Specifically, in October 2005, USCIS instituted a bureau-wide governance structure, consisting of at least four review boards responsible for reviewing and approving investments to meet agency business needs. Investments are identified for review based on a range of criteria, including cost, technical impact, and mission priority or criticality. Currently, these boards constitute the foremost means of overseeing management and spending related to both IT and non-IT initiatives. As previously discussed, although USCIS intends the various boards to have crosscutting leadership, most representatives are from business rather than technical bureau components, resulting in inadequate IT expertise to make key systems decisions.

Over the past year, USCIS has sought ways to better coordinate and align business and IT initiatives. According to its FY 2006 internal controls self-assessment, the OCIO does not effectively communicate with system owners to determine how IT can be applied to support business needs. A number of IT leaders said that this gap is the result of poor communication between IT managers and line of business representatives. USCIS has instituted a number of mechanisms to increase coordination and foster more productive working relationships. For example, the USCIS Chief of Staff recently began hosting weekly meetings to bring together IT and business representatives to discuss project milestones, progress, and cost issues. According to one senior USCIS official, the meetings have helped IT and business leaders understand each other's roles better and they now are making progress toward achieving common goals.

Further, OCIO improved its technical services and support for business operations. In June 2006, OCIO created a new staff position with responsibility for building IT strategic planning and financial management capabilities, such as earned value management and cost estimating. The incumbent has been helpful in instituting new OCIO processes, policies, and standards, such as the previously mentioned ITIL framework for IT service management. A number of senior officials expect that these improvements will support development of the OCIO budget in alignment with the bureau's strategic objectives. Additionally, OCIO has organized much needed training to improve program and project management, as well as financial planning. Once implemented, these efforts are expected to enhance technical services and management capabilities and help OCIO better monitor and control IT programs and operations.

Improved IT Management and Tools Are Needed

Despite the steps taken to align IT and the business, IT strategic planning within the OCIO could be improved. Specifically, a prior CIO developed the existing five-year IT strategic plan in July 2004. Some believed that the existing plan is not fully effective, characterizing it as more of a general, high level business plan than an executable IT strategy. Officials also said that the transformation program does not include measurable performance goals. As such, a number of USCIS personnel concluded that OCIO needs to start over and develop a new IT strategic plan that reflects current priorities. Such a strategy, along with performance goals and measures, would provide more actionable guidance for meeting Office of Management and Budget planning requirements and supporting DHS and USCIS mission goals.

Further, the CIO does not have central authority to budget, track, or link all IT expenditures to USCIS mission objectives. Rather, the CIO relies upon informal and inconsistent mechanisms to prioritize and help manage IT programs and initiatives. One of the few methods available to align proposed investments with the bureau strategy is through the Office of Management and Budget's "exhibit 300" process. However, this practice is insufficient because it depends on each program manager's individual, subjective assessment of how a proposed initiative will support mission goals. This practice also does not assist in centrally prioritizing or categorizing programs in line with mission critical needs. One senior IT manager characterized this OCIO environment as a reactive one in which IT solutions are implemented in an ad hoc manner to meet pressing business needs. Once initiatives are underway, there also are no standards for project planning or budgeting. Because OCIO project management skills and automated project tracking and reporting tools are lacking, IT project plans do not include detailed cost data consistently, hindering OCIO ability to perform cost or trend analysis for projects over time.

The lack of a mature enterprise architecture to help standardize and align technology with business functions contributes to this decentralized IT environment. USCIS recognizes that an enterprise architecture is critical to support business transformation, as well as IT management. USCIS has established a team to develop such a framework, following Federal Enterprise Architecture guidelines. According to TPO officials, this approach will facilitate early definition of business outcomes, metrics, and processes, followed by development of technical solutions. However, there are significant obstacles to architecture development. Specifically, due to a shortage of OCIO personnel, the development effort is not fully staffed and each of the five architecture reference models is in varying stages of development.

This recommendation will remain open until USCIS updates its IT strategic plan, centralizes management of its IT expenditures, and applies its enterprise architecture to ensure linkages between its transformation strategy and IT initiatives.

Process and Systems Improvements Underway

According to the *Paperwork Reduction Act of 1995* and the *Clinger-Cohen Act*, agencies are required to acquire, manage, and use IT to improve mission performance.⁸ However, as we reported in September 2005, USCIS faces significant challenges due to inefficient paper-based processes, non-integrated information systems, and inadequate systems access for users. To address these challenges, we recommended that:

USCIS review, analyze, and reengineer benefits adjudication activities to help eliminate duplication, transition from paper-based processes, better integrate systems, and provide systems access to the users who need it.

In line with our recommendation, USCIS has taken initial steps towards a top-down review of its current immigration benefits processing activities to support the ongoing transformation effort. However, implementing re-engineered business processes is contingent upon first defining a “to be” transaction-based environment and a supporting acquisition approach. Until this is accomplished, the bureau will remain burdened with limited information management capabilities and lengthy forms-driven adjudication processes.

Developing a Framework for Process and Systems Improvements

Over the past year, USCIS has taken steps to build a framework for business process improvement. For example, as previously stated, in June 2006, USCIS completed a concept of operations for moving from the current forms-based adjudication environment to a transaction-based approach. TPO leadership subsequently circulated the completed draft to selected leaders, field transformation contacts, and external agencies to solicit feedback and comments. According to a USCIS official, distribution of the draft document also served to improve communication between IT and the business regarding new processes and technology in the transformed business environment.

⁸ *Paperwork Reduction Act of 1995*, Public Law 104-13, May 22, 1995; and the *Clinger-Cohen Act* (formerly the *Information Technology Management Reform Act of 1996*), Public Law 104-106, Division E, February 10, 1996.

Over the past six months, USCIS has mobilized a transformation team to begin process improvement efforts. For example, an integrated design team has begun drafting high level process designs for streamlining adjudication activities, as well as developing business rules and electronic designs for all types of transaction-based forms. Additional work has included identifying ways to ensure that data elements will be accurately and efficiently captured during the conversion from paper-based to electronic forms. Although preliminary, these efforts illustrate USCIS' commitment to enabling electronic forms intake in an automated environment.

Further, USCIS is planning a number of short-term initiatives to support transformation objectives, including electronic records management and systems integration. For example, a Biometric Storage System planned for development in FY 2007 is intended to store and manage personal identification data, such as fingerprints. The system will use enumeration—a process whereby each applicant is assigned a unique numeric identifier—to capture each customer's identity. USCIS will use encryption to ensure secure electronic transmittal of the biometric data. Additionally, USCIS awarded a contract in July 2006 for the creation, standardization, and implementation of digitized technology for electronic management of millions of A-files. The first million A-files are scheduled for digitization within 12 months of project initiation. The results of this effort will be pivotal to transformation, ensuring real-time accessibility of files across USCIS locations and, ultimately, more timely customer service.

Similarly, USCIS' "Enterprise Services Bus" is a project to improve data sharing by tying existing legacy systems together using middleware—a type of software that connects two or more applications so that they can exchange data. This initiative will allow adjudicators to easily view and use information from disparate systems to process related benefits applications in a timely manner. Further, OCIO is building a data dictionary to standardize definition and representation of data elements, such as A-file numbers, across USCIS systems. Development of a logical data model will improve data integration and exchange, both within the bureau and with external stakeholders.

Unclear Progress in Process Reengineering and Systems Integration

Despite these various process and systems initiatives, USCIS progress in improving its benefits adjudication processes is unclear. Over the past several years, USCIS repeatedly began business process reengineering initiatives that never fully delivered results as promised. This situation continues today, resulting in employee confusion about progress made, as well as apprehension concerning bureau plans for future improvements. Some employees are uncertain as to whether business process redesign has begun; others believe

that the effort has been completed already. In reality, a TPO team drafted “to-be” business process redesigns in December 2005, but has not done much beyond this preliminary planning. Formal process reengineering is not scheduled to resume until the next phase of transformation, after the supporting funding and acquisition strategy have been determined.

Similarly, there have been inconsistent reports regarding progress in gathering business and technical requirements to support transformation. Although several USCIS personnel believe that requirements gathering has not yet started, we became aware of at least one USCIS effort to gather stakeholder and user requirements during transformation planning. Specifically, in December 2005, USCIS held a “Joint Application Development” session involving business representatives at headquarters to identify requirements for building systems to initially support an April 2006 H-1B visa processing pilot. USCIS planned to extend these systems after the test to other benefits processing activities. Although a follow-on session was scheduled for later that month, it never took place and no other requirements gathering sessions have been conducted for this effort. It is unclear how the outcomes from the initial session have been used to support transformation planning. As a result of such confusion, several IT personnel have expressed doubt that USCIS headquarters can conduct enterprise-level requirements gathering successfully to produce meaningful results.

Further, because of the delays in business process redesign, as well as in identifying a viable acquisition approach, development of technical solutions to support business transformation has not started yet. According to a number of USCIS personnel, technical solutions are critically needed to replace the complex, non-integrated, and outdated legacy systems environment. A robust case management system is a principal tool needed to ensure USCIS systems integration and transaction-based adjudication. Although USCIS initially planned to implement some case management system capabilities by October 2006, this pilot has been postponed until completion of the business process redesign needed to guide system development. According to USCIS officials, the bureau used over half of the \$25 million planned for developing basic case management capabilities to develop IT solutions, with the remaining funds applied to business requirements development, project management support, and transformation program planning.

Moving ahead with business process reengineering and systems integration is critical to manage existing immigration benefits processing workloads effectively. Given possible enactment of recently proposed immigration reform legislation that could rapidly increase benefits processing workloads, demonstrable progress in this area is particularly imperative. In anticipation of the reform legislation, USCIS is preparing to institute a congressionally

proposed Temporary Worker Program, which would allow millions of undocumented immigrants to become eligible for legal employment in the United States. Preparations for managing this influx have included convening working groups to assess technical capabilities and processing readiness, as well as developing contingency plans for swift implementation of the program should it become law. Like our review, these preliminary USCIS assessments and plans have determined that the bureau currently lacks the processing capacity, systems integration, and project management resources needed to manage a potential increase in workloads.

This recommendation will remain open until USCIS demonstrates progress in process reengineering and transitions to an electronic adjudication environment, with successful implementation of an end-to-end business processing pilot test.

Infrastructure Upgrades Not Yet Completed as of September 2006

The *Paperwork Reduction Act of 1995* requires that agencies apply IT to increase the efficiency and effectiveness of their business operations.⁹ In September 2005, we reported that USCIS' IT infrastructure was outdated and unstable, hindering the ability of USCIS employees to carry out their work effectively. With the last major IT upgrade completed over 10 years ago, we concluded that the bureau needed an updated infrastructure to increase operational efficiency and productivity. As such, we recommended that:

USCIS finalize and implement plans to upgrade and standardize IT hardware and software systems to support reengineered processes and systems integration and access improvement initiatives.

USCIS has made significant improvements by completing infrastructure upgrades at key field locations. However, IT upgrades at the remaining sites are uncertain due to budget constraints. Accomplishing such IT modernization activities will be necessary to prepare for potential increase in workload and technical requirements that could result from proposed immigration reform legislation.

Upgrades Completed at Key Sites

USCIS has made substantial progress in completing hardware and software upgrades at a number of high priority sites. (See Figure 3.) Specifically, as previously stated, as of September 2006, USCIS had successfully upgraded the IT infrastructure at all four service centers, the National Benefits Center,

⁹ *Paperwork Reduction Act of 1995*, Public Law 104-13, May 22, 1995.

the Administrative Appeals Office, and selected eastern region field offices. The cost to upgrade the service centers and portions of the Eastern Regional Office alone was about \$39 million. The upgrades delivered to each site included desktop computers, monitors, printers, and scanners, as well as newer software and network components. This new equipment affects a considerable portion of the bureau's workload, since the four service centers process approximately 65 percent of the total applications that USCIS receives.

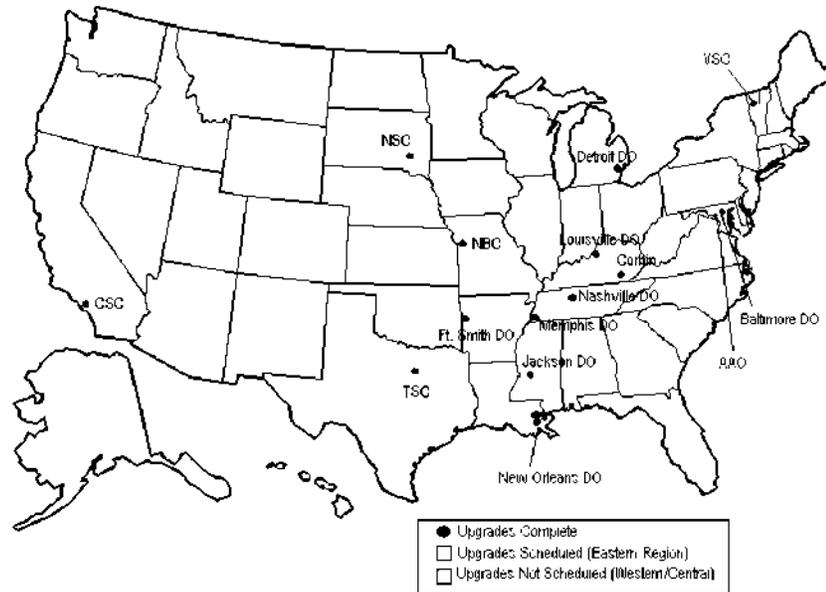


Figure 3: USCIS Infrastructure Upgrades Completed as of September 2006

A key benefit of these upgrades has been a standard desktop configuration to ensure consistent IT capabilities bureau-wide. The updated infrastructure also provides a more stable IT environment, which will increase productivity and provide a foundation for business transformation. For example, upgrading workstations from Windows 95 to Windows XP provides users greater capability, faster system performance, and a solid platform in line with the current industry standard. The upgrades also will support deployment of the advanced technology tools needed to manage digitized case files and support electronic processing. Additionally, OCIO hopes to use the upgrade process as an opportunity to institute asset tracking to better manage workstation inventories.

These initial IT upgrades have met with widespread user approval. Managers, employees, and contractors both at headquarters and in the field consider the upgrades great progress and a good indication that transformation is achievable. Repeatedly, field office personnel told us that the upgrades were well managed and executed. They also appreciated OCIO performing the new

equipment installations outside of normal business hours to minimize interruptions to their daily work.

Funding Approval Needed for the Remaining Upgrades

USCIS still awaits budgetary approval to move ahead with deployment of new equipment to hundreds of other field locations. USCIS estimates that the additional cost to upgrade the remaining domestic field sites will be approximately \$72 million. However, as of September 2006, the next installment of funding for the remaining locations had not been confirmed yet and corresponding deployment schedules were uncertain. Until all the upgrades are completed, USCIS offices will continue to experience limited productivity, service disruptions, and increased maintenance costs to support the outdated infrastructure.

This recommendation will remain open until USCIS demonstrates that it has funding and a schedule in place to complete infrastructure upgrades at the remaining sites.

Limited User Participation in Transformation Planning

Office of Management and Budget Circular A-11 directs agencies to reduce project risk by involving stakeholders in the design of IT assets.¹⁰ However, according to our September 2005 report, several major system development efforts did not include adequate user input, causing employees to create workarounds or in-house applications to meet their needs. To increase stakeholder commitment to modernization initiatives, we recommended that:

USCIS ensure representation and participation of users at the various levels from across the bureau in all process reengineering and IT transformation activities.

Over the past year, USCIS outlined several strategies for increasing stakeholder involvement in its transformation planning efforts. USCIS expects that such strategies will help promote buy-in and minimize the risk that redesigned processes, systems, and IT services may not meet user needs.

Approach to Improving User Participation and Outreach

Since our September 2005 report, USCIS outlined plans for generating broad stakeholder support for transformation activities. USCIS leadership has made

¹⁰ Circular A-11, Part 7, *Planning, Budgeting, Acquisition, and Management of Capital Assets*, Executive Office of the President, Office of Management and Budget, June 2006.

business transformation a top priority. As such, according to a TPO official, USCIS leadership now is committed to investing time and money to ensure that the organization is well-prepared and educated to operate with the new processes, systems, and tools that will be deployed bureau-wide. The TPO has organized several transformation sub-teams, comprised of subject matter experts from across the organization, to help promote awareness, validate business and technical requirements, redesign processes, and communicate information on transformation progress. An April 2006 Transformation Change Management and Communications Plan outlines the TPO's strategy for leveraging these sub-teams to improve outreach to users bureau-wide. Figure 4 outlines a number of outreach activities that the Transformation Change Management sub-team has planned to promote bureau-wide awareness and buy-in to the transformation program.

TRANSFORMATION CHANGE MANAGEMENT PLANNED OUTREACH ACTIVITIES	
<ul style="list-style-type: none"> • Establish a collaboration site on the DHS network • Map external stakeholders • Benchmark similar efforts • Involve union representation 	<ul style="list-style-type: none"> • Leverage traditional communication vehicles (i.e., intranet, internet, and newsletters) • Conduct site visits to targeted offices • Establish points of contact across USCIS organizations

Figure 4: Planned Outreach Activities

For the most part, these outreach activities remain in the planning phase and have not been executed yet. However, USCIS' strategy for conducting site visits, a key element of the outreach approach, has already been finalized. Although USCIS originally planned to begin the site visits in June 2006, travel was delayed until August 2006 due to funding constraints and the need to finalize details related to the visits. The change management team plans to continue the site visits to more than 25 offices across all USCIS regions in fall 2006. The TPO expects to use these visits to provide a transformation overview, conduct focus groups, and interview field leadership regarding their business needs.

Similarly, the TPO has sought new ways to involve users, working in their remote field office locations instead of at headquarters, in transformation activities. For example, the TPO identified points of contact in USCIS field locations to periodically disseminate information on transformation efforts to colleagues in their regions. The TPO also plans to implement a "charter office" concept whereby the TPO, with the help of local users, will conduct

transformation activities such as requirements gathering and process redesign at selected field locations. These will be the primary methods for targeting experts outside of headquarters, who understand business requirements and expected outcomes, to assist in redesigning processes and developing IT solutions to support transformation.

Limited Stakeholder Involvement and Communication

USCIS expects that its plans for increasing user involvement in transformation activities will reverse problems with limited awareness and commitment to transformation objectives. Up until now, transformation efforts have largely been confined to selected team members at headquarters. Instead of soliciting broad-based input, USCIS structured opportunities for user feedback and participation around a few specific transformation activities. For example, during planning for the H-1B visa pilot, the TPO conducted requirements gathering with a small number of users, primarily at the Vermont Service Center. After discontinuing this pilot, the TPO did not advise participants of this decision or of future pilot plans. Further, the Integrated Design Team had limited user input in documenting transformation process designs. Users at one field office stated that they have witnessed a number of local business process reengineering efforts, but none at a national level. Without adequate input or participation from a range of users, USCIS may develop transformation solutions that may not meet user needs.

As a result of its lack of participation, OCIO awareness and commitment to business transformation has waned. The OCIO has not been consistently involved over the past year as the initial IT modernization program shifted to a more business-driven effort. The prior CIO who began the previous IT modernization was not involved in business transformation. OCIO has had only one full-time representative involved in transformation activities: A detailee from a field location, assigned to the Technology Solution Team. This team had limited involvement in transformation from the outset, as the requirements it needed to support its systems design activities had not been gathered. The team ultimately lost resources and discontinued its work due to funding cuts. Additional OCIO involvement in transformation generally has been limited to IT project managers working on related efforts, such as infrastructure upgrades and data integration. Since joining USCIS in June 2006, the new CIO has taken steps to assist with transformation activities, such as enterprise architecture planning and technical systems design; however, the role that this official ultimately will play in transformation has not been determined.

This recommendation will remain open until USCIS makes additional progress in ensuring representation and participation of users at various levels

from across USCIS in business process reengineering and IT transformation activities.

Conclusion

USCIS recognizes the unique challenges it faces to reengineer business processes and modernize technology to better accomplish mission objectives. Over the past year, the bureau has undertaken a structured approach to addressing these challenges through its business transformation program. With this program, the bureau has established cross-functional teams with dedicated management participation and generated several strategic level plans, which provide a business-centric vision and guidance for implementing technical solutions. The accomplishments to date are steps in the right direction for both business and IT modernization. However, USCIS remains entrenched in a cycle of continual planning, with limited progress toward achieving its long-term transformation goals.

Overcoming hindrances to moving from planning to implementation is critical to addressing longstanding USCIS process and systems issues and realizing a more effective benefits processing environment. Specifically, obtaining the funding needed to support implementation of the business transformation program is a continual concern. Establishing a clearly defined transformation strategy, including the funding plans, goals, and performance measures needed to manage its execution, is fundamental. Linking IT objectives to this transformation strategy and ensuring sufficient internal and external stakeholder involvement in IT and process improvement initiatives also will be key. Until USCIS addresses these issues, the bureau will not be in a position to either effectively manage existing workloads or handle the potentially dramatic increase in immigration benefits processing workloads that could result from proposed immigration reform legislation.

Management Comments and OIG Evaluation

We obtained written comments on a draft of this report from the Deputy Director, U.S. Citizenship and Immigration Services. We have included a copy of the comments in their entirety at Appendix B.

In the comments, the Deputy Director generally agreed with our follow-up assessment of progress made and provided updates on the status of USCIS efforts to implement each of the six recommendations included in our prior 2005 report. The Deputy Director acknowledged the work that remains to be done and said that transforming USCIS business processes, coupled with updating IT, remains a high priority for the bureau. The Deputy Director

outlined recent USCIS actions to further its Transformation Program, including development of a long-term Strategic Plan and Acquisition Plan, contract support for process development, and continued site visits to the field. The Deputy Director expressed appreciation for our assessment and offered to provide future updates on transformation progress in each recommendation area.

Specifically, the Deputy Director detailed recent USCIS actions to address our first recommendation, related to ongoing challenges in finalizing and executing the transformation strategy. The Deputy Director outlined the bureau's near-term efforts to ensure more effective planning and management of the Transformation Program, including the completion of a Concept of Operations to accompany the draft Strategic Plan. Further progress is expected when a draft Acquisition Plan becomes available to help identify an approach to transformation funding. We are encouraged by the recent actions completed and believe that the steps outlined mark progress toward reaching a finalized and executable transformation strategy.

Further, the Deputy Director highlighted goals and ongoing plans for addressing our second recommendation related to OCIO centralization. USCIS restated progress made during the past year as a number of IT employees were transferred to the OCIO. The Deputy Director recognized nonetheless that some IT employees and activities still exist outside of OCIO purview. USCIS remains focused on transitioning the OCIO to an enterprise-centric view of IT matched with enterprise standards, planning, governance and controls along with an effectively staffed, structured, and trained OCIO. We appreciate the information provided and believe that these are good steps toward achieving a more centralized IT operation. We look forward to receiving periodic updates as the Deputy Director has promised on progress in this area.

The Deputy Director disagreed with our follow-up determination of limited OCIO involvement in business transformation activities, contrary to our third prior report recommendation. To counter our finding that the OCIO's awareness and commitment has waned, USCIS provided additional evidence of a growing alignment between the Transformation Program and the CIO. Specifically, the Deputy Director stated that the IT office has remained involved over the past year, even while making the transition to a new CIO. Additionally, the Deputy Director described how the new CIO has played a vital role in the USCIS Transformation Program, including serving on the Leadership Team, advising on IT-related issues and planning, and establishing a Federal Enterprise Architecture Branch to complement TPO efforts. The Deputy Director outlined future plans, to strengthen such collaboration by collocating the OCIO and transformation program offices.

We acknowledge the steps that USCIS has taken to assure alignment between OCIO and the transformation program since the new CIO was hired in June 2006. Indeed, our report discusses such recent improvements as related to enterprise architecture planning and systems design. However, during the course of our review, we found little evidence that the CIO's role in business transformation had been clearly defined. Further, as we state in our report, the prior CIO who began the previous IT modernization was not involved in business transformation. OCIO had only one full-time representative involved in transformation activities: A detailee from a field location, assigned to the Technology Solution Team. This team had limited involvement in transformation from the outset, as the requirements it needed to support its systems design activities had not been gathered. The team ultimately lost resources and discontinued its work due to funding cuts. Additional OCIO involvement in transformation generally was limited to IT project managers working on related efforts, such as infrastructure upgrades and data integration. We recognize USCIS' efforts since then to promote collaboration between its IT and business leaders. We are encouraged by the progress outlined by the Deputy Director and expect that the growing partnership will help ensure that future technologies meet the mission needs of the organization effectively.

The Deputy Director sought to dispel our concern about a lack of progress made in process reengineering and pilot implementation, counter to our fourth recommendation. The Deputy Director stated that USCIS awarded a contract in September 2006 that emphasizes the reengineering of business processes to include the technological solutions that will enable USCIS to effectively meet performance objectives and target metrics. This effort will involve field office participation to ensure that processes are developed in the context for which they will be needed. Further, the Deputy Director said that USCIS plans to develop its first increment of end-to-end electronic processing by summer 2007, starting with inter-country adoption benefit requests. The Deputy Director went on to clarify a statement in our draft report that \$25 million allotted to help develop business capabilities was used solely for program planning activities instead. According to the Deputy Director, over half of the funds were applied to develop new business capabilities, with the remaining funds allocated for business requirements development, project management support, and transformation program planning. We look forward to learning about the results of these planning activities and the funds expended. Updating business processes to enable an end-to-end electronic workflow will be critical to manage existing and potential increases in immigration benefits processing workloads effectively.

The Deputy Director agreed with our assessment that USCIS has made significant progress in implementing IT infrastructure upgrades, in line with our fifth recommendation to replace aging hardware and software. However, the Deputy Director said that the bureau's efforts in this area continue to be hampered by resource constraints. We believe it will be critical for USCIS to prioritize and determine an approach to funding IT upgrades at remaining sites in order to prepare for future transformation initiatives.

Finally, in response to our follow-up assessment of user participation in transformation activities per our sixth recommendation, the Deputy Director highlighted USCIS progress in outreach to its field employees through site visits. During the past two months, the Deputy Director said, the TPO has traveled to various field locations to provide briefings and conduct focus groups on transformation. The TPO believes that its progress in completing over 25 field visits has further engaged field leadership and staff in the transformation program. We agree that such outreach to field sites is key and urge USCIS to continue to solicit input from field employees who complete most of the day-to-day benefits processing and therefore may have invaluable insights to offer.

We began our follow-up audit by researching new developments and information related to USCIS immigration benefits processes and systems since our September 2005 report. Specifically, we examined proposed immigration reform legislation, which may result in potentially dramatic increases in USCIS benefits processing workloads. We reviewed recent Government Accountability Office (GAO) and OIG reports that discuss USCIS' backlog elimination program and its effort to automate immigration files. We also met with the prior USCIS CIO to learn about changes in the bureau's IT modernization efforts and supporting organization structure. In line with our compliance follow-up responsibility, we evaluated documents that USCIS provided in December 2005 and May 2006, including updated action plans and milestones, on bureau activities to address our September 2005 report recommendations. Using this information, we designed a data collection approach, consisting of focused interviews and documentation analysis, to conduct our follow-up review. We developed a series of questions and discussion topics to facilitate our interviews.

Subsequently, we conducted a range of interviews at USCIS headquarters and field offices and gathered supporting documentation to meet our audit objectives. At headquarters, we interviewed senior USCIS business leaders, including the new Chief of Staff and Chief Financial Officer, to discuss their roles and responsibilities related to USCIS business and IT modernization. We were particularly interested in transformation planning, process reengineering, requirements gathering, and pilot program implementation activities. We collected numerous documents from these officials about USCIS accomplishments, current initiatives, and future plans for transformation.

Further, we met with USCIS' new CIO to discuss this official's approach to managing IT across the organization, as well as ongoing plans for organizational restructuring. We interviewed OCIO personnel to learn about the office's efforts to centralize IT personnel and upgrade and standardize IT hardware and software bureau-wide. OCIO managers discussed accomplishments in implementing the desktop upgrades, while OCIO employees discussed the office's involvement with transformation and IT investment management processes. To support their comments, these officials provided copies of OCIO reorganization plans, as well as documentation regarding IT systems, budgets, and operations.

Additionally, we visited four USCIS field locations where we toured facilities and interviewed senior managers, IT specialists, and various other employees. We discussed the recent IT staff reorganization, local IT development practices, and user involvement and communications with headquarters concerning transformation. We gathered information input on current IT

development initiatives and learned about system requirements specific to field offices. We sought to evaluate existing practices for managing IT in the field and the extent to which headquarters provides tools needed by field users. Where possible, we obtained reports and other materials to support the information they provided during the interviews.

We conducted our review from June 2006 to August 2006 at USCIS headquarters in Washington, DC, and at USCIS field locations in Burlington, Vermont and Boston, Massachusetts. We performed our work according to generally accepted government auditing standards.

The principal OIG points of contact for this audit are Frank Deffer, Assistant Inspector General for Information Technology Audits, and Sondra McCauley, Director, Information Management. Major OIG contributors to the audit are identified in Appendix C.

Appendix B
Management Response to Draft Report

U.S. Department of Homeland Security
Washington, DC 20535
Date: 11/13/2006



U.S. Citizenship
and Immigration
Services

NOV 13 2006

To: Frank D'Amico
Assistant Inspector General
Information Technology

From: Terrell M. Williams
Deputy Director

Re: OIG Draft Report: U.S. Citizenship and Immigration Services' Progress in Modernizing Information Technology

We appreciate the opportunity to review and comment on the subject report and generally agree with your summary as to the status of our progress in addressing the issues you raised in your draft report. We acknowledge that we still have a great deal to do. I want to assure you that transforming our business processes coupled with updating our information technology (IT) remains a high priority for USCIS. Your insight into our daily operations and our auditors' helpful comments will guarantee to serve us well.

Below is an update on the status of actions that are underway to address the OIG's recommendations:

1. Develop a modernization strategy that includes short and long term goals, funding plans, and performance measures to guide USCIS entities in accomplishing their citizenship and immigration services mission.

Recent progress will include US-75's engagement in more effective planning and program management. We have drafted a Computer Strategic Plan that is being reviewed by the "Transformation Leadership Team." The Computer Operations Roadmap was finalized on October 11, 2006, and in June-November 2006, we will develop an Acquisition Plan. USCIS will continue to provide you with these and other documents that address progress in our transformation efforts.

2. Complete implementation of plans to centralize IT by placing all USCIS IT employees, budgets, and systems under the CIO's authority and control.

As noted in the report, we have made some progress in the transfer of IT employees from non-core to the Chief Information Officer (CIO's) business units at USCIS. However, some IT services employees are still in core or to business units and some information IT activities will be

Appendix B Management Response to Draft Report

Frank Doffler
Comments on CIO Draft Report: USCS Faces Challenges in Modernizing and Integrating
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staffed, trained and structured OIGD. Toward this end, we are pressing ahead to continue to make progress in this area and will provide the relevant information in our progress.

3. Ensure that the centralized CIO operation and its IT transformation plans and systems initiatives are linked to and effectively support the consolidated USCS strategy.

The report suggests that the OIGD was unresponsive and uncommitted to business transformation as warranted. We disagree with that assessment. The OIGD has remained involved over the past year even while making the transition to a new Chief Information Officer (CIO). Through the summer, the Transformation Program Office (TPO) has worked with OIGD government and contractor staff to ensure alignment of long-term goals. Some members of the OIGD team are working in Washington, DC, and are fully collaborating with the TPO by the very nature of the program previously to the TPO.

The Acting CIO who is cited in the report with beginning the current IT Transformation effort was a key member of the Transformation Leadership Team from its inception. The team of that team is to ensure strategic alignment of Transformation plans with initiatives and to authorize investments, strategies, and other programmatic information such as the Government Plan, the Concept of Operations document, and the Strategic Plan.

The new CIO has a clear authority over the USCS Transformation Program. In addition to serving on the Transformation Leadership Team, the CIO has been working with the Acting Transformation Program Manager on issues such as, but not limited to, new approaches, development of Federal Enterprise Architecture, and program planning. In fact, since the initial meeting with the CIO, the TPO has been in close communication to ensure the two agencies remain in contact with one another. The plan to dissolve the Technical Solutions Team in favor of a Federal Enterprise Architecture Branch was the result of initial alignment between the OIGD and the TPO. The ongoing process to start the Federal Enterprise Architecture Branch has begun, however, the list name of candidate reviews entered into the system. Going forward, the OIGD and TPO will also indicate office steps to ensure both organizations continue to foster a collaborative and productive transformation partnership.

4. Review, analyze, and re-engineer benefits adjudication activities to help eliminate duplication, transition from paper-based processes, better integrate systems and provide system access to the users who need it.

We awarded a program support contract on September 2, 2006, that emphasizes the re-engineering of business processes to include the technological solutions that will enable USCIS to effectively meet performance objectives and target metrics. This effort will consist of field office participation to ensure that processes are developed in context and in the environment in which they will need to prove successful. We have begun our development with inter-agency receipt, benefit requests and cases that during the summer of 2007, an initial one electronic process will exist from which information relating to performance and capabilities will be obtained to inform future investments. We will keep you apprised of progress of this key initial development effort.

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We would like to clarify your statement that USCIS has used \$25 million planned for developing basic case management capabilities to complete transformation program planning instead. OIG has \$25 million, \$16 million went for new business capabilities to include Electronic Storage, e-Authentication capability, a digitization repository and the electronic case management capability needed for the other country airports pilot referred to above. The remaining \$9 million was allocated toward business requirements development and project management support for these new capabilities, as well as to transformation program management and planning activities that individual projects are aligned with strategic and tactical program goals.

5. Finalize and implement plans to upgrade and standardize IT hardware and software systems to support re-engineered processes and systems integration and access improvement initiatives.

As mentioned in the report, progress has been made in our Service Centers and a few District Offices. However, this effort has been hampered further by resource constraints.

6. Ensure representation and participation of users at the various levels from across USCIS in all process re-engineering and IT transformation activities.

During the past two months, the TPO has traveled to more than 25 USCIS field offices (Service Centers, Technology Centers, Regional Offices, and Awaiting Offices) to provide briefings on transformation for USCIS and union leadership. Nearly all of these presentations were followed by focus groups with supervisors, executives, union leadership, and trainees. Additionally, the TPO has attended briefings at each of the three Regional Conferences and one International District Office conference.

The TPO believes these visits are just the beginning of the effort to engage field leadership as well as union and file USCIS staff in the Transformation Program. As those efforts expand, and as analysis of the feedback obtained in the focus groups becomes available, we will keep you apprised of its efforts in this area.

In closing, we can express our appreciation for the members of your team who participated in writing the report. If you have any questions please contact Kathleen Sweeney, USCIS Audit Liaison.

cc: Director General

Information Management Division

Sondra McCauley, Director
Kristen Evans, Audit Manager
Steve Ressler, Auditor
Therese Foote, Auditor

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Department of Homeland Security Office of Inspector General

U.S. Citizenship and Immigration Services' Progress in Modernizing Information Technology





Homeland Security

July 13, 2009

Preface

The Department of Homeland Security Office of Inspector General was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

This report addresses the strengths and weaknesses of the Information Technology modernization for U.S. Citizenship and Immigration Services. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. We trust this report will result in more effective, efficient, and economical operations. We express our appreciation to all who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General

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Abbreviations

BSS	Biometric Storage System
CIO	Chief Information Office
DHS	Department of Homeland Security
EA	Enterprise Architecture
EDMS	Enterprise Document Management System
FY	Fiscal Year
IPT	Integrated Project Team
OIG	Office of the Inspector General
OIT	Office of Information Technology
OMB	Office of Management and Budget
SA	Solutions Architect
SIMS	Secure Information Management Service
TPO	Transformation Program Office
USCIS	U.S. Citizenship and Immigration Services

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Department of Homeland Security
Office of Inspector General

Executive Summary

In 2005, U.S. Citizenship and Immigration Services (USCIS) embarked on an enterprise-wide program to transform its fragmented, paper-based business process to a flexible and efficient process supported by an integrated technical environment. In November 2006, we reported that USCIS had not finalized an approach for implementing the transformation, had not centralized information technology (IT) staff, and placed IT infrastructure upgrades on hold.

We conducted a follow-up audit to our 2006 report to determine USCIS' progress in implementing IT transformation initiatives. USCIS has established a structure to manage transformation initiatives, finalized acquisition and funding strategies, and established an approach to deploy new business and IT capabilities. In addition, USCIS has implemented pilot programs to test a selection of these capabilities. However, pilot success has been restricted by ineffective planning and limited implementation reviews. Business process reengineering efforts needed to support the transformation are incomplete, and stakeholder participation levels have fluctuated, resulting in inconsistent business and IT involvement.

USCIS has strengthened overall IT management by restructuring its Office of Information Technology (OIT) and realigning field IT staff under this structure. Further, OIT has improved IT governance functions and issued guidelines for local IT development. However, the Chief Information Officer (CIO) has been impeded by insufficient staffing and ineffective IT budget authority. In addition, although USCIS has made improvements to its IT infrastructure, current efforts are stalled for lack of funds.

We are recommending that USCIS: communicate its transformation approach to stakeholders; include stakeholder participation in defining requirements; assess pilot program results; develop an IT staffing plan; communicate IT development guidelines; and provide the CIO budget and investment authority for all USCIS IT initiatives. Such actions will be critical to support increases in benefits-processing workloads that may result from proposed immigration reform legislation.

Background

Upon its inception on March 1, 2003, the Department of Homeland Security (DHS) assigned responsibility for delivering citizenship and immigration services to the USCIS. USCIS' mission is to secure America's promise as a nation of immigrants by providing accurate and useful information to its customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system.

Each year, USCIS receives more than 7.5 million immigration applications and petitions for a range of benefits, including employment authorization, lawful permanent residency, and naturalization and citizenship. To accomplish its mission, USCIS has more than 15,000 employees and contractor personnel in more than 250 offices worldwide, including asylum offices, application support centers, service centers, forms centers, a National Benefits Center, and a National Customer Service Call Center.

Generally, the USCIS immigration benefits process occurs in three stages—Apply, Adjudicate, and Issue—as depicted in Figure 1:

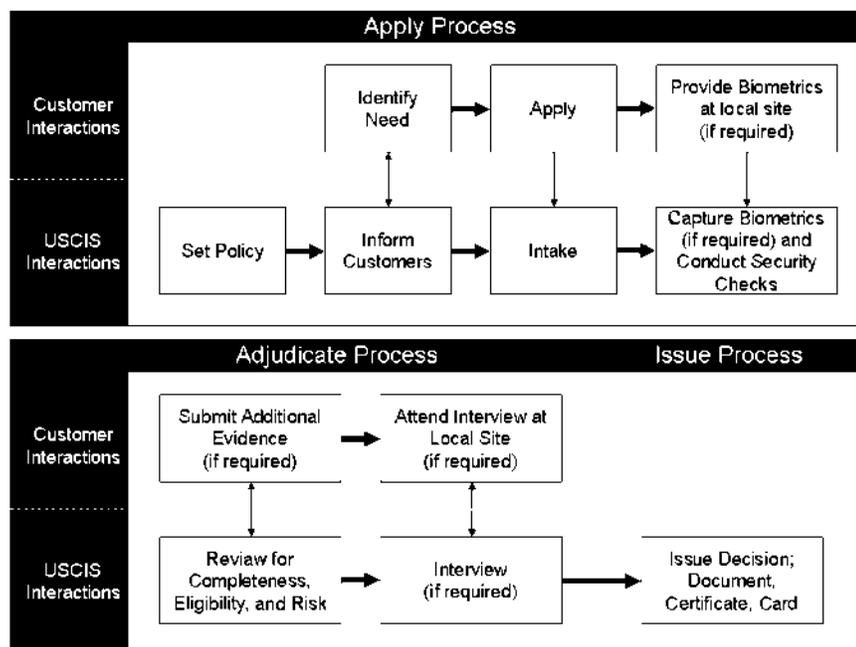


Figure 1: USCIS "As Is" Benefits Business Process

During the Apply phase, applicants submit paper forms to a USCIS service center or the Lockbox. These forms are checked for errors and then manually entered into a computer system for processing. Once USCIS receives the application fees, fingerprints are collected and other paper documents, such as birth certificates and drivers' licenses, are used to verify applicants' identity. These documents are kept on file and are manually correlated to the fingerprints and the application number.

In Adjudication, a USCIS adjudications officer determines whether an applicant is eligible for benefits under the *Immigration and Nationality Act*. Adjudication officers review the paper documentation submitted in support of an application or petition, and in some cases, interview the applicant. Adjudication officers schedule interview appointments electronically or by mailing forms to applicants. The supporting forms are often sent from a service center to a local office for processing, sometimes multiple times. Adjudicators examine the evidence received to determine whether the applicant is eligible for the benefit requested. When an application is approved, USCIS produces and issues evidence of that benefit such as a naturalization certificate.

USCIS recognizes that its paper-based processes hinder its ability to verify the identity of applicants, efficiently process immigration benefits, and provide other government agencies with relevant information on possible criminals and terrorists. In 2005, USCIS embarked on an enterprise-wide transformation program to transition its fragmented, paper-based operational environment to a centralized and consolidated operational environment, using electronic adjudication. USCIS established the Transformation Program Office (TPO) to oversee all transformation initiatives within USCIS. The transformation program's mission is to improve customer service and management of customer data by acquiring electronic capabilities and enabling IT. Figure 2 illustrates the TPO organization and its relationship to USCIS leadership and other USCIS offices.

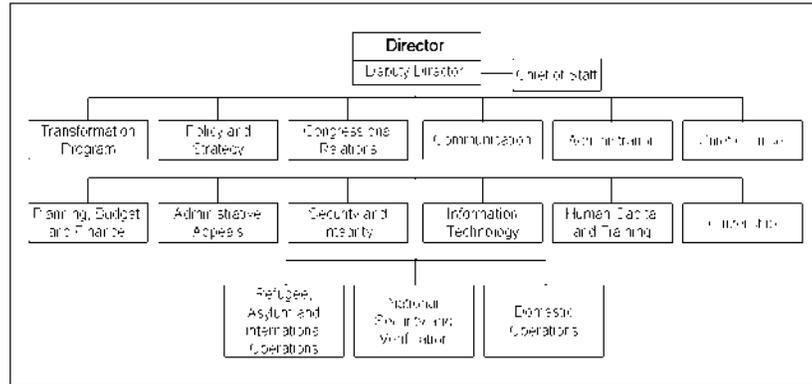


Figure 2: USCIS Organizational Structure

Because the transformation efforts rely on IT modernization, TPO and the OIT need to maintain an ongoing partnership to accomplish transformation goals. OIT's mission is to provide the USCIS enterprise with the IT services to fulfill its mission and achieve its goals and objectives. OIT accomplishes this by providing the appropriate IT infrastructure, governance, and IT processes.

In September 2005,¹ we reported that inefficiencies in the USCIS IT environment hindered its ability to carry out its immigration benefits processing mission. USCIS' largely manual, paper-based processes resulted in an ineffective use of human and financial resources to ship, store, and track immigration files. In addition, USCIS adjudicators used multiple, nonintegrated IT systems to review application forms and supporting data, which reduced productivity and data integrity and resulted in the following:

- A backlog of approximately 1.5 million cases,
- Tens of thousands of files that were missing or not easily located,
- Difficulties in verifying the identity of applicants and providing other government agencies with the information necessary to identify criminals and potential terrorists, and
- Benefits issued to applicants whose eligibility and potential risk to national security were not yet determined.

We conducted a follow-up audit in 2006 and reported that, although USCIS had made limited progress toward achieving its long-term

¹ *USCIS Faces Challenges in Modernizing Information Technology*, OIG-05-41, September 2005.

transformation goals, it continued to face similar challenges.² Specifically, USCIS had not finalized an approach for implementing the transformation, needed to improve strategic planning, had not centralized IT staffing, and had placed IT infrastructure upgrades on hold. Based on our work in 2005 and 2006, we recommended that the Acting Deputy Director, USCIS:

1. Develop a modernization strategy that includes short- and long-term goals, funding plans, and performance measures to guide USCIS entities in accomplishing their citizenship and immigration services missions.
2. Complete implementation of plans to centralize IT by placing all USCIS IT employees, budgets, and systems under the CIO authority and control.
3. Ensure that the centralized CIO operation and its IT transformation plans and systems initiatives are linked to and effectively support the consolidated USCIS strategy.
4. Review, analyze, and reengineer benefits adjudication activities to help eliminate duplication, transition from paper-based processes, better integrate systems, and provide systems access to the users who need it.
5. Finalize and implement plans to upgrade and standardize IT hardware and software systems to support reengineered processes and systems integration and access improvement initiatives.
6. Ensure representation and participation of users at the various levels from across USCIS in all process reengineering and IT transformation activities.

² *U.S. Citizenship and Immigration Services' Progress in Modernizing Information Technology*, OIG-07-11, November 2006.

Results of Audit

Business Transformation Showing Progress

The *Government Performance and Results Act of 1993*³ holds federal agencies responsible for strategic planning to ensure efficient operations and effective use of resources to achieve mission goals.

Since our 2006 report, USCIS has taken a number of steps to improve its transformation program. Specifically, USCIS established a transformation program structure and governance approach. Further, USCIS developed a funding mechanism for its transformation efforts and finalized a plan for acquiring the support services and equipment necessary to implement new business processes and enabling technology. USCIS also completed a concept of operations for transformation and established a strategy for deploying the transformed business capabilities. Finally, USCIS implemented transformation program pilots. These actions have positioned USCIS to better plan and prepare for the next phase in the agency's transformation and ultimately achieve its goals of enhancing national security and fraud detection, providing timely and accurate customer service, and becoming more operationally efficient.

Transformation Program Structure and Governance Approach Established

TPO has restructured its organization to provide a more centralized management of enterprise-wide transformation initiatives. As part of this revised structure, the TPO is headed by a new Senior Executive Service Coordinator to ensure effective transformation program oversight. As shown in Figure 3, the TPO coordinator reports directly to USCIS leadership, which should result in more efficient decision-making, executive-level awareness, and agency commitment to transformation success.

³ *Government Performance and Results Act of 1993* (Public Law 103-62), August 3, 1993.

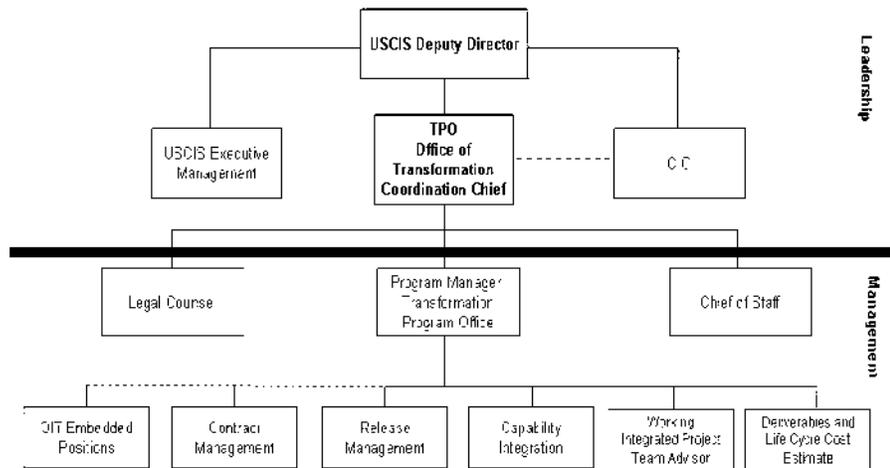


Figure 3: TPO Organizational Structure

The TPO has increased staffing over the past two years to better coordinate and manage transformation efforts. At the time of our audit, 36 of the TPO’s 40 authorized positions were filled. The TPO expects to fill the remaining positions in the second quarter of Fiscal Year (FY) 2009. A number of TPO managers are attending certified project manager training to develop their program management skills.

USCIS has established a TPO governance structure as a framework for decision-making, authority, and accountability, and to ensure that all transformation project activities involve agency stakeholders. Within this structure, the TPO has defined roles, responsibilities, oversight, and reporting functions at the DHS level, agency level, and TPO level. Oversight of the entire program at the DHS level falls under the authority of the Investment Review Board, the Joint Requirements Council, and the Enterprise Architecture Board, which approve or review key documents such as the Acquisition Plan, the Program Plan, and the annual Expenditure Plan. To achieve the necessary coordination within the agency, a Transformation Leadership Team provides oversight of the transformation program. The TPO Project Management Team oversees strategic planning, acquisition planning, program management, and day-to-day program activities. These organizational relationships are depicted in Figure 4.

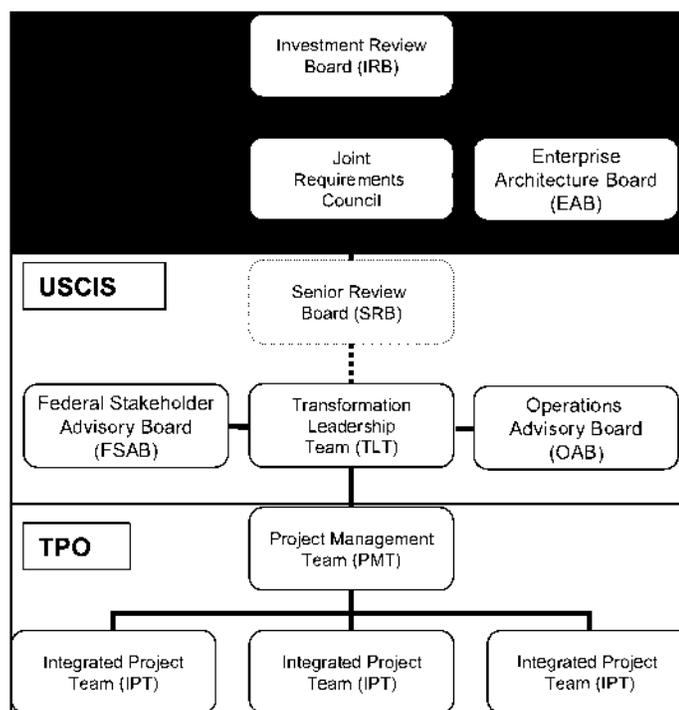


Figure 4: Transformation Governance Structure

Under the Project Management Team oversight, integrated project teams (IPT) lead specific transformation projects for business, technical, and release activities. Each team includes a cross-functional membership of agency business and IT personnel who are responsible for their assigned project’s plans, schedules, costs, and performance. As of December 2008, 44 representatives from the TPO, Domestic Operations, OIT, National Security and Records Verification, and Refugee Asylum and International Operations were members of the transformation integrated project teams. These representatives are detailed to work with the TPO full-time for a period of 12 to 18 months.

The TPO implemented the IPT approach to increase stakeholder involvement and ensure appropriate representation from USCIS subject matter experts. The TPO expects this structure to enhance its existing staff resources by bringing needed skills and expertise from operational directorates and the CIO’s office. In turn, project decisions can be made by members with appropriate business or technical knowledge and who best represent the needs of users who will be affected by new processes and systems. According to TPO management, the use of IPTs over the past two years has proven to be

a successful method for managing large-scale efforts with wide-spread impact on agency processes and systems.

Transformation Funding Secured and Acquisition Plan Finalized

Since our 2006 report, USCIS has secured funding for transformation program expenditures. USCIS is almost entirely funded by fees paid by applicants seeking immigration benefits. A new schedule for premium processing fees went into effect in July 2007 that incorporates the anticipated costs of the transformation effort. According to TPO leadership, the agency will structure the transformation in a way that can be supported by this new line of funding.

TPO also developed an acquisition strategy in January 2007 to provide a road map for the agency to acquire the resources, such as program support and IT services, necessary to implement the transformation. According to TPO management, the strategy reflects industry best practices, employs an incremental development approach, and will use strategic sourcing to acquire the needed capabilities. A key element of the strategy is the reliance on an IT services provider to develop the enabling IT operational environment for the electronic adjudication process. Based on the transformation funding plan and acquisition strategy, management approved a formal Acquisition Plan in October 2007, and awarded a contract for a transformation IT service provider, referred to as the Solutions Architect (SA), in November 2008.

Concept of Operations Completed

USCIS completed a concept of operations for transformation in March 2007. This document describes USCIS' current paper-based business environment and proposed end-state vision. The end-state represents a person-centric, account-based business model that is a clear departure from the current paper-based operations. In this model, USCIS will manage customer accounts and adjudicate benefit requests in an integrated technical environment, resulting in a higher level of service to applicants and a streamlined process for adjudicating all customer benefits. To establish a common vision, feedback was gathered from USCIS management and stakeholders.

The agency has used the document as a tool to view how business, information, and technology solutions will interact to support the

future operational environment. With this document, USCIS has gained a common understanding of the person-centric, account-based vision as the foundation for transformation. Once this model is implemented, the agency expects to gain significant benefits, such as greater operational efficiency, improved customer service, and enhanced national security.

Deployment Strategy Established

USCIS has developed a multi-year strategy for deploying the capabilities needed to achieve the transformed USCIS business processes and support IT. This strategy calls for creating new business processes and systems incrementally over a six-year period. To establish this approach, the TPO analyzed USCIS' transactions, such as an application for naturalization, and grouped them into four major lines of business. Based on this analysis and the sequence in which customers usually file for benefits, TPO plans to implement reengineered business processes in increments that correlate with the business lines, beginning with citizenship. The needed capabilities for the remaining three increments will be acquired in stages, as shown in Figure 5.

Increment	Business Functions	Timeframe
One	Citizenship (naturalization, military naturalization, and international adoptions)	FY 2009
Two	Immigrant (permanent residence)	FY 2010 – FY 2011
Three	Humanitarian (refugee, asylum, parole, temporary protected status)	FY 2012
Four	Non-Immigrant (non-immigrant workers)	FY 2013

Figure 5: Transformation Phases with Timeframes as of March 2008

This approach will allow the agency to leverage work done in each increment to better define the requirements and scope for succeeding increments.

Transformation Program Pilots and Proof-of-Concept Implemented

USCIS implemented three pilot programs and one proof-of-concept⁴ to test the viability of a number of fundamental IT system capabilities required for the transformation. Efforts supporting electronic adjudication processing include the Integrated Digitization and Document Management Program (Digitization), Biometric Storage System (BSS), Enumeration, and the Secure Information Management Service (SIMS) proof-of-concept. These efforts, as shown in Figure 6, have increased awareness of the level of effort required to implement each capability and the long-term funding commitments needed to execute the transformation program.

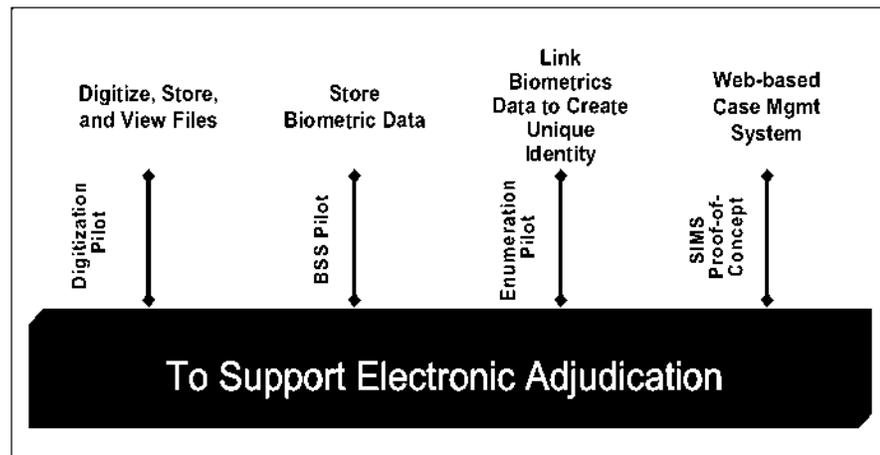


Figure 6: USCIS Pilots and Proof-of-Concept

Integrated Digitization and Document Management Program

The Digitization pilot is intended to test the process of scanning files and the adjudicators' use of digitized images in their day-to-day work. The Digitization pilot was implemented in September 2006 at the Records Digitization Facility, the contractor-led facility that scans documents into electronic format. Files being scanned include a combination of closed files, active files, new Temporary Protected Status applications, and documents filed by applicants for inter-country adoption. As of February 2009, the facility had scanned more than 600,000 paper files.

⁴ A proof-of-concept is a methodology to determine whether a product, technology, or information system is viable and capable of solving an organization's particular problem.

The Digitization pilot also is testing technology for storing electronic files in a single repository called the Enterprise Document Management System (EDMS). The EDMS initiative has enabled USCIS to begin transferring millions of paper records to an electronic format and to provide multiple users with simultaneous access to the digitized electronic files. EDMS has approximately 7,900 authorized users. External stakeholders, such as U.S. Immigration and Customs Enforcement, have been able to access EDMS, helping to support requirements within the E-Government Act of 2002.

The Digitization pilot has provided several tangible outcomes for USCIS. First, it has given USCIS the opportunity to evaluate the benefits of having multiple-location access to digitized files for adjudication and enforcement purposes. Second, it has provided the basis for the agency's ongoing digitization effort, which is intended to reduce the burden of managing paper records. Third, it has enabled USCIS to provide adjudicators with electronic copies of files, thus reducing the time spent pulling and shipping files. Finally, the underlying digitization and document management technologies used within the Digitization pilot can be used to develop new capabilities for the integrated operational environment.

Biometric Storage System

BSS was designed to provide a way to store, retrieve, and reuse biometric data. The capture of biometric and biographic data at the customer's initial application, coupled with standards for enumeration and unique identity, are critical elements in USCIS' transformation. Once this capability is implemented, USCIS expects that BSS will improve its biometrics management. Additionally, the storage of biometric data will mean that applicants do not have to appear in person to have new fingerprints taken or to create a new benefit card. These benefits will increase convenience to the customer and reduce processing costs to USCIS.

The BSS pilot was placed on hold in spring 2008 while the system was undergoing a complete review by the OIT to determine whether a different application development effort may be required to meet USCIS long-term needs. As of 2009, the pilot is being transitioned to a more centralized approach using an account-based customer profile management service, which will better enable identity management functions.

Enumeration Services

Deployed in July 2007, the Enumeration Services pilot is a joint effort by USCIS and the U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) program.⁵ The pilot establishes a permanent unique identifier for persons upon their first contact with USCIS when applying for benefits requiring fingerprint collection, such as permanent residence or adoption. Specifically, an enumerator is created upon submission of the applicant's ten fingerprints and a core set of biographic data. Each time a person submits a subsequent benefit application, the enumerator is used to identify and validate the applicant, as well as to match with previous applications.

"Locking in" an applicant's identity is necessary to ensure the integrity of the benefit system by reducing fraudulent applications and identity theft. In the past, USCIS has associated an alien file (A-file) number to an individual, but that association is not unique because A-files are not created for all types of benefit applications and each person can submit multiple applications. Therefore, it is difficult to ensure that a person who has previously been refused a benefit does not reapply using another name. According to the TPO, the Enumeration Services pilot has proven to be effective in verifying identity because the enumerator establishes an enterprise-wide unique personal identifier.

Secure Information Management Service

SIMS was deployed in July 2007 to test a web-based case management system using commercial software. This pilot, also known as the Inter-Country Adoptions proof-of-concept, is meant to (1) establish a person-centric view of all individuals involved in an adoption case, (2) migrate to electronic processing, and (3) implement business rules that help standardize case processing and adjudication. SIMS was deployed in two domestic and three international offices and is used by approximately 50 active users to adjudicate adoption cases. Adoption cases were chosen for the pilot because of their relatively low volume workload.

One operational objective of SIMS is to better understand the person-centric/account-based management concept of operations.

⁵ The US-VISIT program collects, maintains, and shares data on selected foreign nationals entering the United States at air, sea, and land ports of entry.

This has been achieved through the software's account structure, which creates a person-centric system. Additionally, this proof-of-concept has verified that an enumerator, the unique identifier for each individual, supports the USCIS person-centric business process. According to the TPO, SIMS is a major step toward implementation of a modern processing model. At the time of our review, adjudicators had processed 71, or 17%, of the 408 active cases using SIMS. As a result, the pilot was successful in meeting one of its primary objectives—to demonstrate adoption case-processing capability using a case management system. TPO expects this proof-of-concept to be a fundamental step in the development of the overall case management solution.

Future Concerns for Business Transformation

Previous initiatives to reengineer business processes and modernize technology failed because USCIS had not executed them in an integrated manner with sufficient stakeholder involvement. Although USCIS has made progress in advancing its business transformation, some of these problems persist. Specifically, pilot efforts have been of limited value, process engineering efforts have not been completed, and stakeholder coordination has been limited.

Transformation Pilots Yield Limited Value

Office of Management and Budget (OMB) Circular A-130 Revised⁶ encourages agencies to use pilot projects to ensure appropriate technology investment. According to the USCIS Transformation Program Acquisition Plan, program pilots should create IT capabilities that can be used to support the full transformation. Yet, as we reported in November 2006, USCIS had repeatedly developed plans to pilot its transformation business processes and IT systems but had not fully implemented any of those plans. Although USCIS has now implemented three pilot programs to evaluate potential business process and technology solutions, successful execution of these pilots has been limited by ineffective planning, management challenges, insufficient staffing, and limited post implementation performance reviews.

Planning for Pilot Projects

Transformation management and stakeholders do not have a clear end-state vision for pilot efforts. According to TPO leadership, the future integrated environment will leverage current pilots and the proof-of-concept where appropriate. However, specific plans for which pilot capabilities will be used or integrated are not known. For example, most program managers we spoke to were not aware of the overarching plans for pilot activities beyond the scope of each current pilot phase. Specifically, program managers were not sure how the agency planned to use the pilot capabilities or to what degree each pilot was meeting its expectations and goals.

Plans for piloted systems are also contingent on the SA contract solution. Target decommission dates for pilot systems are “to be determined” and depend on the SA’s approach. USCIS encouraged

⁶Transmittal Memorandum 4, *Management of Federal Information Resources*, November 28, 2000.

the SA to use pilot efforts to facilitate the rapid deployment of capabilities. However, the SA is not required to incorporate any of these pilots or the proof-of-concept into its solution. The TPO program managers and stakeholders did not have plans defined for the next phase of work. For example, one TPO manager stated that there are no formal plans for EDMS beyond the current release. At that point, development plans will cease until the SA determines whether the agency should incorporate the pilot concept into its future operating environment.

Consequently, plans for the future use of the piloted systems were not effectively communicated within the TPO or articulated among agency stakeholders. Agency stakeholders also question funding and ownership arrangements. For example, the OIT remains unclear as to what proportion of IT expenses will be funded through the SA contract. The Records Division has questions regarding the ownership of pilot systems, such as EDMS, after the SA contract is awarded. Feedback received from field site visits and interviews with business unit management confirmed a high degree of uncertainty regarding the future of the transformation environment. Specifically, a post implementation review of the Digitization pilot in October 2007 stated that users feel that the TPO should do more to provide managers and employees with “bigger picture” information. Users also wish to receive more information about pilot implementation timelines and roadmaps and how they will impact USCIS employees.

TPO Management Practices

A transformation program overview, dated December 2007, states that the TPO is managing a series of pilot programs that will be integrated into an overall electronic adjudication system. Further, a number of TPO plans state that certain pilots will be a “phased rollout of technology,” with system interfaces and integration planned between primary pilot systems and capabilities. However, the day-to-day management of the pilot programs was difficult during initial releases, due to the TPO’s lack of experience managing pilot programs. As a result, pilot releases experienced delays and systems integration efforts were scaled back, delayed, or postponed until the next phase of transformation.

One primary element of transformation systems integration is the use of an existing OIT tool, the Enterprise Service Bus. This tool was to be used to establish a channel of communication to enable

data sharing between multiple transformation pilot systems. For example, integration between SIMS and EDMS was originally planned for September 2007 to facilitate a more streamlined electronic workflow process using digitized files. However, the SIMS interface with EDMS was not implemented as planned, and is currently not scheduled for future releases.

Additional interfaces using the Enterprise Service Bus were planned for September 2008 to establish a connection for two other pilot systems to the payment processing center (the Lockbox Service). This integration point would allow payment records and application data from the Lockbox Service to be shared with transformation pilot systems such as EDMS. However, the Lockbox interface was delayed due to changes in requirements and schedule. As a result, the planned integration between the Lockbox and the two pilot systems was delayed until a deployment release scheduled for spring 2009.

Transformation program management faced challenges during pilot implementations due to ineffective planning and lack of experience with project management practices. Specifically, some pilot programs did not fully employ end-to-end system lifecycle practices such as completing requirements gathering for system capabilities. Rather, pilot program estimates were overly optimistic. For example, an EDMS pilot release was delayed by over two months due to a lack of detailed end user requirements for system functionality, as well as security and privacy issues. Similarly, TPO management has stated that certain processes, such as OIT's IT procurement procedures, were not well understood or consistently followed during early phases of pilot planning. For example, several pilot program managers were initially unaware of the timeframe of paperwork required to complete an IT procurement request. As a result of these challenges, transformation pilot and proof-of-concept programs encountered schedule delays, scope changes, and reductions in capability integration.

Finally, day-to-day management practices varied across each pilot program. Although the TPO established an Increment Management Division at the end of FY 2006 to oversee pilot programs, formal project management practices were lacking. For example, there was no formal process for comprehensive status reporting. Instead, pilot status reporting was often done independently by the contractor supporting the pilot rather than by the TPO lead. In February 2008, TPO instituted a standardized process for weekly status reporting

using industry practices to capture and track project schedules, costs, issues, and risks. Prior to this time, program level accountability and awareness of pilot deployment status was lacking.

TPO Management Staffing Challenges

The TPO leadership stated that ongoing difficulty in hiring and retaining managers within the transformation program contributed to the reliance on contractors during pilot planning and execution. Transformation business and IT stakeholders stated that frequent changes in project managers contributed to a lack of continuity in pilot management. For example, the EDMS pilot initiative has had three different program managers, resulting in a heavy reliance on the Records Division management, who began the digitization effort. Stakeholders said that as a result of such frequent changes, the program managers are not always abreast of current activities and status. Further, as project managers changed positions, the vision for the pilot processes and goals did not always remain the same, resulting in a loss of continuity.

Inability to Determine Pilot Success

USCIS has not been able to capture enough of the knowledge gained or measure and communicate the successes and failures of the pilots. USCIS has developed performance measures for the transformation programs and the program pilots. However, program pilot efforts were conducted without consistent or timely evaluation, which has compromised the TPO's ability to leverage work completed or manage future transformation phases of work effectively.

Performance Measures Are Defined

USCIS has developed high-level performance measures for the transformation program. Additionally, USCIS aligned its transformation program capabilities and goals with USCIS goals, as documented in the Transformation Program Strategic Plan in April 2007. Since that time, the transformation program has sought to improve performance management by defining high-level program goals and pilot performance measures. For example, Table 1 shows transformation performance measures established and documented in the DHS Future Years Homeland Security Program.

Measure	FY07	FY08	FY09	FY10	FY11	FY12
% of USCIS business processes redesigned	0%	5%	62%	78%	100%	100%
% of new USCIS workload received and adjudicated via transformed processes and within USCIS' new case management system	Baseline	5%	26%	62%	87%	100%

Table 1: DHS Homeland Security Program Performance Measures

Additionally, the Transformation Program Strategic Plan includes 17 performance indicators for near-term and long-range evaluation of the transformation program's success. These indicators evaluate customer satisfaction, process efficiency, system access, and the use of automated capabilities through transformation program efforts.

The agency also identified five program-level measures for FY 2007 to evaluate the program during the planning phase. Table 2 identifies these parameters and the threshold, objective, and actual achievement for each. According to transformation leadership, the TPO achieved all five of its objectives.

Performance Measure	Objective	Achieved
1. % adoption cases processed in SIMS	5% of cases	5.4% of cases
2. % satisfied with EDMS images	85% satisfaction	89% satisfaction
3. % of files submitted electronically	5% e-filed	5% e-filed
4. # of agencies accessing EDMS	1 external agency	1 (ICE)
5. SIMS system availability	98% availability	100% availability

Table 2: FY 2007 Transformation Program Performance Measures

At the project level, the TPO developed performance measures for three of the four pilot efforts. Specifically, the TPO defined 21 performance measures for SIMS and Enumeration services to evaluate the technology, system usage, user satisfaction, training, communication, and project and change management. Likewise, the TPO identified 22 performance measures for the Digitization pilot, including EDMS.

According to TPO leadership, as of 2008, the performance measures are captured in the existing architecture repository and are linked to USCIS strategic goals and the Business Reference Model.⁷ This link should provide a connection between performance goals and the investments to improve USCIS decision-making abilities. According to the TPO, as the transformation is completed, more specific metrics will be created and deployed. Specifically, the SA plans to include performance measures for future business solution delivery.

Pilot Performance Not Evaluated Timely

Although pilot performance measures were developed, USCIS has not consistently performed post implementation reviews to determine the impact or success of its IT systems or business processes. OIT management has stressed the importance of conducting reviews after systems are implemented to identify potential issues or improvement opportunities. For example, a wide range of infrastructure impacts may be detected on the network, field servers, and desktops due to the large files transferred over the network for the EDMS system. However, we found that post implementation reviews for EDMS have not occurred since 2007.

TPO program managers stated that lessons learned from pilot releases either had not been captured or were yet to be completed. Further, TPO leadership stated there has been no overarching post pilot review, nor is there an enterprise-wide repository to capture or share individual pilot lessons across the program.

Regular post implementation reviews were not conducted because of the TPO's focus on other priorities and the lack of resources to perform them. TPO management stated that reviews had not yet been completed because of the focus on preparing the SA plans. For example, an operational analysis was planned for an EDMS release, but the release date was delayed. Subsequently, the TPO learned that the SA contractor would evaluate EDMS for its potential use as part of the new environment. Thus, the TPO decided that it would be redundant to perform an operational analysis. Without consistent or complete pilot post implementation reviews of pilots, transformation management cannot identify impacts on the current environment or plan improvements for future releases.

⁷ A Business Reference Model provides a view of the agency's lines of business, including its internal operations and the services it provides to citizens.

USCIS has spent \$28 million on the transformation pilot programs thus far. Pilot success, however, has been measured by intangible benefits, such as experiences gained, rather than by potential cost savings. TPO leadership stated that the pilots have provided the TPO with experience managing agency-wide initiatives. Pilots have also helped to demonstrate the level of effort and associated costs required to implement the business processes and technologies necessary to meet transformation objectives. For example, experience gained in digitizing files has revealed process intricacies for scanning, storing and viewing electronic files. Additionally, the use of EDMS has illustrated how long it takes to load a digitized file on end-user desktops, as well as the complexities involved in adjudicating cases with digitized files rather than paper. However, two of the four pilot and proof-of-concept efforts have not yet achieved cost savings. For example, in 2007 EDMS estimated benefits were less than 80% of the total estimated life cycle costs, resulting in negative quantitative net benefits. As a result, pilots may be abandoned before they achieve measurable results, such as cost savings or process improvements.

Process Engineering Efforts Not Completed

According to OMB Circular A-130 Revised, agencies should simplify or redesign work processes before implementing new technology.⁸ In 2006, we reported that the lack of an overarching vision led to disparate business process reengineering initiatives that were narrowly focused and were not sufficiently coordinated or completed.

Since that time, USCIS has made progress in defining high-level business processes. However, the efforts to date provide only a starting point for transformation business process engineering. Without effective business process reengineering, USCIS risks developing new IT systems that support ineffective and outdated processes.

The TPO has taken steps to conduct business process reengineering efforts with a more structured approach. Specifically, the TPO completed a process analysis in early 2007 that examined the “as-is” environment (how existing operations work and perform) and the “to-be” environment (a roadmap for proposed IT initiatives). The resulting Business Case Analysis provided the agency with

⁸ Transmittal Memorandum 4, *Management of Federal Information Resources*, November 28, 2000.

alternatives for implementing the TPO’s vision. The primary objectives of the “to be” operations were to lock in an applicant’s identity early in the process; support the electronic submission of applications, appointments, and supporting documentation; and provide tools for USCIS adjudicators to manage workload and analyze case data. The results of this effort were captured in the USCIS Business Reference Model in June 2007. Figure 7 shows these high-level requirements.

Process Engineering Efforts		
Month and Year	Business Process Initiative	Results
February 2007	Business Case Analysis	Provided an overview of three alternatives for implementing the TPO’s vision and goals. Led to the selection of the process alternative that will drive future Business Process Reengineering work.
June 2007	Refined Business Reference Model (BRM)	Further defined the target business processes for a Hybrid process alternative. Includes workflows, process map, description of forms, interfaces, organizational entities, technology, and impacts on performance.
October 2007	Enterprise Segment Activity Roadmap (ESAR)	Identified the business segments and corresponding activities for increment 1-Citizenship. Defined high-level requirements.

Figure 7: Process Engineering Efforts Since 2007

According to TPO management, these process reengineering efforts helped USCIS select the business process alternative that best met transformation goals. In addition, these efforts provided the agency with tools and information to further develop detailed business process definition and requirements.

However, the process reengineering efforts are limited in scope and level of detail. The Increment One Enterprise Segment Activity Roadmap defines high-level requirements based on the business process analysis efforts completed. This document includes each business process segment and its corresponding activities. According to the TPO, the Enterprise Segment Activity Roadmap is a key document that will be used as a guide to develop detailed business and IT services necessary to realize end-to-end electronic business operations. However, most transformation stakeholders stated that it was not detailed enough to drive business process implementation. For example, the document contains high-level, generic business processes for the citizenship process and account access requirements, but does not provide enough detail to sufficiently describe the steps of the adjudication process.

Business Process Reengineering Next Steps

TPO leadership describes the process reengineering efforts to date as only a starting point for the SA and stated that the SA will develop a more complete process definition as part of the transformation effort beginning in FY 2009. As part of this work, the TPO plans to implement process reengineering efforts in phases associated with each increment of work, as outlined in the deployment strategy. Starting with Increment One, Citizenship, the TPO has begun efforts to further define the future account services business concept. For this effort, a working group has been assembled to consider elements of customer-centric processing and individual and organization accounts. For example, the group is currently looking at future business requirements related to setting up an individual's account and account number.

Stakeholder Participation Limited

We reported in 2006 that USCIS users felt disengaged and isolated because technologies were being developed and processes redesigned without their input. Since that time, USCIS has developed several strategies for increasing stakeholder involvement in its transformation planning efforts. One key stakeholder participation approach, established in January 2007, is the use of IPTs to involve business owners and subject matter experts in transformation activities. However, in 2008, transformation leadership stated that the lack of sponsorship continues to be a risk because TPO's ability to implement transformation is limited by its dependence on agency and stakeholder commitment.

Accordingly, the transformation strategy states that the TPO will "proactively engage stakeholders by identifying, understanding, and influencing key individuals or groups to increase change readiness and thereby facilitate a successful implementation." However, the TPO has not consistently achieved buy-in and agency-wide support. Further, ineffective collaboration between TPO and the OIT has created a growing risk for transformation success.

Lack of Consistent Stakeholder Involvement

Despite efforts to engage agency stakeholders, the TPO has not been able to obtain consistent membership in working groups, such as IPTs. For example, a SIMS pilot IPT was tasked with identifying requirements. However, the group did not accomplish this task

because members have not attended the meetings consistently. When subject matter experts do not attend, requirements cannot be adequately vetted or finalized.

The TPO recognizes that, in the past, field office involvement with transformation planning was limited and largely unsuccessful. To address this issue, in October 2008, TPO developed a comprehensive Stakeholder Outreach Plan, which provides a general overview of transformation stakeholders and the approach for engaging them in transformation. The plan indicates that outreach efforts will include office visits, focus sessions, and general communication to reach a cross-section of senior leadership and employees, informing stakeholders about the transformation and establishing relationships with potential transition managers.

TPO and OIT Partnership Needs Strengthening

USCIS business units and IT stakeholders are closely aligned in setting the direction and managing the transformation effort; however, collaboration and effective partnership between TPO and the OIT could be improved. TPO and OIT management stated that a difference in their approaches to the transformation has generated ongoing conflict between the two organizations. Prior to 2005, initial transformation efforts resided within the OIT as part of an IT modernization effort. However, as of 2006, the program was restructured as an all-encompassing “business-driven” transformation, meant to incorporate agency-wide business and IT elements. The impact of this change in direction has hindered effective partnership. The establishment of the TPO in 2005 moved control of the transformation effort outside of CIO authority.

Although the CIO is closely aligned with the TPO Chief in setting the direction and managing the transformation effort, collaboration and partnership in executing the transformation program has at times been ad hoc or unproductive. The CIO is a member of the Transformation Leadership Team, which provides oversight of the transformation program. According to the Transformation Program Management Plan, the CIO represents the interest of the USCIS technical environment, ensuring the alignment of strategic direction of the TPO and OIT, the development of joint capabilities, and the budget alignment for common efforts. Primary responsibilities of the CIO include advising the TPO on transformation requirements, their impact on current and future technical systems, and necessary changes based on the direction of the technical strategic environment

set by the IT Strategic Plan. However, OIT officials stated that the CIO's roles and responsibilities are not defined to a level that would support day-to-day execution of the transformation.

Further, the CIO stated that conflicting IT direction often requires escalation to agency leadership for resolution. For example, the USCIS IT development life cycle requires that IT developed should accommodate those with disabilities.⁹ However, TPO pilot systems, such as SIMS, were not originally aware of this requirement. Once the TPO was aware of the requirement, a waiver was requested to deploy the pilot system. However, for the next pilot release, the CIO provided conditions for which pilot systems will meet IT controls and standards. After the SIMS application was developed, the TPO requested a waiver to the requirement.

According to TPO and OIT management, the lack of coordination between the two offices has caused delays in decision-making and contract procurements. For example, to extend contract support for the SIMS pilot, the TPO had to obtain OIT approval. However, the CIO would not grant an approval based on unresolved system development testing and reporting requirements. As a result, the TPO elevated the paperwork to agency leadership in order to move forward with the contract.

To increase collaboration and alignment, at least three full-time OIT staff members are embedded within TPO. However, the relationship between the TPO and OIT remains a point of contention. The working relationship between the two has evolved on an "as-needed basis" rather than as a steady partnership. This is evidenced by the ad hoc nature of OIT's involvement in pilot program activities. For example, deployment plans for pilot programs did not include realistic timeframes for procuring IT equipment or services. As a result, pilot initiatives, such as Scan on Demand within the Digitization pilot, were delayed.

Additionally, TPO pilot programs did not consistently comply with OIT testing procedures. For example, the OIT recommended independent verification and validation (IV&V) testing of TPO pilot programs early during the testing stage, specifically on the scanning

⁹ Section 508 compliance requirements are outlined by the DHS Office on Accessible Systems and Technology for Web-based Intranet and Internet Information and Applications. *Department of Homeland Security Acquisition Instruction/Guidebook #102-01-001: Appendix B*, November 2008.

resolution requirements. However, TPO did not comply with such testing for pilot projects during initial pilot phases. Further, the TPO permitted piloted systems to be implemented without completing this step in order to meet schedule demands. In these cases, the OIT has performed testing after initial releases have been deployed or at the end of the pilot increments.

IT Management Strengthened

USCIS has made progress in strengthening IT management to support the agency's citizenship and immigration services mission and its transformation efforts. Specifically, OIT developed a new organizational structure to facilitate IT services, and it has realigned field IT staff under the CIO. It has also improved IT governance by completing an IT Strategy that aligns its strategic direction with the USCIS Strategic Plan, an Enterprise Architecture (EA) framework to support and guide agency programs and IT investments, and an IT life cycle methodology.

OIT Organizational Restructuring

At the time of our audit, a new OIT organization structure was being implemented. This new structure includes a new Chief Technology Officer position. The CIO also plans to align the agency's classified systems under the Chief Technology Officer to increase focus on IT security efforts. Additionally, the OIT is consolidating the IT Services Engineering and Enterprise Architecture offices into an Enterprise Architecture and Engineering Division to provide systems engineering support through standard tools, guidance, and EA policy and administration. Finally, the existing Chief of Staff's role was expanded to include IT functions such as capital planning and investment control and earned value management.¹⁰ According to the CIO, this organizational structure will better align IT services with USCIS' strategic goals.

Field IT Staff Realigned

According to DHS Management Directive 0007.1,¹¹ the CIO of each DHS component is responsible for managing its IT budgets and resources. We reported in November 2006 that, although USCIS had made progress in realigning its IT employees to report to the CIO, centralization of the remaining IT employees, as well as IT assets and budgets, was on hold pending organizational improvements.

¹⁰ Earned value management is a project management tool that compares completed work to expected outcomes.

¹¹ Department of Homeland Security Management Directive 0007.1, *IT Integration and Management*, March 2007.

Since then, the OIT has realigned IT field staff under a centralized OIT organization structure. According to the CIO, 300 IT field staff now report to the CIO through a defined hierarchy within the OIT Service Support Division. This realignment has increased the CIO's ability to centrally manage staff resources and ensure that field offices follow standard IT policies and procedures.

To ensure a smooth transition to the new structure, realigned staff positions, roles, and responsibilities remain the same where possible, and they continue to provide IT services to meet field office user needs. In some cases, program analysts with IT-related duties were reclassified to a different job series on a case-by-case basis to align their duties with their positions. At the time of our audit, a small number of IT positions remained within field business offices outside of the CIO organization. However, the USCIS Acting Deputy Director has instructed USCIS business offices to hire only non-IT staff going forward.

The staff realignment has been an effective means to improve the CIO's oversight of agency IT initiatives. In many instances, this realignment included field staff who were hired to build IT systems to meet local business needs. Although these practices have long been common among USCIS offices, OIT management stated that the realignment effort has decreased local IT development initiatives. As a result, the realignment represents an essential step in establishing centralized IT management.

IT Governance Instituted

USCIS OIT has taken steps to improve IT oversight and control of the historically decentralized USCIS IT environment. Specifically, the OIT instituted a governance structure and processes, completed an IT strategic plan, developed an EA framework, and implemented a system life cycle management approach.

Governance Structure Developed

The USCIS CIO has sought to improve IT governance functions by using agency-wide review boards and processes as a formal method to review IT investments. The governance structure includes DIIS-level and USCIS-level review boards to achieve oversight of investments. Supporting processes are in place to ensure that USCIS IT systems development efforts undergo the necessary

review and approval. For example, according to OIT management, requirements for a new IT system or changes to an existing system are vetted through all relevant USCIS business units to reach an agreement on plans and expenditures and must receive approval from the USCIS Change Control Board. This structure ensures that stakeholders are involved, requirements are gathered, and money is spent wisely.

The OIT has also implemented a Citizenship and Information Governance Authoring and Retrieval system to maintain USCIS IT policies and procedures associated with IT service requests, change requests, and other IT life cycle related processes or forms. This tool assists OIT staff in drafting new governance policies.

IT Strategic Planning Completed

According to OMB Circular A-130 Revised, an agency's IT plan should support its strategic plan and should describe how information resources will be used to help accomplish the agency's mission.¹² We reported in 2006 that OIT had not clearly linked its IT objectives and initiatives with USCIS' goals to ensure that technical solutions and services meet agency needs effectively.

In June 2008, USCIS OIT completed an IT Strategy that aligns its enterprise IT strategic direction with the USCIS Strategic Plan for FY 2008–FY 2010 and the USCIS EA. According to the CIO, each objective in the IT Strategy aligns with one or more of the USCIS strategic objectives. Thus, fulfilling an OIT strategic objective completes a step toward USCIS enterprise strategic objectives. The strategy ensures that the alignment is realized through the use of common elements in the plans, such as vision, mission, and strategic goals and objectives.

Currently, OIT is developing an implementation plan for its enterprise IT Strategy, including the formulation of supporting activities for each strategic objective. The CIO expects that these efforts will help steer the supporting activities and provide a basis for future revisions of the IT strategy.

¹² Transmittal Memorandum 4, *Management of Federal Information Resources*, November 28, 2000.

Enterprise Architecture Matures

USCIS has developed an EA framework to support and guide agency programs and IT investments. The OIT placed a high priority on developing its EA in alignment with the DHS EA, and created an EA Branch staffed with six full time employees, plus contract support, who serve as architects. According to the CIO, the USCIS EA has matured to a point where it can be populated to support agency programs such as the USCIS transformation.

In addition, the transformation program has developed business process tools to complement the USCIS EA. Specifically, the Enterprise Segment Activity Roadmap is a primary transformation document that defines the agency's business processes to date. The document includes business process activities associated with citizenship benefits processing. According to the OIT, it has been instrumental in assisting with populating the Business Reference Model for the USCIS EA. Collaboration between the TPO and OIT to define the Business Reference Model has been a priority for the past two years. Going forward, OIT will continue to leverage TPO process reengineering efforts to further define the USCIS EA.

A third party assessment¹³ of the USCIS EA found that USCIS has a solid EA framework rated at "maturity level 3," which means that the EA is capable of meeting business needs. This framework will help ensure that the EA will be sufficiently mature to guide design and development of IT solutions related to the USCIS transformation effort.

IT Life Cycle Methodology Established

In June 2007, USCIS implemented a formal IT life cycle management approach to be used as a framework for developing and maintaining all IT systems within USCIS. The framework emphasizes the entire life cycle rather than focusing solely on system development. Since the framework was institutionalized, all USCIS technology solution implementations, software development, and infrastructure-related projects must comply with related processes and guidelines. According to the IT System Engineering Branch, this approach has helped OIT to ensure that processes, documentation, and technology adhere to organizational standards and best practices.

¹³ MITRE Corporation, "United States Citizenship and Immigration Service Enterprise Architecture Assessment," October 17, 2008.

IT Management Challenges Remain

Despite the progress made to improve IT management functions, significant challenges remain for the OIT to carry out centralized, enterprise-wide IT management responsibilities. CIO staffing remains inadequate to administer support and guidance across all USCIS offices, and realigned staff received insufficient support. Further, effectively managing the array of locally developed IT systems has been difficult. Although the CIO has established guidance and tools to help standardize local IT development practices, the agency has yet to achieve effective centralized management of its IT. These challenges must be addressed for the CIO to meet the increasing demands to prepare the IT infrastructure and deliver IT service support for the agency's transformation program.

CIO's Staffing Levels

OIT staffing remains insufficient to effectively deliver IT services and support. In a 2006 self assessment, the OIT identified the lack of permanent IT staff as its most significant weakness. To address this weakness, the OIT increased its staff from 30 at the time of our 2006 audit to 160 in December 2008. Despite these efforts, staffing remains a control weakness, with only about 63% of the 242 authorized full time positions filled, as shown in Figure 8.

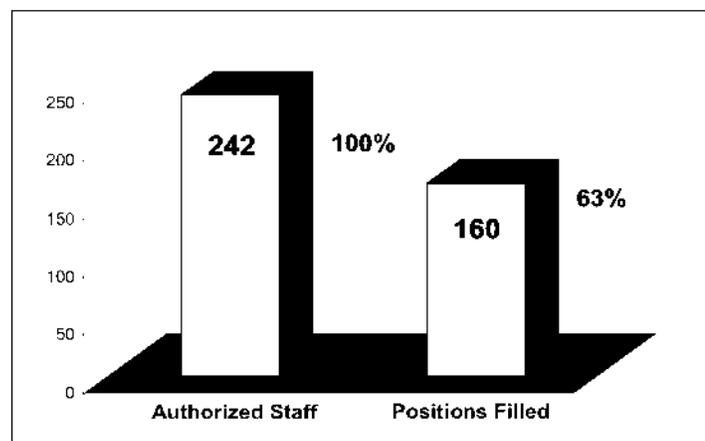


Figure 8: OIT Staffing Levels – December 2008

Staffing in some OIT offices has fallen below a critical level. For example, only about 50% of the IT Service Support Division's

authorized positions are filled. This division oversees all services support, including systems administration, desktops, servers, service desk functions, and other regulatory activities. The impact of this staffing shortfall is apparent as the office performs day-to-day operations. Staff often work extra hours to meet the division's daily operation demands, leading to an increase in staff attrition. As a result, this office faces significant challenges to support more than 500 field IT personnel and the 4,000 new desktop users added since 2007.

According to the CIO, although OIT has hired about four staff per month, it has been difficult to recruit qualified staff in a timely manner and retain them. OIT managers attribute recruiting difficulties in part to the complex and lengthy hiring process. According to one IT Director in the field, obtaining a list of potential candidates takes an inordinate amount of time. Further, once the list is received, it often includes candidates who are not well suited for the position. Additional challenges in recruiting stem from an overly competitive market for skilled IT people.

Although OIT in headquarters administers the staffing decisions for all field offices, there is no formal, overarching staffing plan. The OIT maintains an informal staffing resource document to track and manage vacancies and recruiting efforts. According to an OIT staffing official, this document enables the CIO to track how the office is progressing toward its target staffing goals. However, the document does not contain a clearly defined strategy with specific actions and milestones for recruiting and retaining qualified full-time IT employees.

Field IT Employees Need Better Support

IT personnel realigned to the CIO have not received the support needed for effective and efficient operations. The OIG reported in 2006 that IT employees who had moved to the CIO lacked adequate support in some areas. This condition still exists.

During this audit, most field IT staff we spoke to stated that they have not been able to execute day-to-day operations efficiently since the realignment. Regional IT staff stated that basic administrative tasks, such as preparing time and attendance records and obtaining approvals for leave requests, are time consuming or confusing. For example, a number of personnel claimed that they must fax, email, and call contacts at headquarters numerous times to obtain the

required approvals for overtime, leave, or training. In addition, obtaining funding or reimbursements for expenses, such as overtime or training, is often time consuming or difficult. To address these concerns, the OIT recently awarded an administrative support contract to assist with day-to-day operations. Contract personnel will be responsible for, among other things, assisting with reports, purchase requests, and general office tasks.

Similarly, field IT personnel stated that since realignment, roles and responsibilities are not always clearly documented or understood. In February 2008, a team was formed within a field office to pilot the OIT's local application development concept. However, the IT staff involved in the pilot stated that the creation of the team has caused confusion. Specifically, the local IT staff included in the team had not been provided with the necessary guidelines and tools to perform their new job functions at the time of our review. Further, new roles and responsibilities for the pilot had not been effectively communicated. As a result, the team was unclear on the day-to-day activities for which it will be held accountable.

Lastly, field staff and TPO staff experience delays in completing IT projects due to the length of time it takes for OIT to complete the IT service request process. Several TPO managers stated that the ITSR process is lengthy and cumbersome. Because headquarters receives service requests as part of the IT life cycle management process, it is important that it reply promptly. According to the IT Service Support lead at headquarters, there is no set timeframe for completing the service request process. A request may stay open longer if a contract transaction is required to complete a purchase. This situation is compounded due to a significant increase in requests from 2006 and 2008. As a result, it is difficult to manage the number of requests in a timely manner. OIT management stated that they are working to improve the process and establish a way for users to see the status of their service requests. However, the timeframe for finishing this effort was delayed because of budget cuts.

USCIS Has Not Achieved Centralized IT Management

The *Clinger-Cohen Act of 1996*¹⁴ requires that CIOs review the IT budget within their agency or department to effectively manage IT systems and initiatives as strategic investments. Further, DHS MD

¹⁴ Formerly the *Information Technology Management Reform Act of 1996*.

0007.1 requires component CIOs to effectively manage and administer all component IT resources and assets. Although the USCIS OIT has made progress in establishing its IT governance functions, IT systems development efforts remain, in part, outside the purview of the CIO.

The USCIS CIO does not have effective budgetary authority over IT investments. Although the CIO was granted IT budget authority by DHS-level management policies, consistent execution of that authority within the agency has been difficult to achieve. Field offices and business units with direct fee revenue or appropriated funds have not historically complied with budgetary control processes. Many OIT personnel stated that business representatives are too heavily involved in system and infrastructure change decisions, while the CIO does not have consistent investment decision-making authority.

The CIO is also challenged to enforce compliance with IT system development control mechanisms, such as testing. The CIO finds this to be most challenging for large-scale IT programs, such as the transformation program, which are managed outside the OIT. In August 2008, the CIO identified the autonomy of the IT efforts of the USCIS transformation program and its exemption from normal USCIS controls as an emerging internal control deficiency. For example, the OIT requested that the transformation pilot systems undergo IV&V testing, as prescribed in the IT life cycle management process. The CIO also requested that the TPO consider the IT landscape for long-term, agency-wide scanning functionality. Instead, transformation program managers acquired agency leadership approval to “bypass” the IV&V process. Although this remains a concern, OIT management stated that compliance for IV&V testing among agency programs, such as transformation, is gradually improving.

TPO and OIT management expressed concern that systems within the USCIS transformation could grow out of sync because of the independent and divergent directions being pursued by the TPO. For example, two separate efforts to implement an enterprise requirements tool are underway within the OIT and TPO. The OIT is currently standing up a requirements toolset called Korvair, with a contractor in place ready to test the first project. However, this endeavor may be in conflict with a duplicative requirements toolset being implemented as part of the transformation SA contract. According to the TPO, the contractor is developing a requirements

toolset. As a result, the OIT may have to change its current direction, leading to wasted time and money on planning and training for Korvair. TPO management stated that efforts are underway to address these issues.

The continuation of decentralized IT program efforts has led to a growing number of local systems that are beyond the CIO's current budget or staffing level to manage effectively. Although OIT still does not know the total number of local IT systems, USCIS field offices have reported thousands of applications that were developed "in-house." Historically, these systems were developed to improve workflow of local business processes, and staff rely upon them to perform mission operations. However, because of the ad hoc manner in which these systems were created, field employees often did not properly document development efforts, making it difficult for local staff or headquarters OIT to support the systems.

IT management challenges are further compounded when local systems compromise agency-wide IT infrastructure standards or security protocols. For example, one field office developed an application which was operating on unlicensed software and was compromising USCIS' network infrastructure. Further, this application was developed without OIT support or authorization, resulting in a system operating without agency standard testing, infrastructure, or maintenance. After learning of the application and its associated infrastructure issues and security risks, the CIO assumed control of it to stabilize and sustain its operation for restricted use by the field office. Such efforts by the CIO are part of a long-term strategy to transition field systems to a more stable and secure environment in accordance with federal and agency guidelines and standards.

Guidance for Local IT Development

Rather than banning local IT systems that are sometimes necessary for day-to-day operations, the OIT is providing new policies, guidelines, and tools to standardize local IT development practices and improve management of existing systems. According to Service Engineering Division management, the OIT now has a more focused approach to manage local IT development efforts. For example, IT development efforts performed outside the OIT must adhere to the IT life cycle management process, governing body reviews, and tighter security policies. According to the OIT, such efforts may increase standardization of development efforts while decreasing

security and privacy concerns. This approach will be used as a temporary step to improve centralized management of local systems until new, integrated solutions are deployed with the transformation program.

The OIT is also planning to pilot specific application development programs in field offices to provide a set of policies, guidelines, and tools to standardize IT system development efforts. To that end, the Service Engineering Division began a pilot in 2008 for a Standard Lightweight Operational Programming Environment, or SLOPE. This pilot will provide a common operating environment that can be used to develop small to mid-range databases and applications that align with the USCIS' EA. Additionally, the OIT has continued to refine its Enterprise Service Bus as a method, or tool, for systems to communicate and share data. This will promote integration and reduce the complexity of new interfaces required to meet USCIS modernization goals. The OIT also is implementing new tools such as the Person-Centric Query System and the Standard Management Analysis Reporting Tool. Both systems are meant to enable personnel to digitally compare applicant data between systems and to view the most up-to-date information on any individual within the system.

IT Infrastructure Improvements Underway

USCIS has improved the IT infrastructure over the past three years; however, funding cuts have stalled current efforts. At the time of our review, the OIT was implementing IT upgrades for all 236 sites to deliver standardized desktops and increased network bandwidth. During FY 2008, USCIS deployed more than 5,000 standardized workstations to all USCIS domestic offices and most overseas operations, which represent approximately 20% of the enterprise workstation population. In addition, USCIS replaced and standardized the operating systems of all servers that run USCIS' applications in offices across the enterprise.

One primary area of focus in IT upgrades is the creation of a network environment to support new applications. The OIT planned to complete network improvements for 243 of 300 U.S. domestic offices and 31 of 71 overseas operations. However, these plans were delayed because of budget cuts. As a result, upgrades in only 25 locations were completed as of January 2009. Without the necessary funding, the completion date of the remaining network upgrades is unknown.

Finally, the OIT is installing an InfoPass Kiosk, a digital system that allows customers to make appointments in advance. As of January 2009, OIT had installed 65 of the 119 kiosks, which are now the source of about 13% of all appointments. These installations are helping USCIS move away from paper-based operations.

Upgrades Needed for Future Transformation Phases

The OIT is conducting a full assessment to determine what changes must be made to the current IT environment to adequately prepare for the transformation. Infrastructure upgrades for the transformation include updating equipment, upgrading circuits, and improving system support. However, according to the OIT, considerable work remains to identify specific infrastructure requirements. OIT is collaborating with a TPO working group to review and assess the infrastructure needs of the proposed transformation solution. This working group also intends to evaluate what is feasible based on the current USCIS infrastructure. This collaboration will help the OIT decide where added infrastructure is needed and how to manage the effort as it moves forward. However, at the time of our review, costs and funding plans for infrastructure upgrades were not finalized.

Conclusion

Over the past two years, USCIS has elevated the transformation program to an agency-wide priority to more efficiently and effectively meet its mission of administering the nation's immigration laws. The agency has developed a strategy to establish a new operational environment, which will be deployed over a six-year period. This approach is made possible by a new fee structure. USCIS has also strengthened overall IT management and improved IT governance.

However, the agency has made limited progress toward achieving long-term transformation goals to improve operations by deploying integrated, electronic benefits processing capabilities. USCIS has spent more than \$117 million since 2005 to develop updated business processes and test the underlying technologies needed for electronic operations. Additionally, the agency is now embarking on a new \$14.5 million IT services provider contract to further define the operational environment and enabling capabilities. However, business process engineering efforts have yet to be completed, and pilot programs have been implemented without the completion of operational performance reviews. In addition, stakeholder understanding of and participation in the transformation program has been limited, staffing remains a weakness, and USCIS has not achieved effective centralized management of IT.

Since USCIS was established in 2003, the agency has encountered a significant backlog of cases which impedes its ability to adjudicate the increasing number of applications received each year, thus delaying the delivery of citizenship and immigration benefits to customers. In addition to addressing current operation needs, USCIS must also prepare for potential increases in benefits processing workloads that could result from proposed immigration reform legislation. Consequently, transformation will be critical to support the agency's current workload, address the ongoing backlog, and prepare for potential future increases in demand for immigration benefits processing.

Recommendations

We are closing all recommendations in our 2006 report and are recommending that the Acting Deputy Director, USCIS:

1. Develop an updated transformation approach, strategy, or plan to communicate end-state business processes and IT solutions to stakeholders.
2. Develop and implement a plan to achieve sufficient and consistent stakeholder participation in process reengineering and requirements definition activities.
3. Complete evaluations to document the results and lessons learned from the pilot and proof-of-concept programs.
4. Develop a USCIS OIT staffing plan that includes specific actions and milestones for recruiting and retaining fulltime employees.
5. Communicate guidelines and procedures for acquiring, developing, and managing IT solutions, as defined by the DHS and USCIS CIOs, to stakeholders.
6. Provide the CIO agency-wide budget and investment review authority for all USCIS IT initiatives and system development efforts.

Management Comments and OIG Analysis

We obtained written comments on a draft of this report from the Acting Deputy Director, U.S. Citizenship and Immigration Services. We have included a copy of the comments in their entirety at Appendix B.

In the comments, the Acting Deputy Director concurred with our recommendations and agreed that USCIS faces challenges modernizing IT. The Acting Deputy Director, however, also stated concern that the report does not sufficiently acknowledge transformation progress made since our prior review in 2006. We have reviewed the Acting Deputy Director's comments and made changes to the report as appropriate. The following is an evaluation of the comments provided by USCIS.

In response to recommendation 1, the Acting Deputy Director stated that USCIS has fully addressed the recommendation. The Acting

Deputy Director elaborated on a number of initiatives to communicate plans and to achieve internal and external stakeholder participation. Specifically, a communications plan has been established, which includes an agency-wide approach for using multiple communications strategies to prepare stakeholders for reengineered business processes. Further, commitment to agency-wide communications was demonstrated through a broadcast by the director in 2007 to encourage employee involvement in transformation efforts. Finally, efforts to engage field offices and key partners in transformation were evident during the SA's Request for Proposal stage, as meetings were conducted with key internal and external partners. Going forward, the SA plans to employ a change management and communications plan that includes frequent and continuous communication between USCIS and stakeholders. Consequently, the Acting Deputy Director requested that recommendation 1 be closed.

We have reviewed the steps USCIS has taken to implement a communications approach, ensure knowledge sharing, and to engage stakeholders in transformation program efforts. We recognize the progress made in this area since our prior review. However, USCIS has not developed an updated transformation approach. This approach should include business processes and IT solutions once they are defined. At the time of our review, an up-to-date, comprehensive transformation approach did not exist. USCIS executives stated that such an approach will likely be established once current work with the SA progresses.

Once an updated transformation approach is defined, USCIS should communicate this plan to its stakeholders, explaining how the end-state program will improve business processes and IT to support USCIS' final transformation solution.

In response to recommendation 2, the Acting Deputy Director requested that this recommendation be closed, stating that a governance approach has been established. The Acting Deputy Director stated that USCIS has engaged representatives from partner agencies and communities to collaborate and provide feedback and expects these efforts to foster awareness and buy in on transformation program initiatives.

We recognize that USCIS has recently updated the transformation governance structure to improve management of program initiatives. Specifically, this approach is intended to engage subject matter

experts and external stakeholders in transformation business requirements and process reengineering efforts through working integrated project teams. However, this approach was being established at the conclusion of our audit review and was not yet implemented during pilot and proof-of-concept execution. Consequently, maintaining adequate stakeholder involvement and consistent participation was a challenge, creating the need for more formal, integrated team structures. We expect that USCIS' newly formed approach will help to ensure that future process reengineering and requirements definition activities will achieve more effective stakeholder involvement. We look forward to receiving USCIS' plan to achieve sufficient and consistent stakeholder participation in process reengineering and requirements definition activities and the results of the plan's implementation.

In response to recommendation 3, the Acting Deputy Director agreed to complete a "lessons learned" document about the SIMS proof-of-concept and the EDMS pilot. In addition, USCIS agreed that all future proof-of-concepts and pilots would entail lessons learned to support the transformation process. We are encouraged by these plans and look forward to receiving results and lessons learned about the proof-of-concept and pilot.

In response to recommendation 4, the Acting Deputy Director stated that OIT is currently 75% staffed with expectations to reach 90% by the end of FY 2009 and 100% by the end of FY 2010. The agency is using hiring incentives, recruitment tools, and special appointments to fill vacancies and retain staff. Additionally, the agency is participating in job and career fairs and broadening recruitment into non-traditional USCIS job series. We are encouraged by the efforts outlined and look forward to receiving documented staffing plans with specific actions and milestones for recruiting and retaining fulltime employees.

In response to recommendation 5, the Acting Deputy Director outlined steps taken to improve governance and management of agency-wide IT. Additionally, the Acting Deputy Director stated that USCIS will continue to work toward improving IT support for programs and stakeholders. We believe the steps outlined in USCIS' response will help to improve agency awareness and understanding for acquiring, developing, and managing IT solutions. We look forward to receiving progress updates about future efforts to ensure guidelines and procedures for acquiring, developing, and

managing IT solutions are communicated and enforced to stakeholders.

In response to recommendation 6, the Acting Deputy Director stated that the CIO has representation on the USCIS Senior Review Board, the Leadership Alignment Team, the Transformation Leadership Team, and the IT Systems Change Control Board. Additionally, the CIO maintains involvement in the Transformation Program's Working Integrated Project Teams and Stakeholder Information and Participation meetings. We recognize the position of the CIO within the agency's various governing bodies and believe these are steps in the right direction to achieve agency-wide budget and investment review authority. We look forward to receiving evidence of the CIO's continued, active review of all USCIS IT initiatives and system development efforts.

The objective of this review was to determine whether USCIS is implementing its transformation initiatives in efficient and effective manner and had addressed our prior report recommendations.

We researched and reviewed federal laws and executive guidance related to USCIS' immigration benefits processes and systems. We reviewed recent Government Accountability Office and OIG reports to identify prior findings and recommendations. We coordinated with the USCIS Ombudsman to ensure that a review it was conducting did not overlap with our objectives. In line with our compliance follow-up responsibilities, we evaluated documents that USCIS provided from September to December 2008, including updated action plans and milestones, on activities to address our November 2006 report recommendations. Using this information, we designed a data collection approach, consisting of focused interviews and document analysis, to conduct our follow-up review. We developed a series of questions and discussion topics for our interviews.

Subsequently, we conducted interviews at USCIS headquarters and field offices and gathered supporting documentation to meet our audit objectives. At headquarters we interviewed senior USCIS business leaders, including the Deputy Director and Chief Financial Officer, to discuss their roles and responsibilities related to USCIS business and IT transformation. We were particularly interested in transformation planning, business process reengineering, requirements gathering, and pilot program implementation activities. We collected numerous documents from these offices about USCIS accomplishments, current initiatives, and future plans for transformation.

We met with the USCIS CIO to obtain updates to the agency's IT modernization efforts and supporting organizational structure. We interviewed OIT personnel to learn about the efforts to centralize IT personnel and to upgrade and standardize IT hardware and software. OIT managers discussed accomplishments in implementing desktop upgrades, while OIT employees discussed the office's involvement with transformation and newly implemented IT standard tools. To support their comments, these officials provided copies of OIT reorganization plans, as well as documentation regarding IT systems, budgets, and operations.

We visited four USCIS field locations where we toured facilities and interviewed senior managers, IT specialists, and other employees.

We discussed the IT staff centralization progress, local IT development practices, and user involvement and communications with headquarters concerning transformation. We gathered information on current IT development initiatives and learned about system requirements specific to field offices. We sought to evaluate existing practices for managing IT in the field and the extent to which headquarters provides tools for field users. Where possible, we obtained reports and other materials to support the information provided during the interviews.

We conducted our audit from September 2008 to December 2008 at USCIS headquarters in Washington, D.C., and at USCIS field locations in Lincoln, Nebraska; Lee's Summit, Missouri; Kansas City, Missouri; and Dallas, Texas. We performed our work according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions, based on our audit objectives.

The principal OIG points of contact for this audit are Frank Deffer, Assistant Inspector General for Information Technology Audits, and Richard Harshe, Director of Information Management. Major OIG contributors to the audit are identified in Appendix D.

U.S. Department of Homeland Security
U.S. Citizenship and Immigration Services
Office of the Director (MS-2000)
Washington, DC 20529-2000

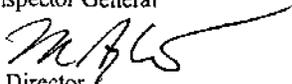


U.S. Citizenship
and Immigration
Services

MAY 15 2009

Memorandum

TO: Richard Skinner
Inspector General
Office of the Inspector General

FROM: Michael Aytcs 
Acting Deputy Director

SUBJECT: Draft report: U.S. Citizenship and Immigration Services' Progress in Modernizing Information Technology

USCIS appreciates the opportunity to review and comment on the subject report. This report, which follows-up the OIG's November 2006 report on the same subject, addresses the challenges USCIS continues to face as it undertakes this multi-year, multi-faceted project. Modernizing the USCIS system is a massive effort involving virtually every business and records system used by the Agency, including many that interface with other state and federal agencies.

While the report fully describes the challenges USCIS faces, we believe it neither fully acknowledges many of the major steps that have already been taken to implement change, nor, in some cases, adequately recognizes the significant progress that has been made since the last report. USCIS believes that much has been achieved toward the goal of modernizing USCIS information technology, work that has set the stage for the successful transformation of the USCIS immigration system. We have described some of the most significant accomplishments in the following pages and included specific responses to the OIG's recommendations in the final section of our response.

Communication Planning and Change Management

The USCIS Director established the Transformation Program in 2006, and made communication and change management priorities from the outset. As USCIS developed pilot programs to demonstrate business process and technology capabilities, we implemented an agency-wide communication plan to incrementally prepare the user base to understand and embrace the new re-engineered business processes and the accompanying technology. This incremental process required multiple communication strategies including face-to-face sessions, transformation

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information packets, e-mail messages to pilot users, Transformation and pilot briefings, good news articles published in USCIS Today, an electronic daily newsletter that reaches every USCIS employee, an informative and up-to-date Intranet webpage that provides for two-way communication through a Transformation feedback e-mail address, and broadcast messages to all employees from the Director.

In a 2007 broadcast, the Director demonstrated the agency's commitment to internal stakeholder involvement by stating, "Throughout the transformation effort, USCIS employees may be asked to participate in related activities such as testing, training, and pilots. I encourage every employee to provide candid feedback throughout the process. Your feedback will be used to shape future system enhancements and business process improvements."

These strategies were also employed during the development of the Solutions Architect Request for Proposal and Statement of Objectives. Beginning in 2007, USCIS held over 40 meetings with internal and external stakeholders to inform broad-based interest groups about Transformation initiatives and to engage key partner agencies. Further, as part of the Transformation Program's commitment to utilizing field expertise throughout the requirements gathering and systems implementation efforts, it conducted requirements development workshops in USCIS field offices in the spring of 2007. Additionally, USCIS announced major contract milestones through major internal and external agency communications channels, including press releases.

The Solutions Architect (SA) contract, which USCIS awarded to IBM Corporation, calls for comprehensive and overarching change management as well as communications plans and strategies to ensure frequent, continuous communication between USCIS, internal and external stakeholders and contractors, as applicable. Further, the SA must identify and help implement best practices to manage expectations and inform internal and external stakeholders about the benefits of adopting the system.

In addition to ensuring stakeholder communications and up-front stakeholder involvement, the Office of Transformation Coordination (OTC) has tapped subject matter experts to develop interim communications strategies and assist USCIS in reviewing IBM's proposed communications plans.

During the first three months of the SA contract, the Transformation program also briefed USCIS and DHS leadership and oversight components, Members of Congress and congressional staffs, community-based organizations and other federal stakeholders and oversight agencies, such as the Office of Management and Budget.

Stakeholder Development of Business Requirements

The USCIS Transformation Program will result in changes in agency business processes, impacting both internal and external stakeholders worldwide. In planning for the Transformation, which culminated in the award of the SA contract, agency management

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recognized the importance of engaging stakeholders in each stage of the Transformation program, including during business requirements development.

In our approach, business requirements and processes will be re-engineered jointly using subject matter experts from USCIS and IBM, as well as external stakeholder involvement. Agency leadership has established a Transformation governance structure which features a Transformation Leadership Team (TLT), a Program Integrated Product Team (PIPT), and a Working Integrated Product Team (WIPT) structure that will effectively involve over one-hundred subject matter experts from all areas of the agency, with an emphasis on field office stakeholders. In addition, the Office of Information Technology (OIT) and USCIS Directorates are, and will continue to be, represented throughout the Transformation governance structure.

This approach ensures buy-in from the outset, as stakeholders who are recognized and respected subject matter experts develop the business requirements. Additionally, these individuals disseminate information and promote understanding at a grassroots level in their home offices. Thus, they share information on the planned changes and likely impacts on an on-going basis directly with their organizational staff, thereby serving as Transformation Change Agents. Finally, agency leaders in Headquarters are well informed on, and participate in, the governance process, ensuring effective coordination with parallel initiatives in areas such as Human Capital and Training and Facilities Administration.

Early Involvement by External Immigration Partners

USCIS increasingly engages representatives from partner agencies (including other immigration-focused DHS agencies, the Department of State (DOS), and the Department of Justice (DOJ)). Through program briefings with these agencies, USCIS is developing a stronger enterprise collaboration environment, resulting in:

- Increased exchanges of information;
- Discussions of potential improvements to cross-agency information management;
- Increased operational efficiency; and
- Improved service to current and future visitors, residents and citizens.

USCIS has invited these agencies to send representatives to participate on the WIPTs. Several agencies have made formal presentations to the WIPTs to discuss potential or planned coordination of technical and operational changes based on the transformation strategy at USCIS. These relationships are being increasingly formalized as the organizations begin to share requirements and process reengineering information.

Customers and Community-Based Organizations Actively Involved

To the extent possible, USCIS has provided information and garnered feedback from external stakeholders. In addition to the comprehensive communications strategies that are being developed by IBM, USCIS is exploring the possibility of establishing a Transformation Customer Committee (TCC) in accordance with the Federal Advisory Committee Act. If established, the TCC will advise USCIS on how Transformation program initiatives affect

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immigration customers. It is expected that during its initial two-year term, the TCC could consider such issues as automated account development and account-based management, case management, inter-agency coordination, and other elements important to the successful achievement of the USCIS Transformation.

In addition, USCIS has established a component within OTC to focus on internal and external communications, including marketing and branding initiatives, and better position the agency to prepare USCIS employees and customers for upcoming SA releases.

Development of an Advanced Enterprise Architecture (EA)

In October 2007, OIT established an Enterprise Architecture (EA) program, named its first Chief Enterprise Architect, and staffed the office with six federal employees. In doing so, the USCIS established a nascent governance program for enterprise Information Technology (IT) investments.

In addition to creating an EA office, OIT authored two key Management Directive/policy guidance documents, one for Enterprise Architecture and another for Capital Planning and Investment Control. These two documents form the foundation for a successful IT investments governance program.

Further, in September 2008 USCIS enlisted the DHS Office of the Chief Information Officer (OCIO) to conduct an independent assessment of USCIS EA maturity, resulting in an Enterprise Architecture Assessment Framework (EAAF) maturity Level rating of 2.88 out of 5.0 (0 being "Initial" and 5.0 being "Optimized"). USCIS also established a contemporary EA repository environment in order to mature and manage the USCIS EA, as well as to manage the rapidly evolving EA surrounding the transformation initiative.

Initiation of Interagency IT Collaboration to Advance Data Sharing

USCIS receives and processes 7.5 million applications and petitions per year for over 50 types of immigration benefits. The processing of many of these applications requires business interactions that span the DHS immigration agencies (i.e., USCIS, Immigration and Customs Enforcement (ICE), and Customs and Border Protection (CBP)) as well as DOS's Bureau of Consular Affairs (DOS/CA). Currently, USCIS has a number of disparate, stove-piped systems that record an immigrant's interactions with the U.S. immigration process. To view all of an immigrant's interactions, an adjudicator or a border patrol agent must log into separate systems and perform a set of complex queries against each system. The user then has to correlate the resulting data manually to see a "person-centric" response.

To support and facilitate interactions with partner agencies, USCIS, in collaboration with DOS, US-VISIT, CBP, and ICE, has developed the Person Centric Query (PCQ) Service to provide a comprehensive picture of an immigrant's status from visa application to naturalization. The PCQ Service enables automated searching of an immigrant's historical transactions. The PCQ Service represents a new, automated approach for submitting a single query to obtain all of an

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immigrant's transactions across a number of DHS and DOS systems. The output gives a consolidated and correlated view of the immigrant's past interactions with the government as he or she passed through the U.S. immigration system. This view is, in turn, also being made available to the USCIS partners (i.e., ICE, CBP, and DOS/CA) so that they may also benefit from this information sharing initiative.

The USCIS PCQ Service increases the efficiency and effectiveness of status verifiers and benefit adjudicators by providing a single-user interface for status verification and benefit adjudication, and removes the complexity of accessing 11 individual systems separately. The USCIS PCQ Service is USCIS's fulfillment of an initiative for data sharing with the DHS immigration agencies and DOS/CA.

Initiation of Intra-Agency IT Collaboration to Improve E-Verify

E-Verify is a free, Internet-based system that gives employers the ability to quickly confirm the legal working status of new hires. The program is administered by USCIS in partnership with the Social Security Administration (SSA). USCIS has undertaken a number of initiatives to enhance the utility of E-Verify. Specifically, a joint program executive office has been established between the E-Verify business unit, the National Security and Records Verification Directorate (NSRV), and OIT. This has helped to facilitate the deployment of a rigorous program management discipline across the E-Verify program. In addition, USCIS has collaborated with SSA and DOS to enhance its data matching capabilities.

To reduce the number of cases that resulted in Tentative Non-Confirmations (TNCs) because of citizenship mismatches, USCIS coordinated with SSA to automatically check USCIS naturalization data before issuing a citizenship status TNC. The number of citizenship mismatches has been reduced by approximately 39 percent. In addition, employees who receive a TNC with SSA due to a citizenship mismatch are now able to contact USCIS via a toll-free number to contest the finding, address the discrepancy, and verify their work authorization. This process has reduced walk-ins to SSA field offices for E-Verify citizenship mismatches by 56 percent. Of those individuals who call USCIS to address a mismatch based on citizenship status, over 90 percent are successfully resolved by USCIS as work authorized. USCIS and SSA are also exploring further enhancements, including a direct data share initiative that would update SSA's database with naturalized citizen information. Another initiative between SSA and USCIS involves the development of a dedicated pipeline to SSA for E-Verify queries. Work on this initiative is expected to be completed at the end of FY09.

In December 2008, DHS signed a Memorandum of Agreement with DOS to share passport data and photographs from the DOS records. In February 2009, USCIS began incorporating passport data into E-Verify to check citizenship status information in the event of a mismatch with SSA. This incorporation of passport data is reducing the number of TNCs issued to naturalized and derivative citizens¹ who present U.S. passports during the Form I-9 process (i.e., when the new hire fills out a form attesting to his or her work authorization eligibility and presents the requisite

¹ Citizens who did not personally complete the naturalization process, but derived citizenship from their parents.

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documents). To date, this enhancement has resulted in over 295 queries that would have received TNCs (under the previous procedures) being automatically verified as employment authorized.

Initiation of Inter-Industry IT Collaboration to Establish a Service-Oriented Lockbox

In partnership with the Department of the Treasury, USCIS has enhanced and expanded management of its Lockbox operations. This enhancement/expansion project has provided USCIS with IT-enabled streamlining and consolidation of business processes surrounding naturalization and I-90 (Application to Replace Alien Registration Card) intake and related fee collection. This project routes electronic data from the Lockbox provider to USCIS's systems through USCIS's Service Oriented Architecture (SOA) discussed below. As USCIS expands the system to encompass more benefits applications, it will take on a greater percentage of the agency's application intake.

By processing benefit applications through the Lockbox provider, USCIS has enhanced its ability to outsource the paper application intake services. This effort will enable USCIS to progress toward paperless processing because the Lockbox provider routinely produces images during the intake process and effectively routes electronic data to USCIS systems.

Establishment of an SOA Infrastructure

SOA is an architectural and technology enabler that provides a standards-based operational approach for software applications development and delivery. USCIS has initiated a SOA infrastructure with the establishment of an Enterprise Service Bus (ESB). The USCIS ESB provides a run-time environment to deploy and manage software developed as reusable services, thus saving costs and allowing quicker deployment of new and altered capabilities. The successful implementation of the USCIS ESB is reflected in the receipt of the Project Management Excellence Award for Service Oriented Architecture from the Government Information Technology Executive Council (GITEC).

Additionally, the USCIS OIT Staff recently received the DHS 508 Coordinator of the Year Award, the DHS ISSO of the Year Award, and The Secretary's Award for Team DHS Excellence Presented to the USCIS Chief Architect from the DHS Enterprise Architecture Program Management Chief. These awards are examples of the recognition that USCIS is receiving for its significant progress in modernizing USCIS information technology systems.

The following section contains USCIS's responses to the six DHS-OIG recommendations.

The DHS-OIG is closing all recommendations in the 2006 report and recommends that the Acting Deputy Director of USCIS:

Recommendation 1: Develop an updated transformation approach to communicate end-state business processes and IT solutions to stakeholders.

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Recommendation 2: Develop and implement a plan to achieve sufficient and consistent stakeholder participation in process reengineering and requirements definition activities.

USCIS Response:

Concur. USCIS is fully compliant with and has fully addressed Recommendations 1 and 2, and respectfully requests that they be closed. A detailed description of USCIS progress in developing and communicating its transformation approach and engaging stakeholder involvement is provided on the preceding pages.

Recommendation 3: Complete evaluations to document the results and lessons learned from the pilot and proof-of-concept programs.

USCIS Response:

Concur. USCIS will complete lessons learned on the Secure Information Management System (SIMS) proof-of-concept and the Enterprise Document Management System (EDMS) pilot. The lessons learned will encompass both the proof-of-concept and the pilot. Included in the lessons learned will be a way ahead with a focus on improving the transformation solution. A draft report of the evaluations will be circulated for review and comment to the Working Integrated Product Teams (WIPTs), Program Integrated Product Team (PIPT), and to the Transformation Leadership Team (TLT). The final report will be completed by 4th Quarter FY2009.

In addition, USCIS will extend these evaluations to all future pilot and proof-of-concept programs, with a focus on lessons learned and improving transformation processes.

Recommendation 4: Develop a USCIS OIT staffing plan that includes specific actions and milestones for recruiting and retaining full-time employees.

USCIS Response:

Concur. USCIS has completed a major structural modernization that includes changes to the OIT organizational composition and a significant growth in overall staffing. Since FY 2007, OIT's permanent staff ceiling has risen from 150 to the current 242 Full Time Equivalent (FTE) positions. USCIS is using every available innovation to attract and retain the best and brightest. USCIS is using hiring incentives and recruitment tools to fill critical vacancies and retain valuable employees. The Agency is actively participating in Job and Career Fairs nationwide and using special appointment authorities wherever doing so will bring needed skills to help address the technology challenges of the day. Non-USCIS traditional job series of 1550, 1515, and 854 are being used to broaden the talent pool OIT is bringing on board to address USCIS needs.

OIT is currently at 75% strength and has been working aggressively over the past two years to achieve full staffing. We are confident that OIT will achieve 90% staffing by the fiscal year end and 100% in FY 2010.

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Recommendation 5: Communicate and enforce guidelines and procedures for acquiring, developing, and managing IT solutions, as defined by the DHS and USCIS CIOs, to stakeholders.

USCIS Response:

Concur. Since the issuance of the November 2006 OIG report, USCIS has taken steps to ensure the promulgation of guidelines and procedures for acquiring, developing, and managing IT solutions throughout the agency. For example:

- In June 2007, USCIS published the IT Lifecycle Management detailing the process used to create and maintain IT solutions for USCIS under the governance of the USCIS Enterprise Architecture.
- In February 2008, USCIS began a phased implementation of the new plain language policy and procedures system, the Citizenship and Immigration Governance Authoring and Retrieval (CIGAR) system. Currently there are more than 100 documents published in CIGAR with another 250 documents in process. Each policy or procedure is indexed to control objectives focused on supporting the strategic goals and objectives of USCIS.
- In September 2008, USCIS issued a new Enterprise Architecture Management Directive (MD 103-001) to maximize the business value of USCIS investments and harmonize disparate planning and development efforts by aligning them with USCIS mission outcomes.
- USCIS is currently building an innovative web application designed to make it easier and faster for USCIS employees to acquire IT solutions to support their needs. Called the "IT Stuff Store," this new system will make it as easy to obtain a needed piece of equipment for USCIS-use as to order one from a commercial vendor on the World Wide Web.

USCIS will continue to work towards improving the technology support for USCIS programs and other stakeholders.

Recommendation 6: Ensure that the CIO has agency-wide budget and investment review authority for all USCIS IT initiatives and system development efforts.

USCIS Response:

Concur. USCIS has taken steps to include the CIO in its overarching IT decision-making processes. The CIO is represented on the USCIS Senior Review Board, the Leadership Alignment Team, the Transformation Leadership Team, the IT Systems Change Control Board, and has extensive involvement in the Transformation Program's Working Integrated Project Teams and Stakeholder Information and Participation meetings.

cc: Frank Deffer, Assistant Inspector General for Information Technology Audits
Richard Harsche, Director of Information Management

Information Management Division

Richard Harsche, Division Director

Kristen Evans, Audit Manager

Shannon E. Frenyea, Auditor

Melissa Keaster, Auditor

Anna Tyler, Auditor

Amanda Strickler, Referenceer

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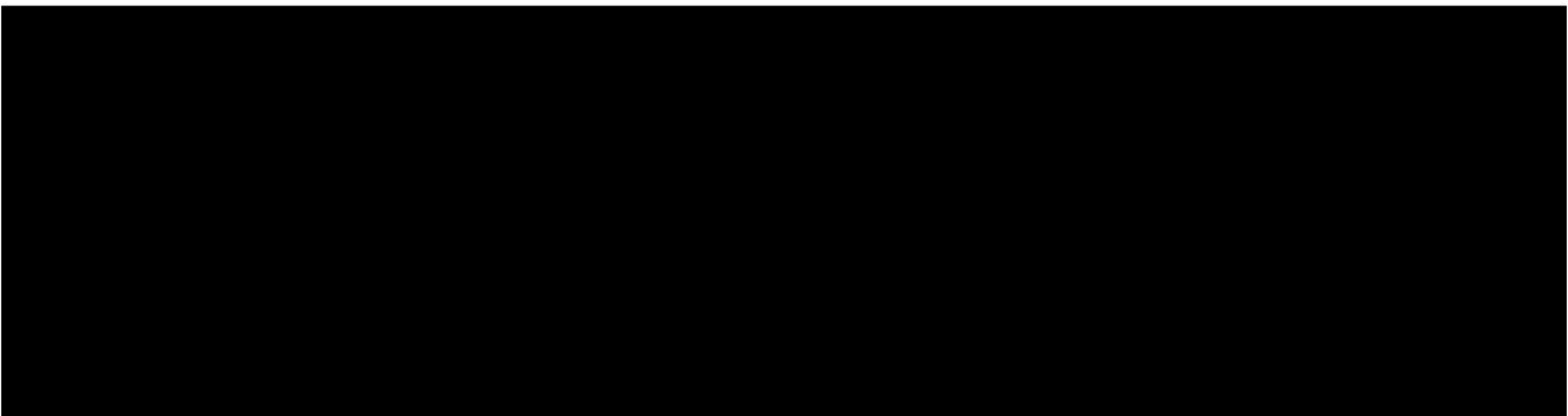
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Department of Homeland Security **Office of Inspector General**

U.S. Citizenship and Immigration
Services' Progress in Transformation





Homeland Security

November 23, 2011

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

This report addresses the strengths and weaknesses of the U.S. Citizenship and Immigration Services' Office of Transformation Coordination and Office of Information Technology. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. We trust this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "Frank Deffer".

Frank Deffer
Assistant Inspector General
Information Technology Audits

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Abbreviations

CIO	Chief Information Officer
CLAIMS	Computer Linked Application Information Management System
DHS	Department of Homeland Security
FY	Fiscal Year
IT	information technology
OIG	Office of Inspector General
OIT	Office of Information Technology
OTC	Office of Transformation Coordination
PIPT	Program Integrated Product Team
TLT	Transformation Leadership Team
USCIS	United States Citizenship and Immigration Services
WIPT	Working Integrated Product Team

OIG

Department of Homeland Security

Office of Inspector General

Executive Summary

In 2005, the United States Citizenship and Immigration Services (USCIS) embarked on an enterprise-wide program to transform its fragmented, paper-based business processes to a flexible and efficient process supported by an integrated technical environment. In July 2009, we reported that USCIS established a structure to manage transformation initiatives and implemented pilot programs; however, pilot success was restricted by ineffective planning, business process reengineering efforts were incomplete, and stakeholder participation levels fluctuated. We recommended that USCIS communicate an updated transformation approach, include stakeholder participation in defining requirements, and assess pilot program results.

We conducted a follow-up audit to determine USCIS' progress in implementing its business and information technology transformation. Since our 2009 report, USCIS has completed a number of activities to prepare for its first transformation deployment and improved its coordination and communication with stakeholders. However, implementation of the transformation program has been delayed because of changes in the deployment strategy and insufficiently defined system requirements. Other challenges, such as governance and staffing problems, further delayed the program. As a result, USCIS continues to rely on paper-based processes to support its mission, which makes it difficult for USCIS to process immigration benefits efficiently, combat identity fraud, and provide other government agencies with the information required to identify criminals and possible terrorists quickly.

USCIS has taken steps to address these challenges by moving to a more agile transformation approach, improving its program monitoring and governance, and focusing on staffing issues. We recommend that USCIS ensure that process documentation provides sufficient detail, develop and implement a governance structure to enable streamlined decision making, and ensure that staff with the necessary skills are in place.

Background

The USCIS mission is to secure America's promise as a nation of immigrants by providing accurate and useful information to its customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system. To accomplish its mission, USCIS has more than 18,000 government employees and contractors working at 250 offices worldwide. USCIS provides its services through a structure that consists of its headquarters office in Washington, D.C., four service centers, 33 district offices, 133 application support centers, three regional offices, three overseas district offices, eight asylum offices, six telephone centers, the National Records Center, and the National Benefits Center. USCIS receives approximately 6 million immigration applications and petitions for legal review and adjudication each year. On any given day, USCIS' federal and contract employees process 30,000 applications for immigration benefits, issue 6,000 permanent resident cards, adjudicate 200 refugee applications and 230 asylum applications, and naturalize 3,000 new citizens.

USCIS provides nearly all of its services using paper forms. Customers submit paper application forms that USCIS staff sort, check for errors, electronically scan into images or copy, and manually verify and enter the data into several systems, one of which is the Computer Linked Application Information Management System (CLAIMS), for processing. Through CLAIMS, USCIS provides automated support to process applications, determine the status of pending applications, and track fees collected. Other paper documents used to verify a customer's identity, such as birth certificates and drivers' licenses, are collected, electronically scanned into images or copied, filed, and manually correlated to the number assigned to each application.

USCIS adjudications officers determine whether an applicant is eligible for benefits by reviewing the paper documentation submitted, performing background checks, and in some cases interviewing and obtaining biometric information from the applicant. USCIS staff use automated and manual methods to conduct background checks on applicants through systems such as the Interagency Border Information System, which is managed by U.S. Customs and Border Protection. To schedule appointments for interviews and to collect biometric information, USCIS staff

use the Scheduling Notification for Applicant Processing System, a fingerprint scheduling program that extracts information from CLAIMS. Customers use the InfoPass scheduling system on the USCIS website or mail in forms to schedule appointments with local information officers.

USCIS issues paper evidence of benefits, such as permanent resident cards, and stores the information about the status of applicants both electronically and in applicants' paper files. Document production of benefits has mostly been centralized through the Integrated Card Production System. USCIS maintains a paper set of documents on individuals to document their immigration status and citizenship. USCIS staff can locate these records through the National File Tracking System. In addition, the Central Index System, a department-wide index, maintains immigrant and non-immigrant status information on individuals, and tracks the location of applicants' paper files.

USCIS' paper-based processes require that USCIS obtain, ship, process, and store a significant number of documents. The annual cost of shipping, storing, and handling these paper files is approximately \$314 million. The volume of documents stored is illustrated in figure 1, a photograph of the file room in USCIS' National Benefits Center, just one location where documents are stored.



Figure 1: National Benefits Center File Room

Recognizing that dependence on paper files makes it difficult to process immigration benefits efficiently, USCIS embarked on an enterprise-wide transformation program in 2005 to transition the agency from a fragmented, paper-based operational environment to

a centralized and consolidated account-based environment using electronic adjudication. USCIS' strategy involved digitizing applicant filings, either by scanning in the hard copy documents received or by providing electronic filing capability; obtaining modern case management software to enable electronic adjudication of all cases; and modernizing the USCIS website and its supporting information technology (IT) to provide useful web services for its customers.

In 2007, USCIS developed a multi-year strategy for deploying the capabilities needed to achieve its transformation goals. The strategy called for creating and implementing new business processes and IT systems incrementally over a 6-year period. USCIS planned to implement the reengineered business processes in four increments that correlated with USCIS' major lines of business: (1) Citizenship, (2) Immigrant, (3) Humanitarian, and (4) Non-Immigrant. Figure 2 shows the transformation phases and their implementation timeframes as of March 2008.

Increment	Line of Business Functions	Timeframe
One	Citizenship Naturalization, Military Naturalization, and International Adoptions	Fiscal Year (FY) 2009
Two	Immigrant Permanent Residence	FY 2010 – FY 2011
Three	Humanitarian Refugee, Asylum, Parole, Temporary Protected Status	FY 2012
Four	Non-Immigrant Non-immigrant Workers	FY 2013

Figure 2: Transformation Implementation Timeframes, March 2008

USCIS' Office of Transformation Coordination (OTC) is responsible for coordinating transformation initiatives across USCIS, including managing and overseeing efforts to move the agency from a paper-based business to a more efficient electronic environment. OTC's mission is to lead, manage, and facilitate a comprehensive transformation of people, processes, and technologies that will enhance national security, promote operational excellence, and provide superior customer service to those seeking immigration benefits.

Because the transformation efforts rely on IT modernization, OTC and the Office of Information Technology (OIT) maintain an ongoing partnership to accomplish transformation goals. OIT's

mission is to provide the information services, strategic vision, leadership, technical expertise, and capabilities necessary to enable USCIS to deliver effective, efficient, economical, and secure immigration services. OIT leads USCIS in the design, development, delivery, and deployment of IT services and solutions. Figure 3 shows OTC and OIT within the USCIS organization.

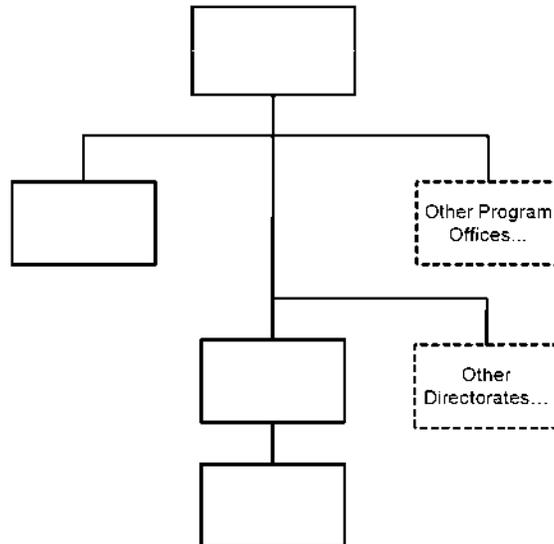


Figure 3: USCIS Simplified Organization Chart

In November 2008, USCIS awarded a contract to International Business Machines Corporation to serve as the solution architect. The contract called for the solution architect to provide services, including planning, requirements gathering, design, and development, to modernize and transform USCIS business processes, beginning with the Citizenship line of business. USCIS has obligated more than \$500 million for the transformation program since FY 2008.

In July 2009, we reported that USCIS had established a structure to manage its transformation initiatives and an approach to deploy new business and IT capabilities.¹ The success of pilot programs to test the new IT capabilities, however, had been restricted by ineffective planning and limited implementation reviews. In addition, the business process reengineering efforts needed to support the transformation were incomplete, and stakeholder understanding and participation in the transformation program had

¹ *U.S. Citizenship and Immigration Services' Progress in Modernizing Information Technology* (OIG-09-90), July 2009.

been limited. We recommended that the Acting Deputy Director, USCIS:

- Develop an updated transformation approach, strategy, or plan to communicate end-state business processes and IT solutions to stakeholders.
- Develop and implement a plan to achieve sufficient and consistent stakeholder participation in process reengineering and requirements definition activities.
- Complete evaluations to document the results and lessons learned from the pilot and proof-of-concept programs.

In response, USCIS updated its Transformation Strategic Plan, Concept of Operations, and Transformation Program Communications Plan. In addition, USCIS developed a Stakeholder Management Plan and completed lessons learned documentation. Based on USCIS' actions, we closed these recommendations. As part of this audit, we revisited these areas in assessing USCIS' progress in implementing its transformation program.

Results of Audit

Progress Made, But Transformation Implementation Delayed

USCIS has made progress toward transformation since our 2009 report. Specifically, USCIS has completed a number of activities to prepare for its first IT system deployment in December 2011. In addition, USCIS has improved its coordination and communication with internal and external stakeholders.

Although USCIS has made progress, implementation of the transformation has been delayed. Specifically, USCIS has extended the timeline for its initial deployment of electronic capabilities from 2009 to 2011 and has reduced the scope of the deployment.

Progress Made

USCIS has completed a number of IT system development activities to prepare for its first IT deployment in December 2011. USCIS has also improved the coordination between OTC and OIT, provided information to and obtained feedback from USCIS staff, and increased communication with external stakeholders.

Activities Completed for First IT Deployment

USCIS has completed steps in preparation for a planned deployment of capabilities in December 2011. Specifically, USCIS has gathered requirements, created the high-level design, and has begun testing the first development cycle and phase of the first release of the new system.

The first release will include delivering core capabilities such as online accounts, case management, and electronic filing for one benefit type. In this planned release, a customer will be able to set up an account, make payments, provide supporting evidence, and check the status of his or her application electronically. An adjudicator will be able to receive evidence electronically, perform background checks, assess risk and fraud, and issue notices and proof of benefit.

At the time of our fieldwork, USCIS had completed the development of processes for nine forms for the Non-Immigrant line of business and ten forms for the Citizenship line of business. Further, as of May 2011, the transformation program had documented and reengineered more than 170 Non-Immigrant processes for users. In addition, USCIS had completed initial interface requirements documents with all federal partners with interfaces in the first system release.

According to senior IT and program officials, USCIS expects to meet the December 2011 scheduled date for this release.

Coordination and Communication

USCIS has improved its coordination and communication with internal and external stakeholders. In June 2010, both OTC and OIT brought in new leaders, who have worked to improve coordination between the offices. OTC created and staffed the position of transformation IT project manager, who has made changes to improve coordination. For example, the manager has positioned OIT staff in transformation working groups. One-third of OIT staff now work on the transformation program in some capacity. Further, OIT is coordinating with OTC to ensure a successful transition from the legacy IT environment to the transformed environment. For example, to help ensure that the agency's IT infrastructure is ready for transformation, OIT has provided additional workstations for testing and deployment sites and purchased sufficient software licenses.

In addition, USCIS has increased its outreach and engagement with other internal stakeholders. For example, USCIS staff who perform immigration processing serve as members of the transformation working groups and as subject matter experts to ensure that the requirements for the new technology reflect their business needs. In May and June 2010, transformation program staff conducted surveys, focus groups, and interviews to gather feedback from USCIS leaders and staff about the transformation program. USCIS created the Transformation Liaison Program in June 2010 to communicate to the agency's workforce. In February and March 2011, the transformation liaisons and OTC staff demonstrated how customer accounts will be established and cases will be managed electronically. Approximately 5,000 USCIS staff participated in these demonstrations. The liaisons and OTC staff responded to feedback provided by participants at each session.

USCIS also has increased its coordination with external stakeholders. USCIS holds frequent meetings with external stakeholders, including other federal agencies, customers, and other organizations. Specifically, it meets quarterly with federal stakeholders such as U.S. Customs and Border Protection, U.S. Immigration and Customs Enforcement, the Department of State, and the Department of Justice to develop the agreements and interfaces necessary to share information. USCIS conducted customer and advocate information sessions nationwide to incorporate immigration applicant feedback into the transformation program. Further, USCIS gathered feedback from more than 230 other organizations, including law firms, nonprofit organizations, software developers, trade associations, and universities.

Transformation Implementation Delayed

Although USCIS has made progress, implementation of the transformation program has been delayed. Specifically, USCIS extended its timeline for its first deployment because of a change in its deployment strategy. In addition, the lack of sufficiently defined requirements prior to selecting the IT system solution led to a reduction in the scope of the first deployment.

Deployment Timeline

USCIS has extended its timeline for deploying a new IT system. USCIS' March 2008 transformation plans called for deploying the technology to support reengineered processes for its Citizenship

line of business in 2009. This deployment was to include web-based account setup and customer electronic filing of 20 different Citizenship forms. In addition, USCIS planned to deploy the technology supporting the electronic completion of 21 forms for its Immigrant line of business by the end of FY 2011. However, USCIS had not deployed the new technology for either line of business as of May 2011.

USCIS did not meet its original deployment goals because it revised its deployment strategy in December 2009. Specifically, USCIS reversed the order in which it planned to reengineer processes and implement electronic capabilities for each line of business, as shown in figure 4.

Line of Business Functions	March 2008 Timeframe	Original Order of Deployment	December 2009 Timeframe	Revised Order of Deployment
Citizenship Naturalization, Military Naturalization, and International Adoptions	FY 2009	1	Q4 FY 2013 – FY 2014	4
Immigrant Permanent Residence	FY 2010 - FY 2011	2	Q4 FY 2012	2
Humanitarian Refugee, Asylum, Parole, Temporary Protected Status	FY 2012	3	Q2 FY 2013	3
Non-immigrant Non-immigrant Workers	FY 2013	4	Q3 FY 2011 – FY 2012	1

Figure 4: Revised Transformation Implementation Timeframes

USCIS initially planned to begin its transformation with the Citizenship line of business, which is generally the last step in the immigration process. USCIS' rationale for deploying Citizenship first was to eliminate the need for applicants who began their interactions with USCIS by completing forms electronically to transition back to paper forms for subsequent processes. In the transformed environment, applicants would file Citizenship forms electronically, and the paper documents that they had filed during earlier steps in the process would be digitized.

After beginning the transformation of the Citizenship line of business, transformation program leadership determined that the costs of digitizing the previously received paper forms for Citizenship applicants would be higher than originally estimated. Reversing the order of the deployment to begin with the Non-Immigrant line of business and end with the Citizenship line of business would reduce the immediate costs of the transformation by reducing the amount of paper forms that would need to be

digitized. In addition, a USCIS analysis of deployment alternatives indicated that beginning deployment with the Non-Immigrant line of business would enable USCIS to establish customer accounts and perform electronic adjudication earlier. However, the change also resulted in USCIS extending the timeline for its first deployment from FY 2009 to FY 2011.

Deployment Scope

USCIS also has reduced the scope of its initial transformation deployment. In March 2010, USCIS planned to deploy the first release of capabilities for the Non-Immigrant line of business by the third quarter of FY 2011. This release was to provide end-to-end electronic case management for approximately 17 Non-Immigrant benefit types or forms. USCIS customers filed approximately 2.3 million of these forms in FY 2008. As of May 2011, the approved plan for the first Non-Immigrant release included delivering capabilities for one of the 17 forms, the *Application to Extend/Change Nonimmigrant Status*, by December 2011. USCIS received approximately 191,000 of these applications in FY 2008.

The reduction in scope for the first release was necessary because USCIS had not sufficiently defined its requirements before the IT system solution was selected. Based on its initial understanding of the processes and requirements, the solution architect concluded that an out-of-the-box system would provide the capabilities needed to enable customers to complete forms electronically and USCIS adjudicators to review the forms electronically. However, the USCIS working groups that identified system requirements did not limit the requirements to the constraints of the out-of-the-box system. USCIS envisioned that the new system would fully automate the entire benefits process, such as automatically assigning work to USCIS employees and automatically checking for potential criminal and fraudulent activity. In September 2010 and again in January 2011, the solution architect informed USCIS that it would have to reduce the scope of the deployment to include the additional requirements and meet the December 2011 deadline for deployment.

Other Factors Limit Transformation Progress

Other factors have contributed to delays in USCIS realizing its transformation goals. Specifically, USCIS' transformation governance structure, as implemented, did not promote timely and effective decision

making. In addition, USCIS has faced challenges in staffing its transformation effort.

Governance Structure

According to federal guidance, agencies are required to implement IT governance structures and to ensure effective acquisition of IT resources.² USCIS has appropriately established a governance structure for the transformation program but still faces a number of challenges. The structure is made up of three primary groups: the Transformation Leadership Team (TLT), the Program Integrated Product Team (PIPT), and Working Integrated Product Teams (WIPTs).

- **TLT**—The TLT is comprised of USCIS executive-level management and provides strategic direction for the transformation program. The USCIS director and senior leadership from this team meet each week to discuss program direction, policy decisions, investment strategy, program scope, and acquisition strategy.
- **PIPT**—The PIPT, comprised of senior USCIS managers, was established by the TLT to serve as the transformation program’s executive board. The board oversees the management of the program schedule, cost, and performance; oversees the WIPTs; and reports status and escalates issues to the TLT when not able to reach decisions at the PIPT level. This executive board meets three times a week.
- **WIPTs**—The WIPTs work directly with the solution architect to define the transformed business processes and help design the operational aspects of the technology to meet those needs. These teams make recommendations to the PIPT regarding operational, regulatory, policy, cost, and schedule impacts.

Although USCIS established a transformation governance structure, the structure has weaknesses that have contributed to transformation delays. Transformation leadership told us the governance structure was too complex and unwieldy, with too

² The *Clinger-Cohen Act of 1996*; Office of Management and Budget Circular A-130, *Management of Federal Information Resources*; and Office of Management and Budget Circular A-11, Part 7, *Planning, Budgeting, Acquisition and Management of Capital Assets*, provide regulations and guidance for investment review and capital planning activities.

many stakeholders and boards involved in making decisions. Specifically, the transformation chief, transformation program manager, transformation IT project manager, and the USCIS Chief Information Officer (CIO) expressed concerns with the length of time it has taken to make a decision. In addition, IT officials noted the volume of decisions that have been escalated to the PIPT or TLT levels.

Many subject matter experts in the field, as well as headquarters staff, voiced similar concerns with the governance structure's decision-making processes. Specifically, staff described frustration over program leadership's reversal of, or revisiting, major program decisions. For example, program leadership initially decided that electronic filing would not be mandatory and later proposed to reverse that decision. Leadership has also changed its decision on which capabilities would be included in the first release for the Non-Immigrant line of business. After reviewing the transformation program, the DHS CIO concluded that the program had an overly complex governance structure that required too many formal meetings and checkpoints for review, consensus building, and decision making. The DHS CIO recommended that the agency develop a more streamlined governance structure to improve the decision-making process.

Staffing Challenges

The transformation program has also faced staffing challenges. OTC had 98 authorized positions as of May 2011. However, from July 2010 to May 2011, the number of vacancies in OTC ranged from 30% to 45% of its authorized positions. For example, at the time of our fieldwork, 6 of 15 positions were vacant in the increment and release management division, which is responsible for integration management and release delivery and deployment. In addition, 9 of 24 positions were vacant in the business integration division, which is responsible for working group support, strategic business analysis, and business architecture. Further, OTC experienced staff turnover, including the departure of two division directors. According to the DHS CIO, the large amount of internal turnover in the program's staffing was a risk. After reviewing the transformation program, the DHS CIO concluded that USCIS did not have enough experienced program staff to support a more effective, agile transformation approach.

The transformation program has had difficulty hiring staff because the skills required are very specific. According to OTC officials,

they need people with the right program management skills, experience, and competencies to contribute to the program effectively. For example, program staff told us they had difficulty finding people with the skills required to develop schedules and cost estimates and perform engineering activities.

The solution architect has also experienced staffing shortages. The solution architect could not meet the schedule for a design milestone for the new system due to a shortage of 12 to 15 people with the necessary skills to staff the design team. The solution architect also experienced high turnover, with more than 200 personnel departing the project between November 2008 and March 2011. In addition, the solution architect had challenges filling positions to work on designing, building, and testing the new system.

USCIS Has Taken Steps To Address Challenges

USCIS has recognized its challenges and has taken steps to address them. Specifically, USCIS has moved to a more agile transformation approach and strengthened program monitoring to help identify and address problems that can lead to further implementation delays. USCIS has also adjusted its governance structure to facilitate decision making and taken steps to address its staffing shortages.

Transformation Approach and Monitoring

In response to recommendations from the DHS CIO, USCIS made its transformation program approach more agile. Specifically, the DHS CIO recommended that USCIS deploy releases incrementally in 6-month cycles instead of following the original plan, which called for fewer, larger releases. According to the DHS CIO, smaller releases of capabilities are beneficial because there is less risk to ongoing operations. The DHS CIO recommended that USCIS identify core functionality and begin development before the completion of the system design in order to identify and understand underlying problems more quickly. As discussed previously, USCIS plans to deploy core capabilities and one form type in the first Non-Immigrant release, and will deploy additional capabilities and form types in 6-month intervals thereafter.

USCIS has also strengthened its methods for monitoring transformation progress. For example, transformation program staff developed a critical task schedule in August 2010 to ensure that each USCIS office is aware of planned activities and milestones. As of March 2011, program staff were restructuring the critical task schedule to align better with stakeholder

requirements and provide increased traccability of tasks. In addition, transformation program management had improved coordination with the solution architect. For example, USCIS employees have been embedded in teams with the solution architect, which has increased the visibility of potential problems. In February 2011, USCIS began requiring the solution architect to report any newly identified risks immediately. Further, OTC holds daily “escalation” meetings at which the solution architect identifies and discusses threats to meeting the program schedule. The OTC Chief said that this process has allowed potential problems to be addressed as they arise.

Governance

USCIS has taken steps to improve transformation decision making. For example, in February 2011, transformation program management determined that the current decision structure did not enable rapid and timely support for design, development, and testing decisions for the IT system release, and proposed the addition of internal decision-making bodies. To facilitate rapid decision making, USCIS created a release integration team and a design and construction support team. The release integration team manages and makes decisions for the design and construction of an overall release. The design and construction support team oversees the design and construction of release components and supports rapid decision making on issues that require escalation.

Staffing Improvements

USCIS has taken action to address staffing challenges. OTC developed a staffing plan to track specific responsibilities, occupation information, job location, and whether the position can be sourced from within USCIS for each of its vacancies. OTC monitors the status of vacancy announcements, including which office is responsible for the next step in the hiring and onboarding process for each position. Further, the OTC Chief reviews every resume to ensure that OTC is getting the right people. Despite these actions, a USCIS program official familiar with the program’s staffing needs said that OTC still faces difficulty in recruiting people with highly specialized skills, such as systems engineering, risk management, cost analysis, program control, and communication.

Recommendations

We recommend that the Chief, Office of Transformation Coordination:

Recommendation #1: Complete business and technology process documentation to provide the detail necessary to implement the transformation program effectively.

Recommendation #2: Revise its current governance structure to enable more streamlined program decision making.

Recommendation #3: Ensure that transformation program staff possess the necessary skills to implement the transformation program.

Management Comments and OIG Analysis

We obtained written comments on a draft of this report from the Chief of Staff, Office of the Director, USCIS. The Chief of Staff concurred with our recommendations and provided details on steps being taken to address specific findings and recommendations in the report. We have included a copy of the comments in their entirety in appendix B.

In response to recommendation 1, the Chief of Staff stated that OTC is working toward the use of a modified agile development approach, where new functionality is released every 6 months after an integrated requirements/development phase. The Chief of Staff stated that this will require a tailored documentation approach, which USCIS is exploring with the DHS Office of the Chief Information Officer. We look forward to learning about progress made toward addressing this recommendation. We consider this recommendation to be resolved and open.

In response to recommendation 2, the Chief of Staff stated that USCIS is working on restructuring its governance and decision-making process to accommodate the current phase of the project, which is focused on the development and deployment of the USCIS Electronic Immigration System. Additionally, the Chief of Staff said that working with DHS and USCIS senior leadership, OTC will streamline the current governance and decision-making processes while maintaining transparency and ensuring USCIS leadership is actively informed and involved. We are encouraged

by the steps taken to address this recommendation, and look forward to learning about progress made in revising the current governance structure. We consider this recommendation to be resolved and open.

In response to recommendation 3, the Chief of Staff stated that OTC is using all of the recruitment and staffing tools available to fill its vacancies. The Chief of Staff said that OTC recently hired 13 highly qualified individuals and was able to generate a larger pool of qualified candidates by including repayment of relocation expenses. This technique also has helped USCIS attract highly qualified individuals from USCIS and throughout the Department who can serve as subject matter experts in key areas such as program management, communications, and training and who also possess unique understanding of USCIS' operational and business requirements. The Chief of Staff said that OTC has taken additional steps to ensure that all divisions and staff members possess the necessary skills in project management, scheduling, and contract administration, including emphasizing to employees that sufficient funding has been allotted to ensure that all appropriate training requests can be approved.

The Chief of Staff also said that OIT has assigned highly qualified personnel from its existing pool of resources to support OTC, and is working on a staffing campaign to hire individuals with enterprise solution architecture, agile development, and IT project management skills. We recognize the progress made in this area since our audit, and look forward to learning more about continued progress. We consider this recommendation to be resolved and open.

Appendix A

Purpose, Scope, and Methodology

The objective of this audit was to determine USCIS' progress in implementing IT modernization initiatives and addressing our prior recommendations.

We researched and reviewed federal laws and executive guidance related to USCIS' immigration benefits processes and systems. We reviewed recent Government Accountability Office and OIG reports to identify prior findings and recommendations. In addition, we searched the Internet to obtain published reports, documents, and news articles regarding USCIS operations and the transformation initiative. We evaluated documents that USCIS provided in November 2009, March 2010, May 2010, and October 2010, including updated action plans and milestones, on activities to address our July 2009 report recommendations. Using this information, we designed a data collection approach, consisting of focused meetings and document analysis, to conduct our follow-up review. We developed a series of questions and discussion topics for our meetings.

Subsequently, we conducted information-gathering meetings at USCIS headquarters and field offices and gathered supporting documentation to meet our audit objectives. At headquarters, we met with senior leaders of the transformation effort, including the Chief and Deputy Chief of OTC, and staff involved with the transformation to discuss USCIS business and IT transformation. We were particularly interested in transformation planning, business process reengineering, requirements gathering, and transformation program implementation activities. We collected numerous documents from these offices about USCIS accomplishments, current initiatives, and future plans for transformation.

We met with the USCIS CIO and Deputy CIO to obtain updates on coordination with OTC, lessons learned from past pilot programs, and the outlook for transformation. We met with OIT personnel to learn about coordination in planning and implementing transformation, as well as about current and past transformation efforts and OIT involvement. To support their comments, these officials provided copies of transformation-related documentation. In addition, we met with the DHS CIO to discuss transformation progress and challenges.

We conducted audit fieldwork from February to May 2011 at USCIS headquarters in Washington, D.C.; USCIS service centers

Appendix A

Purpose, Scope, and Methodology

in St. Albans, Vermont; Laguna Niguel, California; and Lincoln, Nebraska; and the National Benefits Center in Lee's Summit, Missouri. In addition, we met with USCIS staff in regional offices in South Burlington, Vermont, and Los Angeles, California; in field offices with some district office representation in Los Angeles, California; St. Albans, Vermont; and Kansas City, Missouri; and at an asylum office and telephone center in Los Angeles, California.

At USCIS field locations, we toured facilities, observed demonstrations of select business processes and systems use, and led information-gathering meetings with senior managers, IT specialists, immigration service officers, and other employees. We discussed recent and past activities regarding the transformation program, local IT development practices, and user involvement and communications with headquarters concerning the transformation. Where possible, we obtained reports and other materials to support the information provided during the meetings.

We conducted this performance audit between February 2011 and May 2011 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.

The principal OIG points of contact for this audit are Frank Deffer, Assistant Inspector General for Information Technology Audits, and Richard Harsche, Director of Information Management. Appendix C lists major OIG contributors to the audit.

Appendix B Management Comments to the Draft Report

U.S. Department of Homeland Security
U.S. Citizenship and Immigration Services
Office of the Director (MS 2000)
Washington, DC 20529-2000



U.S. Citizenship
and Immigration
Services

OCT 13 2011

Memorandum

TO: Frank Deffer
Assistant Inspector General

FROM: Rebecca Carson *Rebecca Carson*
Chief of Staff

SUBJECT: USCIS's Progress in Transformation, OIG-11-032 Draft Report

Recommendation #1: Complete business and technology process documentation to provide the detail necessary to implement the transformation program effectively.

USCIS's Response: USCIS concurs with this recommendation. The original Request for Proposals (RFP) for the Solution Architect (SA) dated October 12, 2007, contained a Statement of Objectives (SOO) instead of a Statement of Work (SOW). The RFP listed the results expected by USCIS, as the SA contract did not dictate the mechanisms by which a transformed environment would be achieved. This approach was approved by the Department of Homeland Security (DHS), who manages the SA contract, and by the Office of Management and Budget (OMB). OMB understood that USCIS had reengineered business processes and requirements that would be transferred to the SA, an approach which distinguishes the SA from a traditional Lead Systems Integrator (LSI). The SA was then required to engineer and implement the solution under direct oversight of the Office of Transformation and Coordination (OTC) (e.g. milestone reviews, incremental acceptance of services and capabilities, etc.) and participate in organizational change activities. The requirements for Increment One were detailed in a 424-page Enterprise Segment Activity Roadmap (ESAR) dated February 29, 2008. Additionally, a separate 291-page ESAR covering all increments and releases was finalized on February 20, 2008. These requirements were provided to the SA, which in turn engineered the solution and presented a strategy and approach to implementing the solution in accordance with the requirements of the SA contract. USCIS Subject Matter Experts conducted a thorough analysis of the SA's solution and determined that, while the solution as presented was viable, a resequencing of the software releases and some refinements to the functionality contained within each of the software releases would yield a more effective approach to transforming the agency's business processes.

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Appendix B

Management Comments to the Draft Report

USCIS's Progress in Transformation, OIG-11-032 Draft Report
Page 2

Currently, OTC exercises more oversight over the SA contract than originally envisioned by DHS and OMB. The DHS Acquisition Directive 102 (AD-102) issued in November of 2008, requires an increased level of government oversight and much greater involvement in information technology decisions. After the implementation of AD-102, OTC, in conjunction with the SA, produced increment level documents in November 2008 and updated documents. In addition, AD-102 documents were updated and new ones produced for the Project Planning Review (PPR) in March 2010 and the Acquisition Decision Review in 2012. OTC is currently working towards the use of a modified agile development approach, where new functionality is released every six months after an integrated requirements/development phase. This will require a tailored documentation approach, which USCIS is exploring with the DHS Office of the Chief Information Officer (OCIO).

Recommendation #2: Revise its current governance structure to enable more streamlined program decision making.

USCIS's Response: USCIS concurs with this recommendation. The USCIS governance structure that was put in place at the onset of this program was appropriate and necessary to ensure a complete and thorough vetting of the USCIS business processes and the validation of detailed requirements for the automation of those processes. USCIS is currently working on restructuring its governance and decision-making process to accommodate the current phase of the project which is focused on the development and deployment of the USCIS Electronic Immigration System (ELIS). Working with the DHS and USCIS senior leadership, OTC will streamline the current governance and decision-making processes while maintaining transparency and ensuring USCIS leadership is actively informed and involved.

Recommendation #3: Ensure that transformation program staff possesses the necessary skills to implement the transformation program.

USCIS's Response: USCIS concurs with this recommendation. The OTC is utilizing all of the recruitment and staffing tools available to fill its vacancies. The OTC recently hired 13 highly-qualified individuals. We were able to generate a larger pool of qualified candidates by announcing vacancies that include repayment of relocation expenses. This technique has proven especially successful in attracting highly-qualified individuals from USCIS and other DHS offices across the United States who can serve as subject matter experts in key areas such as program management, communications, and training and who also possess unique understanding of USCIS's operational and business requirements.

OTC has taken additional steps to ensure that all divisions and staff members possess the necessary skills in project management, scheduling, and contract administration. OTC leadership has emphasized in all-hands meetings that every OTC employee is expected to take advantage of relevant training opportunities as sufficient funding has been allotted to ensure that all appropriate training requests can be approved. OTC is strongly encouraging staff to become Project-Management-Professional-(PMP)-certified, and is funding PMP-preparation courses and testing fees.

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Management Comments to the Draft Report

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The USCIS Office of Information Technology (OIT) has assigned highly qualified personnel from its existing pool of resources to support OTC. Additionally, OIT is working on a staffing campaign to hire individuals with unique qualifications such as Enterprise Solution Architecture, Agile Development, and Information Technology (IT) Project Management skills and experience on large-scale IT projects. OIT is targeting individuals with domain expertise in Middleware, Application, Business Intelligence, Data Warehouse, and Service Orientated Architectures. These new hires will provide support to the USCIS ELIS system as well as USCIS legacy systems to ensure the agency's business functions are supported through USCIS's transformed operating environment.

OIT provides its staff training opportunities on Change, Configuration, and Release Management, Agile Development, Section 508 Compliance, and Information Security. OIT also encourages its staff members to become PMP, Certified Information Systems Security Professional (CISSP), and ScrumMaster certified.

Appendix C
Major Contributors to this Report

Richard Harsche, Director
Elizabeth Argeris, Auditor-in-Charge
Erin Dunham, Auditor
Sheila Cuevas, Auditor
Brielle Bryson, Program and Management Clerk
Beverly Dale, Referenceer

Appendix D
Report Distribution

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The OIG seeks to protect the identity of each writer and caller.

Better Safeguards Are Needed in USCIS Green Card Issuance



November 16, 2016

OIG-17-11



DHS OIG HIGHLIGHTS

Better Safeguards Are Needed in USCIS Green Card Issuance

November 16, 2016

What We Found

Why We Did This Audit

In March 2016, we reported challenges in U.S. Citizenship and Immigration Services' (USCIS) automation of benefits processing. We conducted this follow-up audit to assess the extent to which USCIS has inappropriately issued Green Cards, evaluate its actions to recover the cards, and assess its actions and plans to prevent similar incidents in the future.

What We Recommend

We recommend USCIS improve Electronic Immigration System (ELIS) functionality and develop internal controls to avoid inappropriate Green Card issuance, standardize card recovery and tracking efforts, prevent unrecoverable card use, and enable remote identity verification and more secure card delivery methods.

For Further Information:

Contact our Office of Public Affairs at (202) 254-4100, or email us at DHS-OIG.Office@PublicAffairs@oig.dhs.gov

As we previously reported, USCIS continues to struggle to ensure proper Green Card issuance. We found that over the past 3 years, USCIS produced at least 19,000 cards that included incorrect information or were issued in duplicate. Most card issuance errors were due to design and functionality problems in ELIS, which is being implemented to automate benefits processing. USCIS' efforts to address the errors have been inadequate. Although USCIS conducted a number of efforts to recover the inappropriately issued cards, these efforts also were not fully successful and lacked consistency and a sense of urgency.

Over the last 3 years, USCIS received over 200,000 reports from approved applicants about missing cards. The number of cards sent to wrong addresses has incrementally increased since 2013 due in part to complex processes for updating addresses, ELIS limitations, and factors beyond the agency's control.

Improperly issued Green Cards pose significant risks and burdens for the agency. Errors can result in approved applicants being unable to obtain benefits, maintain employment, or prove lawful immigration status. In the wrong hands, Green Cards may enable terrorists, criminals, and illegal aliens to remain in the United States and access immigrant benefits. Responding to card issuance errors has also resulted in additional workload and corresponding costs, as USCIS spent just under \$1.5 million to address card-related customer inquiries in fiscal year 2015 alone.

USCIS Response

The USCIS Director concurred with our recommendations.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

November 16, 2016

MEMORANDUM FOR: The Honorable León Rodríguez
Director
United States Citizenship and Immigration Services

FROM: John Roth 
Inspector General

SUBJECT: *Better Safeguards Are Needed in USCIS
Green Card Issuance*

Attached for your information is our final report, *Better Safeguards Are Needed in USCIS Green Card Issuance*. We incorporated the formal comments from the Director of United States Citizenship and Immigration Services in the final report.

The report contains seven recommendations aimed to improve Electronic Immigration System functionality, avoid inappropriate Green Card issuance, and improve card recovery and delivery efforts.

Based on information provided in your response to the draft report, we consider recommendations 1 through 7 open and resolved. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendations. The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions and of the disposition of any monetary amounts.

Please send your response or closure request to OIGITAuditsFollowup@oig.dhs.gov.

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Sondra McCauley, Assistant Inspector General, Information Technology Audits, at (202) 254-4041.

Attachment



DHS OIG HIGHLIGHTS

Better Safeguards Are Needed in USCIS Green Card Issuance

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Abbreviations

CBP	U.S. Customs and Border Protection
CLAIMS	Computer Linked Application Information Management System
CPMS	Customer Profile Management System
CSPED	Customer Service and Public Engagement Directorate
ELIS	Electronic Immigration System
EPMS	Enterprise Print Management System
FOD	Field Operations Directorate
ICE	U.S. Immigration and Customs Enforcement
OIG	Office of Inspector General
OTC	Office of Transformation Coordination
SCOPS	Service Center Operations
SMI	Secure Mail Initiative
TSC	Texas Service Center
USCIS	United States Citizenship and Immigration Services
USPS	United States Postal Service



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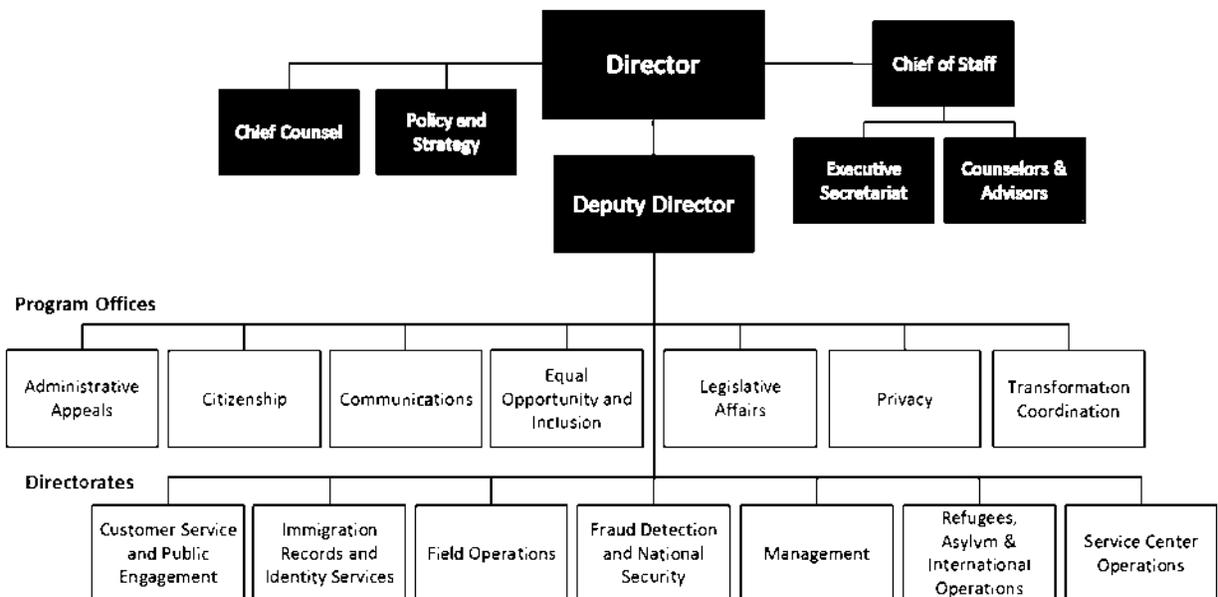
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Background

Within the Department of Homeland Security, United States Citizenship and Immigration Services (USCIS) is responsible for providing accurate and useful information to its customers, granting immigration benefits and U.S. citizenship, and ensuring the integrity of the immigration system. To carry out its mission, USCIS has 19,000 government employees and contractors at 223 offices worldwide. USCIS provides services through its headquarters office in Washington, DC; 5 service centers; 29 district offices; 136 application support centers; and 4 regional offices. USCIS asylum offices, the Customer Contact Center, the National Records Center, and the National Benefits Center also provide services to customers.

USCIS provides approximately 90 different types of immigration benefits and services, including lawful permanent residence. Permanent residence status is granted to foreign nationals who have been approved to reside in the United States. The Permanent Resident Card (also known as the Green Card) serves as evidence its holder has been officially granted immigration benefits, including permission to reside and seek employment in the United States. In fiscal year 2015, USCIS issued nearly 2.1 million Green Cards. Multiple USCIS program offices and directorates participate in Green Card processing and mailing, as highlighted in figure 1.

Figure 1: USCIS Organization as of April 2016



Source: DHS Office of Inspector General (OIG)-generated from USCIS' website



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- The Service Center Operations Directorate (SCOPS) oversees the Service Centers responsible for processing and adjudicating most applications and petitions that do not require interviews.
- The Field Operations Directorate (FOD) oversees field offices that process and adjudicate applications requiring interviews and background checks.
- The Fraud Detection and National Security Directorate determines whether applicants filing for immigration benefits pose a threat to national security or safety.
- The Office of Transformation Coordination (OTC) manages and oversees USCIS development of the Electronic Immigration System (ELIS).
- The Customer Service and Public Engagement Directorate (CSPED) manages customer inquiries.
- The Office of Intake and Document Production, located in the Management Directorate, is responsible for card production.

To receive a Green Card, individuals must be eligible for an immigrant category established by the *Immigration and Nationality Act*.¹ The categories include seeking employment, refugee or asylum status, permanent residence as the family member of a U.S. citizen or permanent resident, and a number of other special immigrant programs.² In most cases, the process to obtain a Green Card begins when an individual, an employer, or a family member files a petition with USCIS on behalf of the immigrant.³ Once approved, the petition is sent to the U.S. Department of State's National Visa Center for assignment of a visa number. At this point, eligible individuals may apply for permanent residence either outside the United States through consular processing or inside the United States through adjustment of status, as depicted in figure 2.

¹The *Immigration and Nationality Act*, enacted in 1952, provides basic immigration and naturalization laws (Public Law 82-414, 66 Stat. 163).

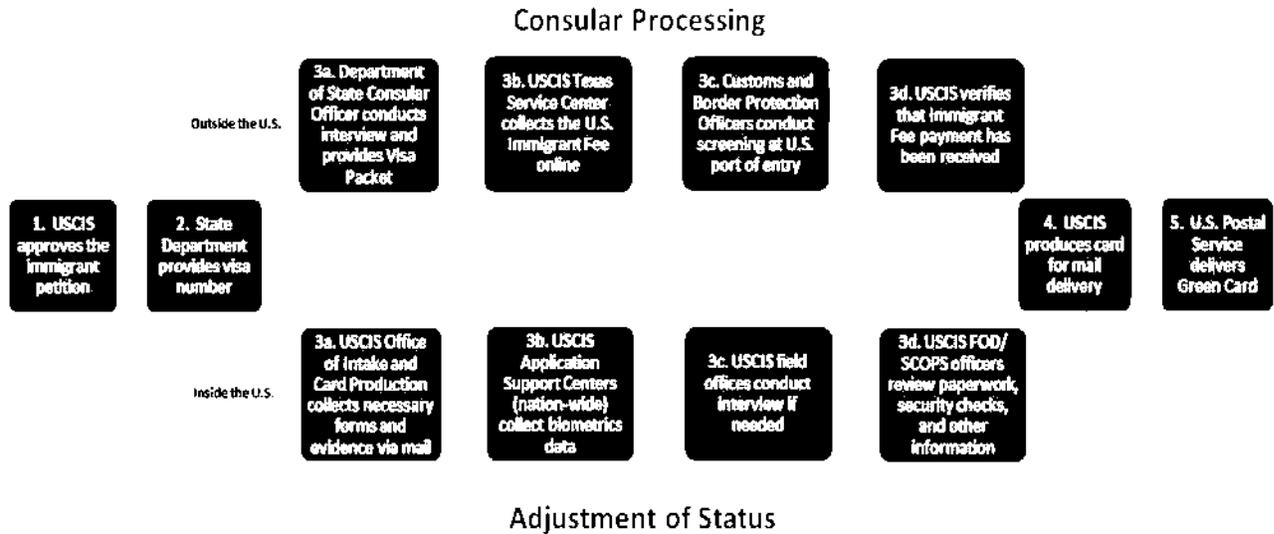
²Special programs exist for the widow of a U.S. citizen, battered spouse or child, armed forces member, religious worker, and others.

³Individuals can also petition on their own for visas in certain immigrant categories. However, not all immigrant categories require visa petitions.



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Figure 2: Green Card Processing



Source: OIG analysis of USCIS' current process

Since May 2013, USCIS processing of new and replacement Green Cards is accomplished using ELIS. The OTC implemented this online capability to accept the applicant's USCIS Immigrant Fee and process the Green Card. In March 2015, USCIS transitioned the Application to Replace a Permanent Resident Card (Form I-90) to ELIS. Both the USCIS Immigrant Fee and the Form I-90 were previously processed in USCIS' Computer Linked Application Information Management System (CLAIMS 3).

The initial processing for the USCIS Immigrant Fee is done in ELIS. First, a USCIS data entry clerk or lockbox contractor enters case data for each applicant once a Visa Packet or application is received.⁴ Next, the data is forwarded from ELIS to the Electronic Print Management System (EPMS) at one of two USCIS card production facilities. Once the card is produced, it is printed and placed in a U.S. Postal Service (USPS) priority mail envelope. USCIS uses a database, known as Secure Mail Initiative (SMI), to capture and store delivery tracking information once the card has been mailed. USCIS works with other DHS components, such as U.S. Customs and Border Protection (CBP), U.S. Immigration and Customs Enforcement (ICE), and other law enforcement agencies to prevent card misuse after issuance.

The Green Card displays personally identifiable information, including the permanent resident's full legal name, photo, Alien-number, fingerprint, date of birth, and country of birth, as well as a number and expiration date, as

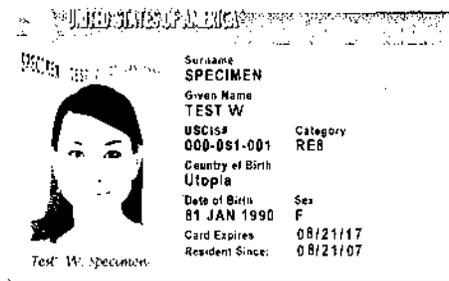
⁴Three lockbox facilities, operated by a Financial Agent of the U.S. Department of Treasury, provide intake services for data and fee payments for many USCIS form types.
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depicted in figure 3.⁵ The cards also contain numerous built-in security features designed to prevent fraud. The card remains valid for either 2 or 10 years, depending on whether the individual is granted conditional or permanent residence.⁶

Figure 3: Example of a Green Card



Source: USCIS website

USCIS is responsible for secure and accurate issuance of immigration benefits. However, our March 2016 report identified weaknesses in USCIS' ability to effectively carry out its national security and system integrity goals.⁷ Specifically, we disclosed that USCIS had sent potentially hundreds of Green Cards to the wrong addresses due to an ELIS limitation that prevented USCIS personnel from updating customer addresses. We also reported USCIS was unable to identify the exact number of cards sent to the incorrect addresses. New information regarding the scope and volume of improperly issued Green Cards received after publication of our previous report prompted initiation of this current audit.

⁵ DHS is responsible for assigning Alien-numbers ("A"-numbers) to foreign nationals.

⁶ Permanent residents receive 10-year cards that must be renewed upon expiration. Conditional permanent residents receive 2-year cards and must apply to remove their conditional status.

⁷ *USCIS Automation of Immigration Benefits Processing Remains Ineffective*, OIG-16-48, March 2016.



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Results of Audit

As we previously reported, USCIS continues to struggle to ensure proper Green Card issuance. We found that over the past 3 years, USCIS produced at least 19,000 cards that included incorrect information or were issued in duplicate. Most card issuance errors were due to design and functionality problems in ELIS, which is being implemented to automate benefits processing. USCIS' efforts to address the errors have been inadequate. Although USCIS conducted a number of efforts to recover the inappropriately issued cards, these efforts also were not fully successful and lacked consistency and a sense of urgency.

Over the last 3 years, USCIS received over 200,000 reports from approved applicants about missing cards. The number of cards sent to wrong addresses has incrementally increased since 2013 due in part to complex processes for updating addresses, ELIS limitations, and factors beyond the agency's control.

Improperly issued Green Cards pose significant risks and burdens for the agency. Errors can result in approved applicants being unable to obtain benefits, maintain employment, or prove lawful immigration status. In the wrong hands, Green Cards may enable terrorists, criminals, and illegal aliens to remain in the United States and access immigrant benefits. Responding to card issuance errors has also resulted in additional workload and corresponding costs, as USCIS spent just under \$1.5 million to address card-related customer inquiries in fiscal year 2015 alone.

Green Card Issuance Errors Primarily Due to ELIS Problems

USCIS personnel rely on a number of systems, including ELIS, to conduct electronic processing of Green Cards. However, continual system errors have caused at least 19,000 cards to be issued with incorrect information or in duplicate over the last 3 years. Since ELIS implementation in 2013, the percentage of Green Cards issued in error has steadily increased each year. USCIS efforts to address the errors have been inadequate.

Estimated Number of Incorrect Green Cards Issued

USCIS provided information on at least 12 episodes in which USCIS issued incorrect Green Cards between July 2013 and May 2016. Each episode resulted in between 19 and 5,434 incorrect Green Cards being issued. USCIS personnel we interviewed did not have complete or accurate information readily available to account for all improperly issued cards. However, multiple offices provided records of each episode they were aware of over roughly the past 3 years.⁸

⁸ We gathered information from the OTC, FOD, and SCOPS to quantify the extent of card errors.
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Based on our analysis of the data provided, we determined approximately 13,000 cards were printed and issued with incorrect personal information, such as the wrong name or date of birth. Additionally, over 6,200 duplicate cards were sent out to individuals who should have each received only one card. The results of our analysis are listed in table 1 below.

Table 1: Episodes of Green Card Errors and Duplicates from 2013–2016

Episode*	Date	Reported Number of Cards Affected	Cause
1. Incorrect expiration dates	July 2013	2,466	ELIS
2. Incorrect names or date of birth	May 2014	5,282	ELIS
3. Incorrect “residence since” date	Winter 2014	3,663	OTHER
4. Duplicate cards issued	June 2015	5,438	OTHER
5. Duplicate cards issued	June 2015	36	CLAIMS
6. Incorrect expiration dates	June 2015	772	CLAIMS
7. Incorrect birth and “residence since” date	September 2015	219	ELIS
8. Incorrect photos	November 2015	369	ELIS
9. Duplicate cards issued	March 2016	174	ELIS
10. Duplicate cards issued	April 2016	19	ELIS
11. Duplicate cards issued	April 2016	242	ELIS
12. Duplicate cards issued	May 2016	321	ELIS
Total Cards Issued with Incorrect Data		12,771	
Total Duplicate Cards		6,230	

* Card errors are denoted in blue, duplicate cards in grey
Source: OIG analysis of USCIS data

Green Cards Issued with Incorrect Data

As shown in table 1, USCIS mistakenly issued nearly 13,000 Green Cards with incorrect personal information to applicants between July 2013 and November 2015. All but two episodes occurred as a result of ELIS design errors or other problems that disrupted the automated process. Also, ongoing efforts to migrate cases from a previous version of ELIS, called ELIS 1, to the new version of ELIS have caused multiple errors.⁹ Collectively, these problems caused cards to be generated and issued with a combination of errors regarding name, date of birth, gender, expiration date, and incorrect photos.

For example:

- In July 2013, over 2,400 immigrants approved for 2-year conditional residence status were inadvertently issued cards with 10-year expiration

⁹ ELIS 1 refers to the legacy version of ELIS, which was updated in August 2015.
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dates. In other words, an applicant who should have received a card with a 2-year expiration date had a card that was valid for 10 years. The OTC traced the cause of this error to a source database containing incorrect data that was populating the expiration date field.

- In May 2014, approximately 5,280 cards were generated in ELIS and issued with the incorrect name and/or dates of birth. For example, applicants' cards were printed with "No Given Name" as their first name and with their first and last names combined as the last name. In addition, some immigrants received cards with mismatched photos and fingerprints. The OTC identified multiple root causes for these errors. For one, a system release for new functionality inadvertently introduced an error to the dataflow. Also, a technical error allowed ELIS to include the immigrant's information on another family member's card.
- In September 2015, ELIS generated roughly 170 cards with the incorrect date of birth; all of the cards were generated with January birth dates. This issue stemmed from a legacy ELIS data migration effort that incorporated a faulty date pattern that set all applicants' birth dates to January.
- In November 2015, nearly 370 cards were mistakenly issued with incorrect photos that were mismatched across family members. For example, a child's card had a parent's photo. The OTC stated that this error also occurred during data migration efforts. In this case, a technical glitch enabled random association of photos across multiple family members.

Unrelated to ELIS, USCIS also issued Green Cards with the wrong date information on two separate occasions in 2014 and 2015. These episodes occurred during the processing of I-90 applications to replace Green Cards. One episode resulted from a data entry mistake. Specifically, in the winter of 2014, USCIS Adjudication Officers incorrectly entered the application approval date in the wrong field, causing more than 3,700 cards to be issued with the wrong "residence since" date. The other episode, in June 2015, was caused by incorrect data in a system field in CLAIMS 3. In this instance, a card production software update in CLAIMS 3 caused a miscalculation in the way a card expiration date would be system generated. This coding error resulted in nearly 800 cards issued with the 2-year expiration date incorrectly calculated from the time the application was approved, rather than from the adjustment of status date.¹⁰

It should be noted that although the number of errors remains a concern, it represents a small percentage of the total number of Green Cards issued by the agency each year. For example, in FY 2015, card errors accounted for .48 percent of roughly 2 million cards that were produced and mailed. Also, the

¹⁰ Per the U.S. Department of State, the expiration date is 2 years from the date the alien obtains lawful permanent resident status.

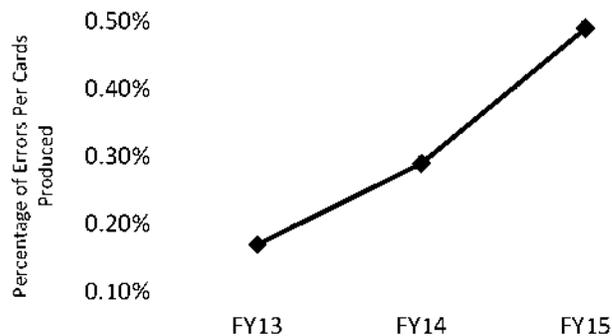


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individuals who received incorrect cards in these instances had followed the proper procedures and security checks and thus were legitimately approved to become permanent residents. However, the number of errors has increased steadily over the past 3 years. Figure 4 shows the steady increase in Green Card errors each year, from fiscal years 2013 to 2015.

Figure 4: Percentage of Errors per Cards Issued Over Time¹¹



Source: USCIS metrics as of April 2016

Green Cards Issued in Duplicate

During the past year, USCIS inadvertently sent more than 6,200 duplicate Green Cards to customers. The most significant episode occurred in June 2015, when more than 5,400 individuals received duplicate cards. This error was caused by a card production software update that inadvertently generated duplicates for a backlog of cards that were queued up for printing. Also in June 2015, an additional 36 duplicate cards were mistakenly sent out after contractors were tasked to re-enter data for cases that had been stuck in CLAIMS 3.

More recently, between March and May 2016, USCIS issued at least 750 duplicate cards to its customers as a result of ELIS functionality or legacy data migration problems. The frequency and severity of these occurrences are being treated as high priority episodes by the OTC. In some cases, applicants paid the processing fee twice and received two cards. In another case, an applicant received Green Cards that belonged to two other applicants.

Texas Service Center (TSC) personnel stated that a faulty sub-status field in ELIS has caused a number of duplicate cards to be produced from a single case number. Throughout the USCIS Immigrant Fee process, ELIS displays a case

¹¹ 1,486,067, 1,807,400, and 2,081,233 Green Cards were produced and mailed in FY13, FY14, and FY15.



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sub-status to indicate when a card is ready to move forward to the USCIS production facility. In some cases, the system sub-status mistakenly indicated “Ready for Card Production” although the cards had previously been completed and sent forward for production. In several extreme cases in March 2016, five cards were produced per customer over the course of a single month. Additionally, 3 cards were produced for 12 individuals each, while 2 cards were produced for hundreds of individuals each, during the past year.

During our visit to the TSC in April 2016, we also watched first-hand as personnel processed a case for an applicant in ELIS, where the case sub-status displayed “Ready for Card Production,” signaling it was ready to move forward for printing. But upon further investigation, multiple cards had already been printed and mailed to that particular applicant. TSC personnel estimated the system displays the wrong card status 10 percent of the time, which has caused their widespread reluctance to rely on ELIS data. The OTC was further investigating all such episodes during our audit in order to better understand the scope and cause for each.

Inadequate USCIS Efforts to Address Green Card Errors

USCIS has instituted several methods of addressing problems with Green Card errors. However, these methods — manual intervention, production controls, and system enhancements — have not proven adequate to ensure quality across the volume of cards produced and issued each year. More rigorous measures are needed to uphold the integrity of the production process and ensure that cards are consistently issued with accurate information to approved applicants.

Manual Intervention and Scrutiny

TSC’s process for identifying and addressing duplicate card issuance is primarily dependent upon manual intervention and scrutiny. For example, personnel cross-check numerous systems, such as ELIS and the Customer Profile Management System (CPMS), to research and verify each card in question. However, data in these systems are not linked and do not always match. According to TSC personnel, further analysis is required to identify duplicate card issuance because checking records in one system may only reveal whether a card was requested while another system must be checked to confirm whether a card was sent.

In addition to the manual cross-checks, the OTC can generate an automated report to compare case numbers between ELIS and the CPMS as a means of identifying possible duplicate cards.¹² When a duplicate is found, the OTC

¹² CPMS stores biographic and biometric Green Card data.
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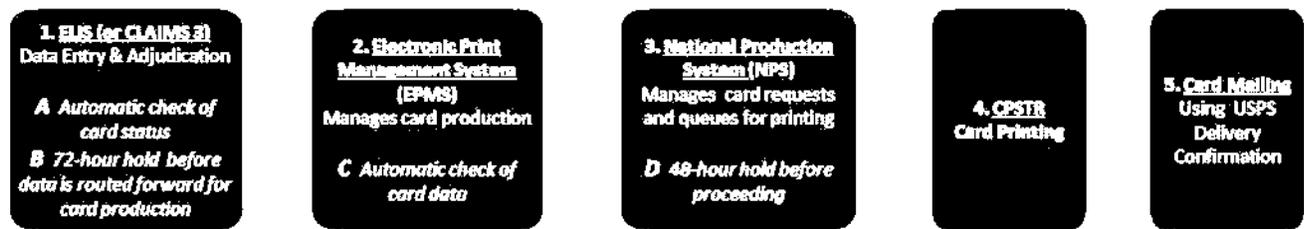
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examines corresponding records in SMI to determine whether the card was already mailed. Although this is helpful, such processes to identify and address duplicate card issuance are after the fact, instead of preventative to keep the errors from occurring early in the process and before card production and mailing.

Data Accuracy Controls

USCIS' Green Card quality control process is not effective. Quality control steps have been built into card production to alert personnel when actions are needed to correct data errors or cancel duplicates before card printing begins. The quality control steps are depicted by letters A–D in figure 5.

Figure 5: Current Green Card Data Accuracy and Quality Control Process



Source: OIG analysis of USCIS process

Based on our assessment, these quality control steps are largely manual and cannot ensure quality across the roughly 2 million Green Cards produced and mailed each year. The approximately 19,000 cards issued in error from July 2013 to May 2016 attest to this. Specifically:

- A. ELIS electronically confirms that the sub-status of each case is “Ready for Card Production” before the card is sent forward to EPMS. However, the effectiveness of this check may be negated when, as reported earlier, ELIS populates the wrong case status for an applicant.
- B. Each case is paused for a 72-hour period to allow time for USCIS personnel to take any corrective actions needed. TSC personnel said this step is beneficial, as it provides an opportunity to make changes, such as updates to customer addresses or card cancellations, if needed. However, this manual quality control step is inadequate to identify and address the increasing percentage of errors that occur in card production.
- C. EPMS electronically serves as a central hub to manage card production. EPMS conducts checks to reject cards with errors, such as blank data fields or photo images that are too light. EPMS also routes rejection messages to ELIS when duplicate receipt numbers are received, initiating a triage and



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inspection process to assess the situation. Again, this manual, time-consuming process provides no assurance of catching all errors.

D. A 48-hour hold is placed on each Green Card before it advances to the National Production System. This holding period serves as the final opportunity to stop card production and perform manual checks, as needed.

System Enhancements

The OTC has enhanced ELIS development and testing in efforts to prevent the same mistakes (i.e., incorrect and duplicate cards) from being repeated. Such enhancements have been highly reactive in nature. Specifically, in response to each episode, the OTC halted card production to research root causes for errors and improve system functionality. This included—

- issuing system configuration guidance for developers, such as step-by-step instructions to ensure toggle switches are configured correctly before an ELIS release is implemented;
- requiring that developers exercise greater caution and control and use version-controlled XML files to populate source decision databases. This is to help prevent a system release from changing case details or sub-status if a case is already in card production;
- expanding testing to include additional checks to detect whether card production may be negatively affected by an ELIS release. OTC personnel said that they run about 60 “unit” and “integration” tests related to card production. They conduct “smoke” tests that are performed as part of the ELIS deployment pipeline.¹³ Live interface testing is also conducted to generate a virtual card and ensure there are no problems¹⁴; and
- ensuring more collaboration between the Operations and Maintenance Team and the Development Team to address episodes quickly.

The OTC is evaluating additional mitigation strategies, such as developing an automated process in ELIS to add a real-time view of duplicate cards that may have been produced in other systems. An interface between ELIS, the SMI database, and CPMS is being added to provide greater visibility when duplicate cards are delivered and subsequently returned to USCIS. In addition, the OTC is collaborating with SCOPS to determine what additional quality checks are needed. Such strategies were still in the planning phase at the end of our audit fieldwork in June 2016.

¹³ Unit testing is a software development process in which the smallest testable parts of a system are individually tested for proper operation. Integration testing is a phase in which individual modules are combined and tested as a group. A smoke test verifies that basic features work before they are deployed.

¹⁴ Interface testing ensures data transfers between various elements in the system are working correctly.



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Recommendations

Recommendation 1: We recommend that the USCIS Director ensure ELIS design and functionality problems are corrected to prevent, to the extent possible, further Green Card processing errors.

Recommendation 2: We recommend that the USCIS Director ensure development and implementation of the internal controls needed to ensure Green Card errors are identified and corrected early in the production process, prior to card issuance.

Card Recall Efforts Unsuccessful Due to Lack of Consistency and Urgency

USCIS efforts to recover improperly issued Green Cards have not been effective. USCIS conducts recalls for all episodes, but recall efforts lacked consistency and urgency. Further, due to inadequate tracking, USCIS had difficulty determining the exact number of cards returned in response to these efforts. Based on the information available, we found that roughly 6,532 (or 34 percent) of the 19,001 Green Cards sent in error were unaccounted for, as listed in table 2.

Table 2: Green Card Episodes and Recovery Data¹⁵

Episode	Date	Number of Cards Affected	Number of Cards Unaccounted For
1. Incorrect expiration dates	July 2013	2,466	233
2. Incorrect names or date of birth	May 2014	5,282	177
3. <i>Incarrect "residence since" date</i>	<i>Winter 2014</i>	<i>3,663</i>	<i>3,663</i>
4. Duplicate cards issued	June 2015	5,438	687
5. Duplicate cards issued	June 2015	36	0
6. <i>Incarrect expiration dates</i>	<i>June 2015</i>	<i>772</i>	<i>772</i>
7. Incorrect birth and "residence since" date	September 2015	219	131
8. Incorrect photos	November 2015	369	113
9. <i>Duplicate cards issued</i>	<i>March 2016</i>	<i>174</i>	<i>174</i>
10. <i>Duplicate cards issued</i>	<i>April 2016</i>	<i>19</i>	<i>19</i>
11. <i>Duplicate cards issued</i>	<i>April 2016</i>	<i>242</i>	<i>242</i>
12. <i>Duplicate cards issued</i>	<i>May 2016</i>	<i>321</i>	<i>321</i>
TOTALS		19,001	6,532 (34%)

Source: OIG analysis of USCIS data

¹⁵ USCIS could not provide recall information for the episodes noted in italics.
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Inconsistent and Untimely Recall Efforts

To recover Green Cards issued in error following an episode, USCIS sends notices to affected individuals, providing instructions on how and where to return the cards. However, recall efforts conducted over the past 3 years lacked consistency. Each recall effort was managed by a designated office according to the risk level associated with the episode. USCIS offices did not employ a standardized process for how to contact affected individuals. After most episodes took place, USCIS made multiple attempts to contact the individuals by email and/or a series of hard-copy letters. In other cases, USCIS either made only one attempt to reach individuals or was not able to confirm whether any attempt was made. Without a uniform approach for conducting recall efforts across all offices or locations, the agency cannot ensure that impacted customers are receiving clear or timely instructions on how to return improperly issued cards.

In addition, USCIS did not have a standard timeframe for how soon to issue recall letters after an episode occurred. There was no consistent management attention or urgency to initiating the recall actions. For instance, as of June 2016, USCIS had not begun recall efforts for a number of episodes from the spring of 2016; these recall efforts were still in the early stages of planning. Further, although a letter for the July 2013 episode was drafted and mailed within 2 weeks, the letter for the September 2015 episode took 6 weeks to be mailed. Officials said the variance was due in part to the internal review process for issuing letters, which included multiple offices and individuals. For example, a designated lead in the OTC or another USCIS Program Office may be responsible for drafting a customer notice. Subsequently, all customer communications are vetted and reviewed by multiple agency stakeholders such as CSPED, SCOPS, and Counsel before final approval and signature.

USCIS has a procedure to flag Green Cards sent out in error but did not consistently use it to prevent cards from being potentially misused by the recipients. When inappropriately issued cards are not recovered, the agency can flag the cards in TECS in order to alert CBP, ICE, and other law enforcement agencies of the potential for illegal activity or cards with incorrect information to be used for immigration and benefits-related purposes.¹⁶ This is referred to as a “TECS-hit” or establishing a TECS record. Per USCIS guidance, a TECS record must be created for all lost, stolen, or unrecoverable cards; however, USCIS could not confirm whether this procedure was followed after each episode.¹⁷ For example, USCIS officials stated TECS-hits were placed on

¹⁶ TECS is the principal system used by officers at the border to assist with screening and determinations regarding admissibility of arriving persons. The system is owned by CBP.

¹⁷ *USCIS TECS Records Creation Standard Operating Procedure*, dated June 13, 2013, identifies the process for issuing TECS-hits.



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unrecovered cards following the July 2013 and May 2014 episodes, but officials were not able to confirm this was done for the 10 later episodes.

Further, USCIS did not have a standard timeframe for establishing TECS-hits. In one instance, TECS-hits were not requested until May of 2016 for an episode that took place 8 months prior, in September 2015.

To the extent that USCIS does not successfully recover cards issued in error, individuals can potentially misuse the cards to obtain benefits or illegally stay in the country. For example, when USCIS issued roughly 2,500 conditional residence cards in 2013 with the wrong expiration dates, its Immigration Records and Identity Services Directorate became concerned that the 233 unaccounted for cards are still with recipients indicating validity for 10 years rather than 2 years as required. Even if a TECS-hit had been placed on these cards, they would still be in the physical possession of the individuals who had received them.

Inadequate Tracking of Returned Cards

USCIS could not provide an accurate number of cards recovered by the end of our audit fieldwork in June 2016. The agency struggled to obtain accurate counts because various recall efforts were led by different USCIS offices. In most cases, USCIS headquarters relied on regional service centers to maintain up-to-date inventories of cards returned to each location. For example, the TSC maintained spreadsheets to log each card as it was returned following at least three separate episodes between 2013 and 2015. TSC shared these spreadsheets with headquarters during each recall effort and provided us copies upon request during our audit. However, episodes managed by other offices or locations during that same timeframe did not have the same level of awareness. For example, the National Benefits Center was unable to provide information, stating further research was needed, for card recall attempts in at least two episodes that occurred in 2014 and 2015.

Recommendations

Recommendation 3: We recommend that the USCIS Director ensure development and implementation of a standard process for card recovery efforts.

Recommendation 4: We recommend that the USCIS Director ensure development and implementation of a standard procedure for identifying and preventing unrecoverable cards from being used.



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Recommendation 5: We recommend that the USCIS Director implement a centralized method to track and document Green Cards that are returned through recovery efforts.

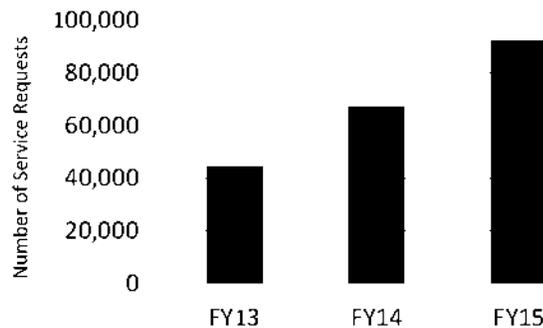
Missing Cards Attributable to Multiple Factors

Over the last 3 years, USCIS received over 200,000 reports from approved applicants about missing cards. The number of cards sent to wrong addresses has incrementally increased since 2013 due in part to complex processes for updating addresses, ELIS limitations, and factors beyond the agency's control.

Increasing Service Requests Regarding Missing Green Cards

Service requests initiated by USCIS customers claiming they did not receive Green Cards have steadily increased from 44,519 in FY 2013, to 67,247 in FY 2014, and 92,645 in FY 2015. For the 3-year period, this represents an overall increase, from 3 percent to 4.5 percent, of the total Green Cards mailed each year. Figure 6 depicts this increase in service requests for missing cards, though it should be noted that some service requests may be duplicates if a customer contacted the agency more than once.

Figure 6: Service Requests for Non-Delivered Cards



Source: USCIS CSPED metrics as of June 2016

USCIS leadership acknowledged that non-delivery cases, although a small percentage of total cards issued, are a significant concern. The agency admittedly cannot quantify the exact number of cards improperly delivered, since there is no way to detect fraudulent intent when a customer reports he or she did not receive a card. Customer complaints regarding the non-delivery of Green Cards have remained in USCIS' top 10 most common service requests since FY 2011.



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The CIS Ombudsman has also experienced a steady increase in requests for assistance regarding the non-delivery of Green Cards.¹⁸ Typical requests include case assistance for adjudication delays and delivery problems. Whereas the Ombudsman received only 13 requests in FY 2013 from customers needing help, such requests increased to 83 in FY 2015, and had already climbed to 97 for FY 2016 by June 2016. The Ombudsman's 2016 Annual Report to Congress highlighted concerns with mail delivery failure and the potential consequences for USCIS customers, such as having to re-file an application and repay the application fee.

Two USPS OIG studies regarding Green Cards reported missing by USCIS customers substantiate these findings. In October 2015, the USPS OIG researched 3,000 complaints of Green Cards missing or stolen between March 2014 and October 2015 and found that all were marked as delivered. Its June 2016 study of 18,000 cards reported missing between January and April 2016 confirmed that over 95 percent were delivered as addressed. The USPS OIG concluded that although the reason for the high percentage of missing cards could not be attributed to one cause, more secure delivery methods should be used, such as signature confirmation or certified mail, where individuals are required to sign for the packages.

Challenges to Ensuring Delivery of Secure Documents

USCIS integrity is highly dependent on secure mailings to the correct addresses for eligible immigrants. The increases we found in cards sent to wrong addresses since 2013 can be attributed to complex processes for updating addresses, ELIS limitations, and factors beyond the agency's control. Innovative measures are needed to help ensure proper delivery of immigration benefits documents.

Address Change Process

The Code of Federal Regulations requires that immigration documents be mailed directly to the applicant using the address provided, unless USCIS is notified of an address change.¹⁹ Applicants are required to report address changes within 10 days of moving.²⁰ Efficient USCIS address change procedures are critical since immigrant applicants typically do not have permanent addresses.

¹⁸ The USCIS Ombudsman is an independent, impartial resource that assists individuals with case-related problems.

¹⁹ 8 Code of Federal Regulations 103. USCIS will also mail notices to an applicant's legal representative, if authorized.

²⁰ 8 Code of Federal Regulations 265 requires aliens to report a change of address within 10 days of moving.



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However, USCIS' current process for updating a customer address is complex, involving multiple steps. A customer contacts USCIS to initiate the process, but then faces numerous options for submitting a change of address. The most common options are submitting an address change form, known as an AR-11, either online or by mail; calling the National Customer Service Center; or visiting a USCIS field office in person. Submitting an address change may be further complicated if the customer has pending or recently approved immigration benefit applications in process, requiring additional steps to ensure the address changes are captured on those other applications as well. The new address must be documented in several non-integrated USCIS systems containing customer information, including the Service Request Management Tool and CPMS. The update also must be separately entered into ELIS, the primary application for processing Green Cards.

ELIS Limitations

The ELIS design makes it difficult for TSC personnel to enter address changes quickly enough to keep up with customer demand. The TSC monthly processes an average of 50,000 cases, each of which needs address confirmation before mailing. Because ELIS lacks the capability to easily update addresses, USCIS personnel must enter entirely new addresses into the system when customers request address changes. Service center personnel stated that entering new addresses each time there is an update is a burdensome process, as it entails 13 distinct steps. The TSC submitted a system enhancement request in December 2015 to reduce the number of steps, but this had not yet been implemented as of June 2016. TSC personnel stated this has resulted in a high number of cards mailed out before address changes are completed.

The TSC personnel also stated ELIS does not always accurately display address information, often eliminating or cutting off critical elements such as apartment numbers due to field character limitations. If an address is truncated, clerks sometimes enter the service center address for delivery to avoid further issues. In other words, the clerks address the cards to themselves in efforts to keep the cases moving and prevent the cards from being misdelivered until they can determine how to correct the problems and direct the cards to the legitimate recipients. As a further complication, ELIS does not automatically default to the most recent address in its case history. Unless a box is checked, clerks cannot easily determine which of the addresses listed in the system has become the current primary address.

After a card enters production, an address update can sometimes be accomplished during the 72-hour hold before printing and mailing, but only by certain individuals with the appropriate case access level. This hold is the final opportunity for USCIS personnel to take any corrective actions needed before card printing. Once the 72-hour window expires, all update actions are locked.



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As of April 2016, the number of TSC personnel who could change addresses during the hold period was less than two dozen. This was not enough staff to cover the high volume of address change requests for all USCIS documents each month at the TSC.

Customers can update their profile pages in ELIS. Given the ELIS design, however, there is no electronic mechanism in place to verify the identity of whoever accesses the system to request the address change.²¹ Instead, as a security measure, USCIS will only mail a Green Card to the United States address an applicant provides to a Department of State consular officer or a CBP officer at a port of entry. For more than 2 years, the OTC has been working to provide a remote identity-proofing capability that will allow immigrants to securely change their addresses in ELIS through an automated verification process. OTC officials hoped to add this functionality to ELIS in July 2016, but as of August 2016 this enhancement had not been deployed. In the meantime, CSPED personnel sought to raise awareness by issuing public reminders about how to update an address if an applicant moves after arriving in the United States. The reminder messages are displayed on the monitors in USCIS field office waiting rooms, on the USCIS website, and in USCIS Immigrant Fee handouts.

Other Factors

The increasing number of missing cards may also be attributed to factors beyond the agency's control. In some cases, customers fail to report their new addresses to USCIS or may not do so in a timely manner. External events — including mailbox theft, misrouted mail, mail delivered to incorrect locations, or mail intercepted by co-located family or friends — may also thwart card delivery to the legitimate applicants. In such cases, the onus is on the customer or the Postal Service to ensure proper deliveries.

Additional Improvements Needed

USCIS has struggled to manage these card delivery issues for some time. During the past year, USCIS officials have weighed a number of alternative delivery options, including signature confirmation, hold for pickup, and certified mail. In April 2016, the USCIS Senior Policy Council decided to test the hold for pickup option, which entails leaving cards at a Post Office for customers to collect them. CSPED plans to pilot this program for 6 months in 2017. USCIS leadership favored this option because it provides additional signature and tracking information at no additional cost to the customer.

²¹ Office of Management and Budget Memorandum M-04-04, *E-Authentication Guidance for Federal Agencies*, December 16, 2003. See also the National Institute of Standards and Technology Special Publication 800-63-2, August 2013.



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CSPED is also hoping to improve the address change process on the USCIS website. Specifically, the office plans to include USPS Address Verification for customers who submit address changes online. This involves the use of Address Verification software, which corrects spelling and formatting errors and ensures addresses are entered in the standard USPS format.

Recommendations

Recommendation 6: We recommend that the USCIS Director complete and implement identity-proofing capability to enable customers to submit address changes online in ELIS.

Recommendation 7: We recommend that the USCIS Director evaluate the costs and benefits of using USPS' Signature Confirmation as an alternative secure method for delivering Green Cards to applicants.

Improperly Issued Green Cards Increase Risks, Workload, and Costs

Improperly issued Green Cards can pose significant risks and burdens for the agency. Errors can result in approved applicants unable to obtain benefits, maintain employment, or prove lawful immigration status. In the wrong hands, Green Cards may enable terrorists, criminals, and illegal aliens to remain in the United States and access immigrant benefits. Responding to card issuance errors has also resulted in additional workload and corresponding costs, as USCIS spent just under \$1.5 million to address card-related customer inquiries in FY 2015 alone.

Denied Benefits for Approved Applicants

Green Cards issued with incorrect personal information can have severe consequences for applicants who have become lawful permanent residents. Individuals use Green Cards to prove identity when applying for public benefits, such as drivers' licenses or Social Security cards. The applicant's eligibility is verified when the card is scanned and cross-checked against databases such as E-Verify or the Systematic Alien Verification for Entitlements program.²² Green Cards issued with the wrong name, birthdate, or photo could create confusion for Federal, state, and local agencies that

²² E-Verify is an Internet-based system that compares information from an employee's Form I-9, Employment Eligibility Verification, to data from U.S. Department of Homeland Security and Social Security Administration records to confirm employment eligibility.



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administer benefits.²³ Recipients possessing such cards could experience denial of benefits or possible card confiscation with accusations of fraudulent intent. This creates unnecessary hardship for the applicant who must reapply for a corrected card.

When cards are missing or not properly delivered, applicants may be unable to obtain or renew driver's licenses, Social Security cards, employment without interruption, or authorization to exit and re-enter the United States. In such cases, approved applicants may not be able to exercise their rights as lawful immigrants.

National Security Risks

Green Cards issued in error can pose national security risks. Thousands of cards issued with incorrect information or in duplicate remain unaccounted for, creating opportunities for exploitation by individuals with malicious intent. For instance, Green Cards that fall into the wrong hands may enable illegal immigrants to remain in the United States and demonstrate legal residence status to employers. The cards may be used to obtain various public benefits such as Social Security, Medicare, Veterans' assistance, and government grants. Card holders might secure loans to purchase cars, homes, and travel. Drivers' licenses, firearms, and concealed handgun licenses may be issued to card holders in certain states without restrictions.

Officials within CBP's Fraudulent Document Analysis Unit confirmed that there is a huge black market demand for legal documentation such as Green Cards. Such credentials can be used by imposters to reside in the United States or access other individuals' benefits. Hundreds of imposter cases are recorded each year, accounting for over 80 percent of all Green Card fraud-related cases. CBP recorded over 4,600 cases of imposter Green Cards between 2013 and 2015.

Additional Workload and Costs

When Green Cards are not properly delivered, the agency incurs additional workload and costs that could have been avoided. Managing the day-to-day activities to address each Green Card episode has typically entailed assembling a "Tiger Team" comprised of up to 4 dozen personnel from across multiple program offices and locations to deal with the widespread implications of the card errors. For example, team members worked together to locate customer contact information, draft recall notices, process and track returned cards, and

²³ Such as the U.S. Department of Housing and Urban Development, Social Security Administration, Transportation Security Administration, state-level Departments of Education, Health, and Motor Vehicles, and local social services.



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process applications for replacement cards. These efforts required several weeks or months to complete all relevant tasks.

The increasing number of returned cards also creates additional work for individual service center personnel. Handling returned cards at the TSC was previously a collateral duty; it now requires 8 employees as over 30,000 Green Cards were returned to that facility in FY 2015. Each returned card requires a number of specific personnel actions, such as filing the card and logging the card as received in the inventory tracking spreadsheet. Personnel must look up each customer case to determine whether a new mailing address has been received since the original card was issued. In addition, each time a customer issues a complaint that a card was not received, service center personnel must search through drawers of returned cards to try to locate the one in question. At the time of our visit in April 2016, the TSC had over 15,000 returned cards in its possession.

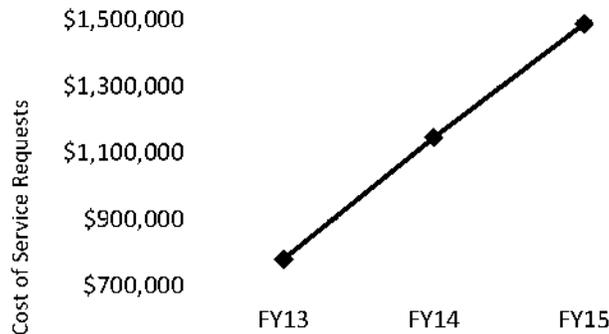
Further, CSPED addresses thousands of customer inquiries every month regarding non-delivery of Green Cards, soliciting the efforts of multiple USCIS personnel to research and manage each case. Customers may make inquiries online or by phone. For example, there are three possible levels of assistance for customers who call the National Customer Service Center and require help beyond the automated navigation menu. First, a live customer service representative will attempt to resolve the inquiry. If resolution is not reached, the service request is forwarded to another USCIS office, or routed to a USCIS officer with access to USCIS systems. As a final resort, calls may be escalated to a supervisory USCIS officer possessing the ability to contact other USCIS offices to obtain help in addressing issues that require immediate or direct assistance.

The associated cost of dealing with these customer inquiries has significantly increased over the last few years. Specifically, the cost to USCIS for receiving and responding to non-delivery service requests nearly doubled from \$780,267 in FY 2013 to \$1,488,082 in FY 2015. CSPED indicated the approximate cost to respond to a typical service request regarding an undeliverable secure document is between \$10.85 and \$14.46. We used the lower estimate of \$10.85 to illustrate these costs in figure 7.



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Figure 7: Cost for Card Delivery Service Requests, FY 2013–2015



Source: USCIS CSPED Metrics as of June 2016

Until USCIS takes the steps needed to prevent card issuance errors, the upward trend in agency costs, as well as the risks to applicants and national security, is only likely to continue.

OIG Analysis of USCIS Comments

We obtained written comments on a draft of this report from the Director of USCIS. We have included a copy of the comments in their entirety in appendix B.

In the comments, the USCIS Director appreciated the OIG acknowledging that the number of Green Cards containing errors actually represents a very small percentage of the total number of Green Cards issued by the agency each year. Also, the Director recognized the importance of further reducing these errors to the fullest extent possible and expressed commitment to improving USCIS processes and systems to accomplish that goal.

The USCIS Director concurred with all of our recommendations. We reviewed the Director’s comments, as well as the technical comments previously submitted under separate cover, and made changes to the report as appropriate. Following is our evaluation of the Director’s general comments, as well as his response to each recommendation in the draft report provided for agency review and comments.

OIG Response to General Comments:

- Regarding the Green Cards that were produced with inaccurate information or in duplicate, the Director emphasized that the individuals who received those cards were lawful permanent residents and were entitled to Green Cards. Therefore, while there may have been errors with data on the cards or issuance of duplicate cards, it is not precise to



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indicate that USCIS inappropriately issued Green Cards. In addition, the Director stated that it is in the best interest of the individuals who received cards with data errors to follow specific USCIS procedures to return and replace those cards. Individuals who received multiple cards should either return the duplicate cards to USCIS or keep them safe to protect against identity theft. The Director stated that the inference that a substantial number of these recipients might put their identities at risk by misusing the cards is questionable.

We disagree with the Director's assertion. To the extent that USCIS does not successfully recover cards issued in error, improper recipients can potentially misuse the cards to obtain benefits or stay in the country illegally. For example, as stated in our report, when USCIS issued roughly 2,500 conditional residence cards in 2013 with the wrong expiration dates, its Immigration Records and Identity Services Directorate became concerned that 233 unaccounted for cards, indicating validity for 10 years rather than 2 years as required, were still with recipients. Even if a TECS record had been established to flag these cards, the cards would remain in the possession of the individuals who had received them. Further, as we state in this report, officials within CBP's Fraudulent Document Analysis Unit confirmed that there is a black market demand for legal documentation such as Green Cards.

- The Director reiterated that the number of cards issued with errors is a very small percentage of the total number of Green Cards issued by the agency each year. However, the Director pointed out that figure 4 and the accompanying narrative indicating that the number of errors has "steadily increased" over the past 3 years could benefit from greater context. Specifically, the Director took issue with our excluding 2016 data in figure 4, although we included it in tables 1 and 2. The Director asserted that including the 2016 data in figure 4 would have shown a precipitous drop in the Green Card error rate following FY 2015, attributable to USCIS' efforts in this area. Moreover, the Director indicated that the error rate increase illustrated in figure 4 was very small, only about four one-thousandths of a percent of the total volume of cards issued.

We did not include FY 2016 data in figure 4 because the full year's worth of data was not available when we completed our audit fieldwork in June 2016. We reviewed figure 4 and corrected the graphic to show that the error rate increased from one-tenth of a percent to approximately five-tenths of a percent from FY 2013 to FY 2015 although, as the Director asserted, this remained a very small percent increase of the total volume of cards issued.



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- The Director clarified our finding throughout the report that USCIS mailed Green Cards to the “wrong address.” The Director stated that USCIS’ standard practice is to mail Green Cards to the last known address on record, using a U.S. Postal Service that provides confirmation of delivery. The Director agreed that it is a challenge to have applicants timely provide address updates to USCIS for input to the appropriate systems as quickly as possible. As such, USCIS continues its outreach efforts to remind applicants of their responsibility to update their addresses, and to do so online when that capability becomes available.

We state in our report that the increase in cards sent to the wrong addresses since 2013 may be attributed to factors beyond USCIS’ control, such as applicants failing to report changes of address. We also recognize that external events, such as mailbox theft, misrouted mail, mail delivered to incorrect locations, or mail intercepted by co-located family or friends may also thwart card delivery to the legitimate applicants. Without up-to-date address information, the Postal Service cannot ensure proper deliveries. To safeguard the integrity of the Green Card program, we believe it is incumbent upon USCIS to pursue every measure possible to ensure secure mailings to eligible immigrants.

- The Director opined that our report statement that “over 200,000 of the cards recorded as delivered during the last 3 years were reported by customers as missing” does not take into consideration that the number of calls does not equate to the number of missing cards. He explained that many applicants call multiple times, and some receive their cards after calling the National Customer Service Center. Further, the Director stated that a number of those calls may reflect instances in which no card was sent, or the card sent was returned by the U.S. Postal Service to USCIS.

During our audit, USCIS officials admittedly could not quantify the exact number of cards improperly delivered. Nonetheless, we have revised our report to state that “over the last 3 years, USCIS received over 200,000 reports from approved applicants about missing cards” instead of citing 200,000 cards as missing.

- The Director took issue with our draft report statement that unrecovered cards pose potential national security risks and opportunities for exploitation by individuals with malicious intent. The Director countered that the Green Cards that USCIS issues are highly tamper resistant with three layers of security features. As such, a card would need to not only fall into the hands of someone with malicious intent, but also with a physical resemblance to the individual for whom the card was intended.



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We acknowledge in our report that Green Cards contain numerous built-in security features designed to prevent fraud. However, we stand firm in our position that unrecovered cards create potential national security risks and opportunities for exploitation. As we stated in our report, officials within CBP's Fraudulent Document Analysis Unit confirmed that there is a demand for legal documentation such as Green Cards.

Hundreds of imposter cases are recorded each year, accounting for over 80 percent of all CBP Green Card fraud-related cases. For example, CBP recorded over 4,600 cases of imposter Green Cards between 2013 and 2015.

- The Director stated that whenever USCIS identifies instances of issuance of duplicate cards, cards with incorrect information, or cards not received by the intended recipient, USCIS takes steps to render the card invalid in the appropriate DHS systems. Therefore, anyone who checks against USCIS systems to verify an individual's status would receive information that the card is invalid. Invalidated cards cannot be used to seek immigration benefits because USCIS conducts biometric checks and validates the applicant's eligibility at the time the new benefit request is made. Nonetheless, the Director advised that USCIS will review the possibility of expanding this process of invalidating cards to include instances where individuals complain about missing cards.

In our report, we discussed that USCIS did not consistently follow its process to flag Green Cards sent out in error. As a result, USCIS was unable to certify that no missing cards were potentially misused by recipients. Further, USCIS did not have a standard timeframe for invalidating cards issued in error. In one instance, 8 months passed before USCIS took steps to invalidate cards issued in error. We believe the Director's plan to potentially expand this process may be beneficial.

Response to Report Recommendations:

In the formal written comments, the Director concurred with all of our recommendations. Following is a summary of USCIS management's response to each recommendation and our analysis.

Recommendation 1: Ensure ELIS design and functionality problems are corrected to prevent, to the extent possible, further Green Card processing errors.



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Management Comments

The Director concurred with recommendation 1, stating that USCIS' OTC has built-in controls to mitigate issuing cards with inaccurate information in the new ELIS system. Within OTC, work was underway to create alerts and queries with other systems in the workflow to assist in identifying duplicate cards before the duplicates were created or sent. The Director estimated that these actions would be completed by December 30, 2016.

OIG Analysis

We agree that the plans and actions described above to improve system controls and information sharing between systems in the Green Card processing workflow should help to prevent further errors. This recommendation will remain open and resolved until USCIS provides evidence it has completed the steps described above to prevent further Green Card processing errors.

Recommendation 2: Ensure development and implementation of the internal controls needed to ensure Green Card errors are identified and corrected early in the production process, prior to card issuance.

Management Comments

The Director concurred with recommendation 2, stating that OTC was working to improve ELIS testing, both automatic and exploratory, and build in stricter regression testing to improve identification and correction of errors. The Director estimated that these actions would be completed by April 28, 2017.

Further, the Director stated that USCIS has implemented a number of internal controls in CLAIMS 3 to prevent Green Card issuance errors. Specifically, after a card request has been submitted to the National Production System through the Enterprise Print Management Service (EPMS), no changes can be made to the request. CLAIMS 3 returns a "duplicate" request error to the adjudicator if the same case number is submitted to the production queue within a 72-hour timeframe. To prevent duplicate card creation due to systematic issues, each card request has a specific transaction identification number, which returns an error if the same number is submitted multiple times. Once a card has been produced, a duplicate card cannot be requested in CLAIMS 3 without a two-person authorization for production. All USCIS authorized personnel can access the card queue system to determine the current status of a card request.



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OIG Analysis

We agree that the actions described above to improve testing and build in stricter regression testing should help ensure Green Card errors are identified and corrected early in the production process. This recommendation will remain open and resolved until USCIS provides evidence that it has developed and fully implemented all testing and internal controls needed to ensure Green Card errors are identified and corrected prior to card issuance.

Recommendation 3: Ensure development and implementation of a standard process for card recovery efforts.

Management Comments

The Director concurred with recommendation 3, stating that USCIS' CSPED will lead a review of previous end-to-end processes for card recovery efforts and lessons learned to develop a Standard Operating Procedure for these efforts. The Director estimated that these actions will be completed by January 31, 2017.

OIG Analysis

The plans described to develop a standard operating procedure for card recovery efforts satisfy the intent of the recommendation. This recommendation will remain open and resolved until USCIS provides evidence that it has developed and implemented a standard process for card recovery efforts.

Recommendation 4: Ensure development and implementation of a standard procedure for identifying and preventing unrecoverable cards from being used.

Management Comments

The Director concurred with recommendation 4, again citing CSPED's plans to lead a review of end-to-end processes and lessons learned for card recovery efforts and develop a Standard Operating Procedure by January 31, 2017.

OIG Analysis

We agree with USCIS' plans as described to develop a standard operating procedure for card recovery efforts. USCIS should ensure this procedure also includes a method for identifying and preventing unrecoverable cards from being used. This recommendation will remain open and resolved until USCIS



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provides evidence that it has developed and implemented a standard procedure for identifying and preventing unrecoverable cards from being used.

Recommendation 5: Implement a centralized method to track and document Green Cards that are returned through recovery efforts.

Management Comments

The Director concurred with recommendation 5, agreeing that a centralized method to track and document card recovery efforts would be beneficial. CSPED will explore how tracking will occur and where it would be best situated within USCIS. The Director estimated that these actions will be completed by March 31, 2017.

OIG Analysis

The plans described to establish a centralized method to track and document card recovery efforts satisfy the intent of the recommendation. This recommendation will remain open and resolved until USCIS provides evidence that it has implemented a centralized method to track and document Green Cards that are returned through recovery efforts.

Recommendation 6: Complete and implement identity-proofing capability to enable customers to submit address changes online in ELIS.

Management Comments

The Director concurred with recommendation 6, stating that USCIS has already developed an online process to remotely verify a new immigrant's identity. The Director explained that this process provides additional security by ensuring that only the applicant can access and update his or her information in an online USCIS account. The first phase of this process began on July 12, 2016. USCIS is piloting this capability and plans to implement it fully by January 31, 2017.

OIG Analysis

We agree that USCIS' plans to implement an online process may improve its ability to remotely verify a new immigrant's identity. This recommendation will remain open and resolved until USCIS provides evidence that it has fully implemented identity-proofing capability to enable all customers to submit address changes online in ELIS.



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Recommendation 7: Evaluate the costs and benefits of using USPS' Signature Confirmation as an alternative secure method for delivering Green Cards to applicants.

Management Comments

The Director concurred with recommendation 7. He stated that, in addition to pursuing other options, USCIS previously conducted an in-depth analysis of the costs and benefits of using USPS' Signature Confirmation as a secure method for delivering Green Cards to applicants. The Director estimated that corrective actions will be completed by June 30, 2017.

OIG Analysis

USCIS' plans for reviewing alternative secure methods for delivering Green Cards are a step in the right direction. This recommendation will remain open and resolved until USCIS provides evidence that it has evaluated the costs and benefits of using USPS' Signature Confirmation as an alternative secure method for delivering Green Cards to applicants.



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Appendix A **Objective, Scope, and Methodology**

As part of our ongoing responsibilities to assess the efficiency, effectiveness, and economy of departmental programs and operations, we audited USCIS' processes and procedures for printing and mailing Green Cards to applicants. Specifically, our objective was to assess the extent to which USCIS has inappropriately issued Green Cards, evaluated its actions to recover the cards, and assessed its actions and plans to prevent similar incidents in the future.

We researched and reviewed Federal laws and agency guidance, policies, and procedures related to Green Card eligibility, production, and distribution. We obtained documents, congressional testimony, and news articles regarding Green Cards. Additionally, we reviewed published Government Accountability Office and DHS OIG reports to identify prior findings and recommendations. We used this information to establish a data collection approach that consisted of interviews with relevant stakeholders, focused information gathering, documentation analysis, selected site visits, and system demonstrations to accomplish our inquiry objectives.

We held more than 30 meetings and participated in teleconferences with USCIS staff at headquarters and at field offices to learn about Green Card processing. At headquarters, we met with representatives of the Office of Transformation Coordination, Management Directorate, Office of Intake and Document Production, Document Management Division, Customer Service and Public Engagement Directorate, Fraud Detection and National Security, Office of Information Technology, Field Operations Directorate, and Service Center Operations Directorate. We interviewed USCIS officials, including the Office of Transformation Coordination Chief, Office of Management Associate Director, Field Operations Directorate Acting Associate Director, Field Operations Directorate Deputy Associate Director, Service Center Operations Associate Director, and Customer Service and Public Engagement Deputy Associate Director to discuss their roles and responsibilities related to Green Card processing. We also held meetings and participated in teleconferences with individuals from the USCIS Ombudsman's Office, CBP, ICE, and USPS.

We visited USCIS Service Centers in Texas and Virginia in April and May 2016 respectively. We also conducted a teleconference with the National Benefits Center. During our field visits, we met with executive personnel, Section Chiefs, Immigration Services Officers, and ELIS end-users to understand system requirements and use in the field. We discussed USCIS' Green Card processes, IT environment, user involvement, system challenges, and communication with headquarters and collected supporting documentation.



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We conducted this performance audit between April and June 2016 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.



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Appendix B
Agency Comments to the Draft Report

U.S. Department of Homeland Security
U.S. Citizenship and Immigration Services
Office of the Director MS-3000
Washington, DC 20529-2000



**U.S. Citizenship
and Immigration
Services**

OCT 27 2016

MEMORANDUM FOR: John Roth
Inspector General
Office of Inspector General

FROM: León Rodríguez 
Director
U.S. Citizenship and Immigration Services

SUBJECT: **U.S. Citizenship and Immigration Services' Response to
OIG Draft Report "Better Safeguards are Needed in USCIS
Green Card Issuance" Project No. 16-066-ITA-USCIS**

Thank you for the opportunity to review and comment on this draft report. U.S. Citizenship and Immigration Services (USCIS) appreciates the work of the Office of Inspector General (OIG) in planning and conducting its review and issuing this report.

USCIS also appreciates the OIG acknowledging that the number of Green Cards containing errors actually represents a very small percentage of the total number of Green Cards issued by the agency each year. Despite this small percentage, USCIS understands the importance of further reducing these errors to the fullest extent possible and is committed to improving its processes and systems to accomplish that goal. USCIS is also pleased that the OIG reported that the Office of Transformation Coordination (OTC) has already enhanced the Electronic Immigration System (ELIS) development and testing in efforts to prevent similar errors, as they relate to incorrect and duplicate cards, from being repeated.

While USCIS values the OIG raising these important issues, several aspects of the draft report, as written, might benefit from additional context or clarification. In regards to the cards that were produced with inaccurate information or in duplicate, it must be emphasized that the individuals who received those cards are lawful permanent residents and are entitled to the Green Card. Therefore, while there may have been errors with the



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data on a card or duplicate cards issued, it is not precise to indicate that USCIS inappropriately issued Green Cards. In addition, it is in the best interest of the individuals who received cards with data errors to follow specific USCIS procedures to return and replace those cards, as it is for individuals who received multiple cards to either return the duplicate card to USCIS or to otherwise keep it safe to protect the threat of someone stealing their identity. The inference that any substantial number of these individuals would put their own identity at risk by misusing the cards is questionable.

As the draft report correctly notes, the number of cards issued with errors is a very small percentage .0048 percent in Fiscal Year (FY) 2015 of the total number of Green Cards issued by the agency each year. In USCIS' view, the narrative and graphic in Figure 4 of the draft report indicating that the number of errors has "steadily increased" over the past 3 years could benefit from greater context. First, Figure 4 does not include the 2016 data that the draft report presented in Tables 1 and 2, and which show a precipitous drop in the error rate following FY15. The drop in the error rate following FY15 is attributable to our efforts in this area. Second, Figure 4 which represents what is described as a steady increase, in fact, reflects an increase in the error rate from 0.001 percent in FY13 to 0.005 percent in FY15, an increase of four one-thousandths of a percentage during this period. While our goal is to have these instances be as low as possible this is not a substantial portion of volume.

We also believe that there is an opportunity to clarify the assertion made throughout the draft report that USCIS mailed Green Cards to the "wrong address." USCIS's standard practice is to mail Green Cards to the last known address on record. As you know, USCIS uses a service of the U.S. Postal Service which provides an update to USCIS when the parcel holding the card is delivered to the intended address, so we have confirmation of where the cards were delivered. The challenge, as stated in the report, is having customers timely update their change of address with USCIS and getting that information into the appropriate systems as quickly as possible. USCIS continues to work on outreach efforts to remind customers of their responsibility to update their addresses, as well as making the change of address process fully available online. In addition, the statement that "over 200,000 of the cards recorded as delivered during the last 3 years were reported by customers as missing" does not take into consideration that the number of calls does not represent the number of missing cards. No weight was given to the fact that many customers will call multiple times, or that customers may have received their cards after calling the National Customer Service Center. Further, a number of those calls may reflect instances in which, in fact, no card was sent, or the card sent was returned by the U.S. Postal Service to USCIS.

The draft report highlights potential national security risks and the indication that the unrecovered cards create possible opportunities for exploitation by individuals with malicious intent. The Green Cards that USCIS issues are highly tamper resistant with



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three layers of security features, some that are overt and visible and some that require specialized equipment to detect. Because of these features, the cards are not subject to alteration. Therefore, to be misused in the manner suggested in the draft report, a card would not only need to fall into the hands of someone who has such malicious intent, but who also has a physical resemblance to the individual for who the card was intended. The possibility of such scenarios is further mitigated by additional safeguards described below.

The same section of the draft report goes on to opine on a number of potential misuses of the card, which we believe could benefit from greater explanation. For example, whenever USCIS identifies instances of issuance of duplicate cards, cards issued with incorrect information, or cards delivered but not received by the intended recipient, USCIS takes steps to render the card invalidated in the appropriate Department of Homeland Security systems, including creating TECS records on any lost, stolen, or unrecoverable card. This means that anyone who checks against USCIS systems to validate the individual's status would receive information that the card is invalid. This is true for U.S. Customs and Border Protection, which checks the TECS system when individuals present themselves for admission to the United States, and certain State Departments of Motor Vehicles, which check against USCIS' SAVE system prior to issuance of licenses. Furthermore, invalidated cards cannot be used to seek immigration benefits with USCIS, including requesting a replacement Green Card or naturalization, because USCIS conducts biometric checks and validates an applicant's eligibility at the time of any request is made for a new benefit. USCIS will review the potential of expanding this process to instances where individuals indicate that they did not receive their card. USCIS is working to ensure this process is followed uniformly, including instances in which a card has been delivered but not received by its intended recipient.

The draft report contained seven recommendations with which USCIS concurs. Please see the attached for the detailed response to each recommendation.

Again, thank you for the opportunity to review and comment on this draft report. Technical comments were previously provided under separate cover. Please feel free to contact me if you have any questions. We look forward to working with you in the future.

Attachment: USCIS' Response to Recommendations Contained in Project
No. 16-066-ITA-USCIS



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USCIS' Response to Recommendations
Contained in Project No. 16-066-ITA-USCIS

The OIG recommended that the USCIS Director:

Recommendation 1: Ensure ELIS design and functionality problems are corrected to prevent further Green Card processing errors.

Response: Concur. With each problem identified in the legacy system, USCIS' OTC has built in controls to mitigate issuing cards with inaccurate information in the new system. OTC is also working on creating alerts and queries with other systems in the workflow to assist with identifying duplicate cards before the card is created or sent. Estimated completion Date (ECD): December 30, 2016.

Recommendation 2: Ensure development and implementation of the internal controls needed to ensure Green Card errors are identified and corrected early in the production process, prior to card issuance.

Response: Concur. In relation to ELIS, OTC is working on improving testing, both automatic and exploratory, and building in stricter regression testing to improve identification and correction of errors. ECD: April 28, 2017.

In relation to the legacy system, USCIS has implemented a number of internal controls in the Computer Linked Application Information Management System (CLAIMS 3) to prevent Green Card issuance errors. Once a card request is submitted to the National Production System (NPS) through the Enterprise Print Management Service (EPMS), no changes can be made to the request. USCIS personnel have 48-business hours to stop card production for any errors found on the request. CLAIMS3 returns a "duplicate" request error to the adjudicator, if the same case number is submitted to the production queue within a 72-hour timeframe. To prevent duplicate card creation from systematic issues, each card request has a specific transaction ID which returns an error if the same ID is submitted multiple times. Once a card has been produced, another card cannot be requested by CLAIMS3 without a two-person authorization for production. Finally, all USCIS authorized personnel can obtain access to the card queue system to determine the current status of a card request.

Recommendation 3: Ensure development and implementation of a standard process for card recovery efforts.

Response: Concur. USCIS' Customer Service and Public Engagement Division (CSPED) will lead a review of previous processes for card recovery efforts and lessons learned to develop a Standard Operating Procedure (SOP) for these efforts. The procedure will address the full end-to-end process of recovery to include, but not limited to: (1) the process for the effort, including the method, timing, and frequency of correspondence with



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customers; (2) flagging unrecovered cards within set timeframes; (3) flagging the card in a TECS record for visibility to other agencies; and (4) updating SAVE and e-Verify data sources.

ECD: January 31, 2017.

Recommendation 4: Ensure development and implementation of a standard procedure for identifying and preventing unrecoverable cards from being used.

Response: Concur. CSPED will lead a review of existing processes for card recovery efforts and lessons learned to develop a SOP for these efforts. The procedure will address the full end-to-end process of recovery to include, but not limited to: (1) the process for the effort, including the method, timing, and frequency of correspondence with customers; (2) flagging unrecovered cards within set timeframes; (3) flagging the card in a TECS record for visibility to other agencies; and (4) updating SAVE and e-Verify data sources.

ECD: January 31, 2017.

Recommendation 5: Implement a centralized method to track and document Green Cards that are returned through recovery efforts.

Response: Concur. USCIS agrees that a centralized method to track and document card recovery efforts would benefit the process. CSPED will explore the feasibility of how that tracking will occur and where it would be best situated within USCIS.

ECD: March 31, 2017.

Recommendation 6: Complete and implement identity-proofing capability to enable customers to submit address changes online in ELIS.

Response: Concur. USCIS has already developed an online identity verification process that allows USCIS to remotely verify a new immigrant's identity. This process provides additional security to the customer's USCIS online account by ensuring that only the new immigrant can access and update his or her information. This is being launched using a phased roll out. The first phase began on July 12, 2016. This phase was to analyze the results to ensure the identity verification process operates effectively and accurately.

USCIS is piloting this capability and plans to implement it fully by the beginning of 2017.

ECD: January 31, 2017.

Recommendation 7: Evaluate the costs and benefits of using USPS' Signature Confirmation as an alternative secure method for delivering Green Cards to applicants.

Response: Concur. CSPED and USCIS' Office of Intake and Document Production previously conducted an in-depth analysis of the costs and benefits of using USPS' Signature Confirmation as an alternative secure method for delivering Green Cards to customers in addition to other potential options noted in the draft audit report. USCIS leadership will reconsider the analysis given the content of this report.

ECD: June 30, 2017.



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Appendix C
Office of IT Audits Major Contributors to This Report

Kristen Bernard, Director
Kristen Fogarty, Audit Manager
Swati Nijhawan, Senior Program Analyst
Gregory Flatow, Program Analyst
Sagen Gearhart, Program Assistant
Richard Saunders, Referencer



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