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Office of Inspector General
United States Department of State

ISP-I-19-36

Office of Inspections

August 2019

Inspection of the Bureau of Consular Affairs, Kentucky Consular Center

DOMESTIC OPERATIONS

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HIGHLIGHTS

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What OIG Inspected

OIG inspected the operations of the Kentucky Consular Center, which is part of the Bureau of Consular Affairs' Office of Visa Services.

What OIG Recommends

OIG made 6 recommendations: 5 to the Bureau of Consular Affairs and 1 to the Bureau of Diplomatic Security.

In its comments on the draft report, the Department concurred with 5 recommendations and disagreed with 1 recommendation. OIG considers 5 recommendations resolved and 1 recommendation unresolved. The Department's response to each recommendation and OIG's reply can be found in the Recommendations section of this report. The Department's formal written responses are reprinted in their entirety in Appendix B.

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OFFICE OF INSPECTIONS
DOMESTIC OPERATIONS

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What OIG Found

- The Kentucky Consular Center generally was successful in meeting its mission to deliver timely and accurate products and services in support of overseas visa operations and domestic passport production.
- Persistent vacancies and high attrition rates among the center's contract staff will affect its ability to take on additional programmatic responsibilities in support of administration and Department of State priorities.
- The center's Director did not have supervisory authority over all Department direct-hire employees, which created management challenges.
- Various issues related to the Kentucky Consular Center's two contracts needed attention, including oversight, invoice tracking, clear delineation of contractor and contracting officer's representative responsibilities, and contract file maintenance.
- The 2,000-square-foot server room was underused and costly to maintain, while the Kentucky Consular Center suffered from a shortage of useable production space.
- Spotlight on Success: The Kentucky Consular Center added prescreening of complicated resource- and time-consuming Treaty Trader and Treaty Investor visas to its fraud prevention programs in support of the overseas visa process.

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CONTEXT

The Kentucky Consular Center (KCC) is a Bureau of Consular Affairs (CA) domestic processing facility—a quintessential “back office” operation. KCC opened in 2000 to administer the Diversity Visa (DV) program.¹ The center has since grown to include a wide range of services, including conducting facial recognition (FR) checks for approximately 20 million visa and passport applications per year;² preprocessing more than 600,000 petition-based nonimmigrant visas³ and immigrant DVs per year; and providing a range of fraud detection and investigative services for consular sections abroad. In addition, since April 2017, KCC has added 11 new programs⁴ in support of CA and administration goals. KCC’s delivery of centralized support services to overseas consular operations saves time and resources while enhancing fraud prevention in support of CA’s strategic goal to strengthen U.S. border security and facilitate legitimate travel.⁵

In 2000, KCC’s staff included 1 CA direct-hire employee and 33 contractors. As of May 2019, it had approximately 430 contract staff members working in two shifts and on weekends and 5 CA direct-hire employees, including a Foreign Service officer Director. Most contract staff worked in one of four units: the DV and FR programs mentioned above, a data entry unit, and a large fraud prevention unit. All four units are described in more detail below. Finally, KCC is home to a seven-person Bureau of Diplomatic Security (DS) Investigative Unit and a four-person U.S. Citizenship and Immigration Services (USCIS) Fraud Detection and National Security (FDNS) Unit.⁶ These two units are not in the KCC Director’s chain of command (see organizational chart below).

¹ Section 203(c) of the Immigration and Nationality Act (INA) provides for a class of immigrants known as “diversity immigrants,” from countries with historically low rates of immigration to the United States. A limited number of visas are available each fiscal year. (INA §203(c) makes 55,000 Diversity Visas available, however, the Nicaraguan Adjustment and Central American Relief Act of 1997 temporarily decreased the ceiling to 50,000. The ceiling will return to approximately 55,000 for the DV-2021 program year.)

² Facial recognition is a way of recognizing a human face through technology. An FR system uses biometrics to map facial features from a photograph or video and then compares the information with a database of known faces to find a match. KCC staff review photos associated with passport and visa applications to determine likely matches or duplicate cases.

³ Temporary worker visas are for persons who want to enter the United States for employment lasting a finite period of time. Each of these visas requires the prospective employer to first file a petition with U.S. Citizenship and Immigration Services. An approved petition is required to apply for a work visa.

⁴ These include 4 programs that support the Buy American Hire American Executive Order; a Commerce Entities screening program; a program to counter an online visa application vulnerability; an intern and trainee screening program; direct administrative returns of certain fraudulent U.S. Citizenship and Immigration Services-approved nonimmigrant employment-based petitions; a DV document qualification process; modernized DV entrant vetting; and enhanced agricultural and seasonal worker screening.

⁵ Bureau of Consular Affairs Functional Bureau Strategy, dated August 31, 2018. The Department of State-U.S. Agency for International Development Joint Strategic Plan, FY 2018–2022, also includes strengthening border security in its first strategic goal to Protect America’s Security at Home and Abroad.

⁶ The DS unit coordinates criminal fraud investigations while the FDNS unit facilitates interagency fraud prevention efforts.

In addition to the contract staff in the four production units, KCC's direct-hire managers relied on an eight-person team of contract quality assurance analysts,⁷ retained under a separate contract, for several support functions. These support functions include augmenting the services of the prime labor contractor and providing quality oversight of the prime labor contractor's products.

KCC occupies a converted warehouse of approximately 55,000 useable square feet in Williamsburg, KY, in the rural southeast portion of the state. Although CA renovated KCC's physical plant to try to keep pace with staffing growth over the past few years, useable workspace was at a premium, particularly for the day shift.

Production Units

Diversity Visa Unit

The 21 contract staff members in KCC's DV unit handle inquiries about the program, process the electronic visa applications from DV selectees, schedule overseas interviews, and work with USCIS to process selectees already in the United States. The unit also ensures compliance with DV program rules, eliminates duplicate applications, and prescreens every case for fraud indicators.

Facial Recognition Unit

KCC has the lead role in identifying FR matches for all passport and visa applications, a task it shares with the National Visa Center in Portsmouth, NH.⁸ In 2019, operators at both KCC and the National Visa Center are expected to process an estimated 40 million FR clearances. The FR unit consistently operated at greater than 98.5 percent accuracy and was progressing toward the goal of 99 percent accuracy.

Data Entry Unit

The Data Entry Unit manually enters information from USCIS-approved nonimmigrant employment-based petitions—Form I-129—and scans all supporting documentation into a Petition Information Management Service, or PIMS, database where the petitions and supporting documentation are accessible to consular adjudicators overseas and to other U.S. Government agencies and offices. At the time of the inspection, CA and USCIS were moving toward electronic I-129 file transfer. The expansion eventually will eliminate KCC's need to scan paper documents into the database and will make all supporting documentation available electronically for early prescreening by the Pre-Adjudication Support Service Unit.

⁷ The contractor for this work is an engineering, program management, technical and support services firm. According to 14 Foreign Affairs Handbook (FAH)-2 H-115b, contractors may provide support for administration related to other contracts.

⁸ Contractor program management and Government oversight of quality and timeliness standards are centralized at KCC to ensure that standards and practices are uniform regardless of where the work is performed.

Pre-Adjudication Support Service Unit

The Pre-Adjudication Support Service (PASS) Unit is CA’s largest fraud prevention operation. Approximately 125 contract staff work to deter petition-based visa fraud and provide fraud-prevention assistance to consular sections worldwide. As its name suggests, the unit focuses on prescreening petition-based visa applications and confirming information about employers and employees before visa applicants appear for interview at consular sections abroad. The unit’s work also supports the White House Buy American and Hire American initiative.⁹

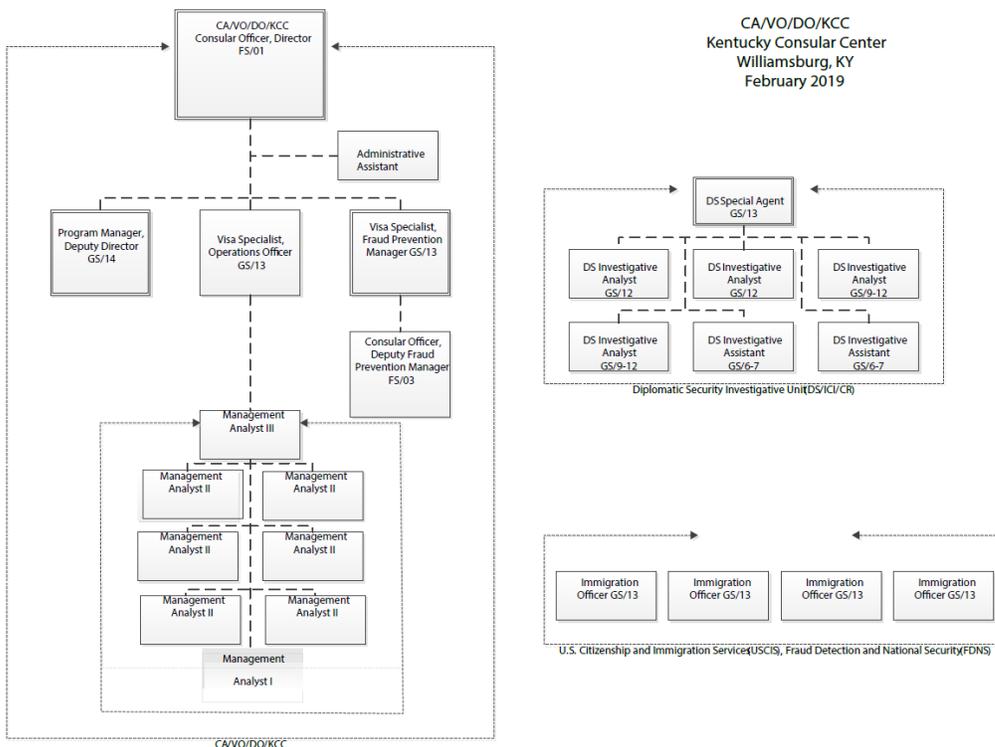


Figure 1: KCC Organizational Chart. (Source: KCC)

A Prime Labor Contract: Limitations for Center’s Management and for Inspection

KCC carries out all production and research work using employees of a prime labor contractor rather than with direct-hire U.S. Government employees. Consequently, KCC’s contract staff does not adjudicate an applicant’s entitlement to passports or visas, which is an inherently

⁹ Executive Order 13788, “Buy American and Hire American,” dated April 18, 2017, states in Section 2(b), “In order to create higher wages and employment rates for workers in the United States, and to protect their economic interests, it shall be the policy of the executive branch to rigorously enforce and administer the laws governing entry into the United States of workers from abroad....”

governmental function. Rather, they preprocess or prescreen certain types of documentation submitted in support of passport or visa applications, which are subsequently adjudicated by direct-hire employees at domestic passport agencies or at overseas consular sections.

When purchasing services using a labor contract, the U.S. Government determines contract requirements and establishes performance metrics, but the labor contractor organizes the work, determines the processes, and supervises its own staff. As a result, KCC management does not exercise any of the following functions over the prime labor contractor's staff: hiring, firing, promoting, supervising, or directing; approving absences; training; preparing performance evaluations; or providing awards. Furthermore, KCC's direct-hire staff are prohibited from instructing or critiquing the performance of individual contract staff members.

Consequently, KCC's Contracting Officer's Representatives (COR) and Government Technical Monitors (GTM)¹⁰ are responsible for ensuring that the prime labor contractor performs the functions required in the contract and for evaluating this performance against the terms of the contract. The contractor is responsible for determining how it implements the contract's terms, such as addressing staffing shortfalls or performance and behavioral issues affecting the workplace environment. Accordingly, OIG did not make recommendations to the contractor concerning its performance or that of its employees.

OIG conducted this inspection consistent with the objectives set forth in Section 209 of the Foreign Service Act.¹¹ The findings in this report, as described below, relate to KCC's executive direction, program implementation, and contract and resource management. OIG also reviewed KCC's compliance with Interagency Security Committee standards and conducted a limited review of the center's information technology (IT) program. The companion classified report discusses findings in these two areas.

EXECUTIVE DIRECTION

OIG assessed KCC's leadership on the basis of interviews, staff questionnaires, and OIG's review of documents and observations of meetings and activities during the course of the on-site portion of the inspection.

Director Encouraged Innovation and Empowered Subordinates

KCC's leadership team consisted of a Foreign Service officer Director and a Civil Service Deputy Director. At the time of the inspection, the Director was nearing the end of his 3-year assignment. The Deputy Director position had been vacant since December 2018, when the incumbent retired. The Director's work requirements statement gave him responsibility to strengthen KCC's organizational structure by adapting it to changing missions and increasingly

¹⁰ The COR is responsible for the technical monitoring and evaluation of the contractor's performance while the GTM is designated by the contracting officer to assist the COR in monitoring a contractor's performance.

¹¹ See Appendix A.

complex tasks while modeling the Department's six core values.¹² Although the number of staff the Director supervised or interacted with substantively on a daily basis was constrained by the terms of the prime labor contract, Government employees and contract staff members who commented in interviews or questionnaires on the Director's leadership credited him with elevating the profile of KCC's work; communicating well; being open to innovation and creative thinking; and empowering subordinates, in accordance with 3 FAM 1214. During the on-site portion of the inspection, OIG observed the Director's communication skills, mastery of KCC's operations, and his interest in soliciting a range of opinions during regular meetings that included the CA direct-hire employees, the prime labor contract's Operations Manager, the IT supervisor, the quality assurance contractor's analysts, and representatives from the DS and USCIS/FDNS units.

Enhanced Interagency Relationships and Liaison with Overseas Consular Operations Strengthened Fraud Prevention Programs

KCC exists to support CA's strategic goal of strengthening border security while facilitating legitimate travel. In that respect, the Director oversaw the addition of 11 new fraud prevention initiatives during his tenure and was shepherding expansion of a Treaty Trader and Treaty Investor visa¹³ pilot at the time of the inspection. He was committed to using these new initiatives, as well as KCC's more established programs, to support overseas consular operations.

OIG interviews with Washington interlocutors, overseas fraud prevention units, and on-site staff from CA, DS, and the Bureau of Administration, as well as USCIS/FDNS, uniformly described productive relationships with KCC leadership. During his tenure, the Director also established new working relationships with Washington-based USCIS contacts. Those relationships already had resulted in streamlined interagency data transfers and gave KCC access to background information that may lead to enhanced vetting of both prospective employers and foreign job seekers.

Developing and Mentoring Foreign and Civil Service Professionals

OIG interviews with subordinate personnel and document reviews of performance evaluations and written counseling files showcased the KCC Director's attentive mentorship. Subordinates noted the Director's commitment to one-on-one meetings regarding performance that also included discussions of their professional goals.

¹² The FY 2007-2012 Department of State and U.S. Agency for International Development Strategic Plan details the following core values: accountability, character, community, diversity, loyalty, and service.

¹³ Treaty Trader and Treaty Investor visas, also called E visas, are for citizens of countries with which the United States maintains commerce and navigation treaties. To obtain an E visa, applicants must be coming to the United States to engage in substantial trade or to develop and direct the operations of an enterprise in which they have invested a substantial amount of capital.

Span of Control and Staffing

Director Lacked Authority Over Investigative Unit Direct-Hire Staff

OIG found that KCC's Director had no authority over the seven-person DS Investigative Unit, all of whom are direct-hire Department employees. Instead, a Washington, D.C.-based DS office both rated and reviewed the unit's Special Agent supervisor, even though that office had no day-to-day oversight of DS staff, no ability to observe firsthand the Special Agent's management practices, and received no feedback on the relationship between the unit's personnel and other KCC staff. It was unclear why KCC's DS unit was created without at least an indirect "dotted-line" relationship to the center's management, particularly since the unit is an integral part of the overall KCC fraud prevention mission. For example, the work of the DS and PASS units was complementary. The PASS unit routinely referred certain employment-based fraud cases to the DS Investigative Unit for possible criminal investigation. In addition, the DS unit liaised with PASS unit contractors regularly and occasionally trained them on cold calling and other investigative tactics.

The Government Accountability Office's *Standards for Internal Control in the Federal Government*, Sections 3.04-3.07,¹⁴ recommend that management establish reporting lines within an organizational structure so that units can communicate information internally and with external stakeholders. One of the critical performance elements in the Department's Civil Service Performance Plan and Appraisal is modeling the leadership and management principles described in 3 FAM 1214. KCC's stove-piped organizational structure prevented the Director from ensuring the center's DS staff followed these tenets.

To mitigate the effects of stove-piping, encourage communication, and ensure consistent management practices among KCC's Department direct-hire employees, the Director recently proposed to CA that his position play some role in overseeing the DS Investigative Unit as either the Special Agent's rating or reviewing officer. This arrangement would be akin to the manner in which an overseas Consular Section chief shares oversight of DS personnel assigned to those sections—a model that has proven successful. Given the growth in KCC's responsibilities since its inception, OIG concurred that KCC's organizational and supervisory structure would benefit from a similar model.

Recommendation 1: The Bureau of Diplomatic Security, in coordination with the Bureau of Consular Affairs, should modify the performance rating structure for the Diplomatic Security Investigative Unit supervisor to include the Kentucky Consular Center Director as the rater or reviewer. (Action: DS, in coordination with CA)

¹⁴ Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014)

Multiple Responsibilities for Small Direct-Hire Staff Limited Time Available for Management Controls

The KCC Director highlighted for OIG—and OIG observed during the on-site portion of the inspection—that CA’s direct-hire staff had a broad range of competing responsibilities, which limited time for their management control obligations as CORs and GTMs. Three of the five direct-hire employees also were subject matter experts who regularly were called on to provide guidance to PASS contract staff on complicated fraud cases and to communicate with overseas fraud prevention officers. The KCC Director administered and was a subject matter expert for the DV program. Other direct hire employees liaised with the Department on issues as diverse as security upgrades, IT work orders, and space allocation that were outside their area of expertise. In addition to his customary internal and external communication and coordination duties, the KCC Director served as a GTM for the prime labor contract, the communications security officer and custodian, and the purchase card approver. Each of the other CA direct-hire employees also had significant ancillary duties. For example, the Fraud Prevention Manager was a GTM for the prime labor contract, an essential subject matter expert, and the unit security officer. The Operations Officer was the COR for both the prime labor and quality assurance contracts, but also had six other internal control duties, including primary purchase card holder.

OIG found the increase in programmatic responsibilities resulting from the 11 new fraud prevention initiatives made it difficult for KCC’s five direct-hire CA staff members to give sufficient attention to both programmatic oversight and management controls. As a result, the Director recently renewed efforts to fill a Civil Service position that had long been on KCC’s rolls but which CA had not filled. OIG also noted that the center anticipates future increases in its workload as it responds to administration initiatives for enhanced vetting of visa applicants and seeks ways to assist overseas consular sections with additional prescreening. Accordingly, OIG suggested CA undertake a rightsizing study to determine the appropriate direct-hire staffing level for KCC and identify new or reprogrammable resources if needed.

Additionally, to address the strain on direct-hire staff, KCC leadership used the eight contract quality assurance analysts in two ways: in a quality control role for the prime labor contractor’s products and as a think tank for process design, analysis, and improvement. Although the analysts’ enhanced role had positive results in several areas, including the development of new initiatives to support recent Presidential executive orders, the role of analysts in prime contract administration created some unintended management control deficiencies, as discussed in the Contract and Resource Management section of this report.

Contract Staff Unsure About Options for Reporting Discrimination or Harassment Concerns

KCC’s contract staff members were unsure about their options for reporting Equal Employment Opportunity (EEO) or harassment concerns. The majority of the contract staff interviewed by OIG believed that reporting EEO or harassment problems to the contractor’s sole on-site human resources employee was the only option available to them. Of the 103 contractors OIG

interviewed, 82 (79 percent) told OIG they did not know that they also could report discrimination or harassment complaints to the Department's Office of Civil Rights.

OIG determined that the prime labor contract included clause 52.222-26,¹⁵ as required by Federal Acquisition Regulation Part 22.810(e). Among other requirements, this clause compels contractors to abide by Executive Order 11246¹⁶ and apply the same EEO regulations to their staff that apply to all direct-hire employees within the Federal Government. However, the contract did not specifically include a requirement for the contractor to provide EEO training for its employees, which may have contributed to contract staff confusion about the options available to them to report an EEO or harassment concern. To address this issue, just before the on-site portion of the inspection in April 2019, the Director worked with the Bureau of Administration's Office of Acquisitions Management to deliver basic EEO training to all prime labor contractor staff. He also posted Department EEO posters throughout the workplace and passed out pamphlets. These materials advised both direct-hire employees and contract staff members of their rights and of the process for reporting complaints to the Office of Civil Rights in addition to, or in lieu of, the prime labor contractor's process for addressing EEO or harassment concerns.

Despite the Director's initiatives, some contract staff members alleged that the prime labor contractor had not addressed certain harassment complaints. If trained to understand their rights, individual employees of the contractor could go directly to the Office of Civil Rights with any concerns. OIG determined that CA already was working to include a requirement for EEO training in the new labor contract being developed and recompeted at the time of the inspection. As a result, OIG did not make a recommendation to address this issue.

PROGRAM IMPLEMENTATION

To assess how well KCC was implementing its various programs, OIG consulted with relevant CA officials and with end-users of the center's products before the on-site portion of the inspection. OIG also observed operations in the FR and data entry units, interviewed staff from the DV and PASS units, and reviewed quality control processes while at KCC. As mentioned earlier, successful implementation of 11 new administration- or Department-driven initiatives in the 2 years before the inspection demonstrated KCC's adaptability and resilience. Contract staff working in KCC's four production units were justifiably proud of meeting Department requirements in support of U.S. Government objectives.

KCC generally met the Department's requirements for production, quality control, and fraud prevention services. However, it is clear that continued programmatic growth will not be sustainable without a reliable cadre of well-trained and motivated contract staff. High levels of

¹⁵ This clause includes all requirements contractors must abide by when they enter a contractual agreement with the Federal Government.

¹⁶ Executive Order 11246, "Regulations Prohibiting Discrimination Based on Sexual Orientation and Gender Identity," December 9, 2014, amended April 8, 2015, deals with the roles and duties of the Secretary of Labor in ensuring compliance with equal opportunity laws and regulations.

work force attrition and persistent staffing shortages threatened not only the center's ability to support any new initiatives but also its ability to meet current contract requirements for timeliness and quality. Approximately one-fourth of the contractor cadre (123 staff members) left KCC from January 2018 to March 2019, leading the prime labor contractor to report staffing shortages of 87 and 81 positions in February and March 2019, respectively. One-third of those who left KCC reported they departed to take employment elsewhere in the area. Although KCC at one point had been the area's most competitive employer, that was no longer the case at the time of the inspection.

To help mitigate the effects of these staffing shortages, the contractor, in the 2 years before the inspection, mandated overtime and offered incentive bonuses to boost hourly employee production in the FR and data entry units. Despite these practices, which were unpopular with contract staff, the company continued to miss contract-based timeliness and quality control targets, resulting in financial penalties.

Missed targets risk disrupting critical functions such as visa interviews, passport delivery, and issuance of agricultural worker visas. Missed FR quality control targets also could increase visa security risks. CA was aware of the contractor's difficulties with hiring, staffing, and timeliness and was taking steps to address and mitigate these problems as it developed the new labor contract.

Spotlight on Success: Improved Evaluation of Treaty Trader Visa Applicants

In recent years, KCC successfully implemented nearly a dozen new programs—built on its expertise and access to analytical tools—that gave consular officers abroad well-developed data to assist in visa adjudication, particularly in identifying non-bona fide travelers. At the time of the inspection, the PASS unit was piloting a program to streamline and improve visa adjudication for treaty traders and investors, which is the most time-consuming and complex visa category on a per applicant basis. Evaluation of these E visas requires expertise in business and finance matters, including an understanding of relevant regulations, that not all overseas adjudicators or fraud prevention units possess, and small consular sections are at a particular disadvantage. Moreover, most E visas require several hours to adjudicate because of the intensive document review. Under the pilot program, KCC's cadre of trained experts verify the complex documentary requirements for E visas, giving special attention to fraud indicators, before cases are transmitted to consular sections. KCC's scrutiny and analysis, in turn, allows adjudicators to focus on an applicant's qualifications for the visa rather than on the voluminous documentation that accompanies the application. KCC's ability to identify needs and develop programs that give overseas visa adjudicators more complete and well-researched cases is a significant asset to the Department's enhanced vetting of visa applicants.

CONTRACT AND RESOURCE MANAGEMENT

As discussed previously, KCC had contract administration responsibilities for two contracts. First, it administered the 5-year prime labor contract, valued at \$314 million.¹⁷ At the time of the inspection, this contract was at the end of its last option year and had been extended for 6 months pending the award of a new contract. In addition, KCC and CA's Office of Visa Services, Domestic Operations Division (VO/DO), shared oversight responsibilities for a 5-year bureau-wide quality assurance contract valued at \$60 million.¹⁸

KCC provided contract oversight for the prime labor contract through a COR, an alternate COR, and three GTMs. Additionally, a VA/DO COR also shared in oversight for the prime labor contract. At the time of the inspection, the alternate COR had been the acting COR for the prime labor contract for approximately 4 months. She was filling a staffing gap between the retirement of the former Deputy Director—who had been the primary COR on the labor contract since KCC opened—and the anticipated arrival of a new deputy director. In addition, she was the alternate COR for the quality assurance contract. The primary COR for that contract was located in the Office of Visa Services.

Because the prime labor contract was in the process of being recompeted, OIG did not evaluate the terms and structure of the contract to determine its suitability to meet KCC's mission. Rather, OIG focused its review on the roles of the CORs and GTMs in administering the two contracts. OIG found that KCC generally administered both contracts in accordance with applicable laws and Department guidance, except as described below.

No Centralized Contracting Officer's Representative File and Limited Access to Existing Files

KCC did not keep a centralized COR file for the prime labor contract, as required by Department standards. Guidance in 14 Foreign Affairs Handbook (FAH)-2 H-517a states that COR files should provide easy access to technical contract information and work progress and should ease the transition to a new COR. However, OIG found that KCC dispersed its contract-related documentation among three different folders on a shared drive and another folder on a SharePoint site, making it difficult to access all relevant documentation. OIG also found the former COR did not move her files to a central repository before her departure. Consequently, neither her replacement nor the alternate COR and GTMs could access the contract administration documents she had maintained over the years. This lack of centralization made it difficult to assess the contract status or to use past performance as a basis to set up new requirements.

OIG also found that KCC did not give GTMs access to all COR files, leaving them unaware of some of the contract requirements they were responsible for overseeing. For example, one of

¹⁷ The National Visa Center and KCC share administration responsibilities for this contract. The \$314 million figure pertains to the entire contract at both sites.

¹⁸ The \$60 million figure pertains to the value of the entire contract at multiple sites.

the GTMs told OIG he had never seen an invoice since being assigned on the contract. Because GTMs are designated by the contracting officer to assist the COR in monitoring a contractor's performance, it is important they have access to the same information as the CORs. Without access to centralized COR files, the CORs and GTMs were unable to carry out their contract administration responsibilities, which include ensuring that the contractor's technical progress and expenditures are documented so the contractor can be held accountable for any substandard performance.

Recommendation 2: The Bureau of Consular Affairs should require the Kentucky Consular Center to centralize all Contracting Officer's Representative files for the prime labor contract and provide file access to all Contracting Officer's Representatives and Government Technical Monitors designated on the contract. (Action: CA)

Contractor Invoices Were Not Processed in Accordance with Department Standards

OIG found that the COR did not always review the prime labor contractor's invoices to determine the validity of the costs claimed, as required by 14 FAH-2 H-562b. Instead, the COR forwarded the invoices to the quality assurance contract staff for review and, based on that review, approved or disapproved them. OIG's review of invoices processed from January to April 2019 found no issues with the invoices themselves.¹⁹ However, OIG found that the COR generally did not conduct additional reviews of the quality assurance contractors' work to ensure the amounts were accurate and aligned with the contract. As stated in 14 FAH-2 H-115a, contractors may support COR monitoring, but the COR must ensure that contractors are not performing inherently Governmental functions.²⁰ Specifically, 14 FAH-2 H-115i and Federal Acquisition Regulation 7.503(v)(vii) both state that contractors may not administer contracts and accordingly may not determine whether contract costs are reasonable, allocable, and allowable. If the COR does not review invoices appropriately in accordance with established procedures, the Department risks paying the prime labor contractor for work that does not meet the terms of the contract.

Recommendation 3: The Bureau of Consular Affairs should require the Kentucky Consular Center to implement standard operating procedures for invoice reviews to clearly delineate the roles of the Contracting Officer's Representative and the quality assurance contractors, in accordance with Department standards. (Action: CA)

¹⁹ Specifically, OIG found that the quality assurance contractor's review aligned with the quality assurance surveillance plan, that costs claimed by the prime labor contractor matched services and products received, and that all incentives and disincentives were applied correctly.

²⁰ Inherently Governmental functions are those that must be performed by U.S. Government personnel because they involve making decisions for the Government and represent activities so intimately related to the public interest that they must and can only be performed by a Federal Government employee.

Center Did Not Track Invoice Receipt or Due Dates

KCC did not record the dates it received invoices from the prime labor contractor or track the dates that payments were due, which is inconsistent with Department policy and related Federal law. In accordance with 14 FAH-2 H-522.10c, all U.S. Government contracts have a Prompt Payment clause²¹ that requires payment within 30 calendar days of either the acceptance of the supplies and services or the date the designated billing office receives a proper invoice from the contractor. The U.S. Government is required to pay interest if the 30-day deadline is not met. OIG found that the COR did not annotate the invoices received from the contractor with the date received, as required by 4 FAM 422d, to ensure that payments were made within the required timeline. As a result, OIG could not determine through its review of invoices if they were paid within 30 days. Failing to track the receipt and payment of invoices could subject KCC to possible Prompt Payment Act violations.

Recommendation 4: The Bureau of Consular Affairs should require the Kentucky Consular Center to track and pay invoices in accordance with the Prompt Payment Act and Department standards. (Action: CA)

Prime Labor Contractor Owed Funds to the U.S Government

KCC staff told OIG the prime labor contractor owed the U.S. Government more than \$218,486, a situation they were closely monitoring. This amount included several “disincentives,” primarily related to timeliness or quality issues, the contractor accumulated during the previous year. It also included a critical performance deficiency of \$50,000 assessed in August 2018 when the contractor allowed an employee to move between units without an appropriate security clearance. Although the contractor acknowledged responsibility to repay this amount, it was behind on billing and at the time of the inspection had yet to credit the Government what was owed. Since KCC was closely following this issue to ensure funds were collected from the contractor prior to the end of the 6-month contract extension, OIG did not make a recommendation.

Lack of Oversight of Quality Assurance Contract

Although VO/DO had primary responsibility for administering the quality assurance contract,²² the center’s alternate COR was responsible for overseeing the portion of the contract involving KCC. Because it was a time and materials contract,²³ one of the CORs was required to verify

²¹ The Prompt Payment Act, as amended (Public Law 97-177 and its implementing regulations set out in 5 Code of Federal Regulations 1315), requires Federal agencies to pay their bills on time; to pay interest penalties when payments are made late; and to take discounts only when payments are made within the discount period.

²² The VO/DO COR received weekly reports from the contractors that covered all areas of performance and action within the contract to include a separate report for the quality assurance personnel at KCC and the National Visa Center. The VO/DO COR also conducted a weekly meeting with the contractor’s Program Manager and Deputy Program Manager to discuss the reports, all actions, and contract performance.

²³ A time-and-materials contract provides for acquiring supplies or services on the basis of direct labor hours at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit. It

hours claimed against the number of hours allowed under the contract each month. However, OIG found that the KCC alternate COR did not verify hours or review the monthly invoices. Instead, the contractor submitted all quality assurance contract invoices and timesheets for the contractor's KCC staff directly to VO/DO for review and approval despite that office's inability to confirm daily attendance. According to 14 FAM 222a, contract administration involves ensuring that both the contractor and the U.S. Government fulfill their obligations as set forth in the contract. Additionally, 14 FAH-2 H-521b states that the COR is responsible for implementing a contract monitoring plan. Without adequate monitoring, the Department is at higher risk that the contractor will not deliver or will inaccurately bill for required products or services.

Recommendation 5: The Bureau of Consular Affairs should require the Kentucky Consular Center to conduct oversight of the quality assurance contract in accordance with Department standards. (Action: CA)

Appalachian Processing Center

No Decision on the Future of an Underused Server Room

OIG found that CA had not made a decision about the future of a 2,000-square-foot server room and adjacent office space at KCC—called the Appalachian Processing Center (APC)—that had been underused for approximately 4 years. Executive Order 13327²⁴ mandates efficient and economical use of the U.S. Government's real property assets, including management attention to and clear goals and objectives for their use. In addition, 15 FAM 512.1a and 15 FAM Exhibit 512.1 provide guidelines for reviewing real property for disposal or repurposing.

Constructed in 2003, the APC initially housed a mainframe computer that ran the Consular Lookout and Support System for processing visa applicant name checks. That mainframe was phased out in approximately 2011 in favor of an estimated 100 Windows-based servers, which in turn were relocated 3 to 4 years later. At the time of the inspection, only a fraction of the APC was in use as a daily backup site for CA's domestic operations and as a host for the DV lottery's processing servers. Even though it had not articulated a plan for the underused APC, CA carried out several equipment upgrades from 2014 to 2018 and continued to maintain the entire space with wall-size industrial air conditioners, generators, and backup power supplies at an estimated monthly cost of \$6,000. Furthermore, while the APC had more space than it needed, KCC strained to find cubicle space on the adjacent work floor for its day-shift workers. KCC management attempted on several occasions to focus CA on options for the productive use of this space but had been unsuccessful at the time of the inspection.

Recommendation 6: The Bureau of Consular Affairs, in coordination with the Bureau of Administration, should conduct a space utilization study of the Kentucky Consular Center's

provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, appropriate U.S. Government surveillance of contractor performance is required to give reasonable assurance that efficient methods and effective cost controls are being used.

²⁴ Executive Order 13327, "Federal Real Property Asset Management," dated February 4, 2004.

Appalachian Processing Center and implement a plan for its cost-effective use or repurposing. (Action: CA, in coordination with A)

RECOMMENDATIONS

OIG provided a draft of this report to Department stakeholders for their review and comment on the findings and recommendations. OIG issued the following recommendations to the Bureau of Consular Affairs and the Bureau of Diplomatic Security. The Department's complete responses can be found in Appendix B. The Department also provided technical comments that were incorporated into the report, as appropriate.

Recommendation 1: The Bureau of Diplomatic Security, in coordination with the Bureau of Consular Affairs, should modify the performance rating structure for the Diplomatic Security Investigative Unit supervisor to include the Kentucky Consular Center Director as the rater or reviewer. (Action: DS, in coordination with CA)

Management Response: In its August 12, 2019, response, the Bureau of Diplomatic Security (DS) disagreed with this recommendation. The bureau noted that the Kentucky Consular Center (KCC) Director should and does have input in the performance evaluation of the Investigative Unit supervisor as outlined in the Memorandum of Agreement (MOA) between DS and the Bureau of Consular Affairs for KCC. DS also noted that it does not believe that the KCC Director has the expertise to adequately supervise a DS law enforcement office or domestic criminal investigation.

OIG Reply: OIG considers the recommendation unresolved. Although the current MOA states that the Investigative Unit enhances KCC's fraud prevention efforts and supports consular officers in the field under the general guidance of the KCC Director, it does not guarantee that informal KCC or Bureau of Consular Affairs input into the supervisor's performance evaluation will be included. Without an official role in the Investigative Unit supervisor's performance evaluation, the KCC Director has no authority to observe the supervisor's interaction with her staff or to provide firsthand feedback or performance counseling related to management or interpersonal issues affecting KCC operations. OIG is not recommending that the KCC Director play a role in the criminal investigation work undertaken by KCC's DS staff. Instead, OIG recommends assigning the KCC Director as either a rater or reviewer role in the Investigative Unit supervisor's performance evaluation to mitigate the effects of stove-piping, encourage communication, and ensure consistent management practices in accordance with 3 Foreign Affairs Manual 1214. Furthermore, the proposed reporting structure mirrors the overseas model in which DS personnel assigned to consular sections are rated or reviewed by the Consular Section chief, in coordination with a DS supervisor. The recommendation can be closed when OIG receives and accepts documentation that the performance rating structure for the Diplomatic Security Investigative Unit supervisor includes the KCC Director as the rater or reviewer.

Recommendation 2: The Bureau of Consular Affairs should require the Kentucky Consular Center to centralize all Contracting Officer's Representative files for the prime labor contract and provide file access to all Contracting Officer's Representatives and Government Technical Monitors designated on the contract. (Action: CA)

Management Response: In its August 5, 2019, response, the Bureau of Consular Affairs concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Kentucky Consular Center centralized all Contracting Officer's Representative files for the prime labor contract and provided access to all Contracting Officer's Representatives and Government Technical Monitors designated on the contract.

Recommendation 3: The Bureau of Consular Affairs should require the Kentucky Consular Center to implement standard operating procedures for invoice reviews to clearly delineate the roles of the Contracting Officer's Representative and the quality assurance contractors, in accordance with Department standards. (Action: CA)

Management Response: In its August 5, 2019, response, the Bureau of Consular Affairs concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of implemented standard operating procedures for invoice reviews to clearly delineate the roles of the Contracting Officer's Representative and the quality assurance contractors, in accordance with Department standards.

Recommendation 4: The Bureau of Consular Affairs should require the Kentucky Consular Center to track and pay invoices in accordance with the Prompt Payment Act and Department standards. (Action: CA)

Management Response: In its August 5, 2019, response, the Bureau of Consular Affairs concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Kentucky Consular Center tracks and pays invoices in accordance with the Prompt Payment Act and Department standards.

Recommendation 5: The Bureau of Consular Affairs should require the Kentucky Consular Center to conduct oversight of the quality assurance contract in accordance with Department standards. (Action: CA)

Management Response: In its August 5, 2019, response, the Bureau of Consular Affairs concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Kentucky Consular Center oversees the quality assurance contract in accordance with Department standards.

Recommendation 6: The Bureau of Consular Affairs, in coordination with the Bureau of Administration, should conduct a space utilization study of the Kentucky Consular Center's Appalachian Processing Center and implement a plan for its cost-effective use or repurposing. (Action: CA, in coordination with A)

Management Response: In its August 5, 2019, response, the Bureau of Consular Affairs concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a space utilization study of the Kentucky Consular Center's Appalachian Processing Center and a plan for its cost-effective use or repurposing.

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

This inspection was conducted from April 8 to June 12, 2019, in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2012 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by OIG for the Department and the U.S. Agency for Global Media (USAGM).

Objectives and Scope

The Office of Inspections provides the Secretary of State, the Chief Executive Officer of USAGM, and Congress with systematic and independent evaluations of the operations of the Department and USAGM, consistent with Section 209 of the Foreign Service Act of 1980.

This targeted inspection assessed Kentucky Consular Center (KCC)-specific programs and performance to determine whether:

Executive Direction

- Performance of KCC's Director complied with applicable leadership standards articulated in 3 FAM 1214, specifically in adjusting priorities, communicating effectively, and developing and implementing policy.
- Leadership fostered intra- and inter-agency cooperation on a range of border security issues in accordance with 1 FAM 252.2-1g.
- Leadership mentored and developed employees in accordance with 3 FAM 1214b(8).

Program Implementation

- KCC set reasonable production targets and quality standards for its Facial Recognition and Data Entry Units and adapted to event-caused fluctuations in demand consistent with 18 FAM 301.1.4.
- The Pre-Adjudication Support Service and Diversity Visa programs had sufficient staff and investigative resources to detect and interrupt visa fraud, especially large-scale fraud, consistent with 3 FAM 1228.
- Training in KCC's four programs was sufficient to establish and maintain essential skills in accordance with 13 FAM 020 and 7 FAH-1 H-242c(3).
- Managers established and enforced performance metrics, shared results appropriately with the Bureau of Consular Affairs, and used metrics to improve their programs consistent with 18 FAM 301.1-4 and the Department's Program Design and Strategic Management Toolkit, sections 4-5.
- Direct-hire staff maintained a mutually beneficial relationship with interagency partners in accordance with 9 FAM 602.2.

Contract and Resource Management

- Contracting officer's representatives were meeting their responsibilities for evaluating contractor performance, monitoring the contractor's technical progress, and tracking

the expenditures of resources relating to the contract in accordance with 14 FAH-2 H-142.

- KCC was processing contract invoices in accordance with 14 FAH-2 H-562.
- The contractor was fulfilling its obligations under the contract per the quality assurance surveillance plan in accordance with 14 FAH-2 H-523.

Methodology

In conducting inspections, OIG uses a risk-based approach to prepare for each inspection; reviews pertinent records; circulates surveys and compiles the results, as appropriate; conducts interviews with Department and on-site personnel; observes daily operations; and reviews the substance of the report and its findings and recommendations with offices, individuals, and organizations affected by the review. OIG uses professional judgment, along with physical, documentary, testimonial, and analytical evidence collected or generated, to develop findings, conclusions, and actionable recommendations.

APPENDIX B: MANAGEMENT RESPONSES



United States Department of State

*Bureau of Consular Affairs
Washington, D.C. 20520*

August 5, 2019

UNCLASSIFIED

TO: OIG – Sandra Lewis, Assistant Inspector General for Inspections

FROM: CA - Ian G. Brownlee, Acting

SUBJECT: Response to Draft OIG Report – Inspection of the Kentucky Consular Center

The Bureau of Consular Affairs (CA) has reviewed the draft OIG inspection report. We provide the following comments in response to the recommendations provided by OIG:

OIG Recommendation 2: The Bureau of Consular Affairs should require the Kentucky Consular Center to centralize all Contracting Officer’s Representative files for the prime labor contract and provide file access to all Contracting Officer’s Representatives and Government Technical Monitors designated on the contract. (Action: CA)

Management Response: CA concurs with the recommendation. All of the existing KCC COR files have been centralized in a local KCC network location. All KCC CORs and GTMs are able to access these files.

Future plans for the next contract include housing all COR files from KCC, the National Visa Center, and VO/DO in a central location, with access provided to all CORs and GTMs across all three physical locations. Working files will be stored on a SharePoint database, and permanent files will be stored in an Integrated Logistics Management System database.

Recommendation 3: The Bureau of Consular Affairs should require the Kentucky Consular Center to implement standard operating procedures for invoice reviews to clearly delineate the roles of the Contracting Officer’s Representative and the quality assurance contractors, in accordance with Department standards. (Action: CA)

Management Response: CA concurs with the recommendation. Standard Operating Procedures for the CORs/GTMs and the third-party quality assurance contractor have been created and implemented. These SOPs define the roles and steps taken by each group in reviewing invoices. CORs now review the quality assurance contractors’ work for accuracy and independently review the prime labor contractor’s invoices to determine the validity of the costs claimed.

Recommendation 4: The Bureau of Consular Affairs should require the Kentucky Consular Center to track and pay invoices in accordance with the Prompt Payment Act and Department standards. (Action: CA)

Management Response: CA concurs with the recommendation. KCC notes that all prime labor contractor invoices are currently tracked using the Metastorm system and all have been paid in accordance with the Prompt Payment Act. The Metastorm business process management system provides an audit trail on each invoice, but offers limited reporting capability. To supplement Metastorm, KCC has now implemented an Excel-based invoice payment tracking system.

Recommendation 5: The Bureau of Consular Affairs should require the Kentucky Consular Center to conduct oversight of the quality assurance contract in accordance with Department standards. (Action: CA)

Management Response: CA concurs with the recommendation regarding onsite confirmation of contractor time and attendance. The onsite ACOR for the quality assurance contract began verifying in May, in conjunction with the VO/DO COR, contractor hours claimed against hours billed. Regarding the broader oversight recommendation, CA concurs with the recommendation and VO/DO has adopted measures to ensure that quality assurance functions comply with the performance requirements, and acceptable quality levels identified in the Quality Assurance Surveillance Plan for the contract.

Recommendation 6: The Bureau of Consular Affairs, in coordination with the Bureau of Administration, should conduct a space utilization study of the Kentucky Consular Center's Appalachian Processing Center and implement a plan for its cost-effective use or repurposing. (Action: CA, in coordination with A)

Management Response: CA concurs with the recommendation to conduct a space utilization study of the Kentucky Consular Center's Appalachian Processing Center (APC). VO/I had initial discussions with KCC in October 2018, on how to utilize that space, its systems, and the support that is available at KCC to run it; however, there has been no further action. VO/I will take the lead on re-starting that effort, in coordination with CA/EX/GSD and the Bureau of Administration, to either find a use of the APC or suggest the space be repurposed.



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

August 12, 2019

INFORMATION MEMO TO INSPECTOR GENERAL LINICK - OIG

FROM: DS – Michael T. Evanoff 

SUBJECT: Bureau of Diplomatic Security response to the Office of Inspector General (OIG) Inspection of Bureau of Consular Affairs, Kentucky Consular Center (ISP-I-19-36), July 2019

Below is the Bureau of Diplomatic Security’s response to recommendation 1 of the subject report.

Recommendation #1: The Bureau of Diplomatic Security (DS), in coordination with the Bureau of Consular Affairs (CA), should modify the performance rating structure for the Diplomatic Security Investigative Unit (IU) supervisor to include the Kentucky Consular Center (KCC) Director as the rater or reviewer. (Action: DS, in coordination with CA)

DS Response: DS respectfully does not concur with Recommendation 1.

DS fully agrees that the KCC director should have input in the performance evaluation of the DS Investigative Unit supervisor. DS has formally agreed to this arrangement in the Memorandum of Agreement (MOA) between DS and CA for KCCIU, amended in 2010. DS has received, and continues to welcome, the KCC director’s input for performance evaluations for DS investigative staff at KCC, consistent with Section K of the MOA. DS believes there is adequate management and supervision of the DS investigative staff at KCC via in-person site visits and technological solutions.

DS believes changing the reporting structure would undermine KCCIU’s global mission in addition to hindering DS criminal H&L investigative mandate and fraud investigations. DS does not believe that the CA director has the expertise to adequately supervise a DS law enforcement office or domestic criminal investigation.

Attachments:

Tab 1 – Inspection of the Kentucky Consular Center Draft

Tab 2 – KCCIU Amendment to MOA 3 May 10

UNCLASSIFIED

**MEMORANDUM OF AGREEMENT
BETWEEN
THE BUREAU OF DIPLOMATIC SECURITY
AND
THE BUREAU OF CONSULAR AFFAIRS
ON THE ASSIGNMENT OF
BUREAU OF DIPLOMATIC SECURITY PERSONNEL
TO THE KENTUCKY CONSULAR CENTER**

I. PURPOSE:

- A. The purpose of this Memorandum of Agreement between the Bureau of Consular Affairs (CA) and the Bureau of Diplomatic Security (DS) (hereinafter referred to as "the parties") is to enhance border security by : 1) affirming the parties' commitment to mutual cooperation in pursuit of common goals at domestic posts, 2) defining parameters for assignment of one DS Special Agent and two analysts to The Kentucky Consular Center (KCC) to establish the KCC Investigations Unit (KCCIU) to augment the KCC's Fraud Prevention Unit; and 3) establishing guidelines for the operations of such positions. This administrative agreement covers one Special Agent and two Intelligence Research Specialists, who will be assigned fulltime to CA's KCC.
- B. Name of Parent Bureau: Diplomatic Security
- C. Name of Host Bureau: Consular Affairs
- D. References and Authorities: 1) Memorandum of Understanding between the Bureau of Consular Affairs and the Bureau of Diplomatic Security for the Sharing of Visa Records (November 14, 2003); 2) Memorandum of Understanding between the Bureau of Consular Affairs and the Bureau of Diplomatic Security for the Assignment and Operation of Special Agents to Conduct Fraud Investigations in Consular Sections Abroad, dated August 18, 2004; 3) Addendum to the CA-DS MOU for the Assignment and Operation of Special Agents to Conduct Fraud Investigations in Consular Sections Abroad (reference 2), Addendum dated March 16, 2006; 4) Intelligence Reform and Terrorism Prevention Act of 2004 (Pub. L. No. 108-458, 118 Stat 3638); 5) Omnibus Diplomatic Security and Anti-Terrorism Act of 1986, as amended, (22 U.S.C. 4802, et seq.); 6) Section 37 of the State Department Basic Authorities Act (22 U.S.C. 2709); 7) L-1 Visa and H-1B Visa Reform Act of 2004, Div. J, Title IV (Pub. L. No. 108-447, 118 Stat. 2809, 3351); 8) REAL ID Act of 2005, Div. B (Pub. L. No. 109-13, 119 Stat. 231, 302); and 9) Department of State Authorities Act of 2006 (Pub. L. No. 109-472, 120 Stat. 3554).

II. ADMINISTRATIVE:

A. Name and addresses of participating bureaus:

Bureau of Diplomatic Security
ATTN: Edgar P. Moreno
1801 N. Lynn St.
Rosslyn, VA 22209

Bureau of Consular Affairs
ATTN: Andrew T. Simkin
2201 C St., N.W.
Washington, DC 20520

B. CURRENT DIRECTORATE/COMPONENT:
DSS/DS/ICI/CR - Criminal Investigations Division

C. POSITION TITLES:
1 Special Agent
2 Intelligence Research Specialists

D. NEW ASSIGNMENT:

1. Agency/Assigned Office: Department of State, Bureau of Consular Affairs, Kentucky Consular Center
2. Date of Assignment: To be determined.
3. Duration of Assignment: Permanent.
4. Terms of Assignment: The employees are expected to be assigned to KCC and not detailed to perform duties elsewhere.
5. The assignment may be terminated at any time when either CA or DS deems that termination is in the best interest of the employee and/or the bureaus concerned. CA will not reassign the individual to any other position or bureau without prior coordination with DS.
6. Description of Assignment: DS/CR will augment the KCC's Fraud Prevention Unit (FPU) with DS assets. Under the general guidance of the Director of the KCC, the KCCIU will support DS Agents and CA Consular Officers working anti-fraud or fraudulent document cases world-wide and in the field. This endeavor will: (a) expand the criminal intelligence capability currently established in DS/ICI/CR;

(b) fully integrate a central criminal intelligence and research component in support of KCC/FPU; and (c) access sophisticated analytic tools, relational law enforcement data, and a network of resources and information focused on investigating and pursuing law enforcement action against travel document fraud associated with visas and visa petitions, primarily employment-based non-immigrant visas and visa petitions in the H and L categories.

The KCCIU will

- focus its investigative efforts on high priority cases such as those that have or might have links to terrorism, large scale alien smuggling or human trafficking, and document vendors producing high quality documents;
- ensure that all visa related criminal intelligence (raw information or criminal activity) is subject to criminal investigations risk assessment for prosecutorial value or subject matter expert analysis;
- establish and maintain effective liaison with concerned U.S. Government law enforcement agencies;
- participate as requested in regular fraud prevention training sessions and briefings for KCC employees; and
- collaborate with and support DS Special Agents in the Overseas Criminal Investigations Program currently serving as ARSO/Is working to investigate visa fraud.

E. DUTY HOURS:

Monday through Friday 0815-1700

F. TIME AND ATTENDANCE:

The employees' time and attendance records will be maintained by DS. It will be the employees' responsibility to record their time and attendance for each pay period by contacting their home office regarding any leave taken during each pay period.

G. SECURITY:

Employee access certification authority will be held by DS on behalf of CA during the employees' assignments.

H. TRAINING:

Within three months of starting their assignment, the agent and the analysts will be required to successfully complete the entire course of Basic Consular Training, provided by the Consular Training Division at the Foreign Service Institute (FSI). In addition, DS/ICI/CR will provide

additional training and consultations to better prepare the agent and the analysts for their assignments. In addition, the DS Agent and the analysts will be considered for participation in other consular training, such as the Fraud Prevention Manager course and appropriate Department of Labor training that may be made available. They should also receive an orientation to the Consular Consolidated Database (CCD) and the proper disclosure and handling rules for Consular Data. (See Section II O.) Any training deemed necessary to continue performance of duties and responsibilities during the assignment will be approved and funded by DS.

I. AWARDS:

Either CA or DS may recommend monetary or non-monetary awards. Monetary awards will be funded by the recommending bureau and coordinated with the other bureau. QSIs will be approved by DS.

J. PAYROLL/TRAVEL EXPENSES:

The employee will be retained on the DS payroll. Funding and orders for official travel for incumbents of these positions will be provided by DS.

K. PERFORMANCE EVALUATION:

Based on input from CA, DS will provide a performance evaluation of the DS employees assigned to KCC.

L. CAREER DEVELOPMENT:

Responsibility for career development and promotion will remain with DS.

M. OFFICE EQUIPMENT, OFFICE LOCATION, OFFICE CLASSIFICATION, AND PARKING:

KCC will provide the DS employees a workspace with desk, chair, telephone, computer with email/opennet/internet connectivity, parking space access, access to a copy machine and fax, along with normal office supplies. If possible, the physical location of the office will be in close proximity to the FPU. Storage equipment necessary for Secret and SBU-Law Enforcement Sensitive intelligence and case material classified up to *Secret/NOFORN Only* will be provided by DS for use by the DS employees assigned to KCC. Hard drives will be stored in GSA approved containers provided by DS. All classified material will be received, handled and stored in accordance with established Department of State

regulations. Any construction costs approved by CA and DS, necessary for renovation of appropriate work space for the DS employees will be paid by DS.

N. ADHERENCE TO KCC POLICIES AND PROCEDURES

The employees will follow all policies and procedures established by the KCC Director and Deputy Director to govern the operations of the workplace.

O. RESPONSIBILITIES ON ACCESS TO AND DISCLOSURE OF CONSULAR DATA AND RECORDS

The DS Special Agent and analysts will have access to the CCD. Their profile on the CCD will provide access to visa and passport records and data.

Both parties recognize that visa information is confidential according to section 222(f) of the Immigration and National Act, as amended. The special agent and the two analysts will comply with the Privacy Act and 9 Foreign Affairs Manual (FAM) requirements which guide the release of information, including seeking CA approval prior to any disclosure of visa records. The KCCIU personnel will fully comply with all handling and disclosure of information requirements set out in References and Authorities (paragraph I D) and the "third party" rule, which precludes release of information to third parties without permission of the originating agency. (See paragraph II H.)

P. POINT OF CONTACT

KCCIU personnel will have regular consultation with the KCC Fraud Prevention Manager (FPM), who will be their primary CA liaison regarding visa cases, fraud prevention matters, and joint operations. KCCIU personnel will regularly brief the KCC FPM on the findings of their investigations.

Q. JOINT RESPONSIBILITIES

Developing, maintaining, and sharing contacts with other agencies and stakeholders, including the U.S. Law Enforcement community, will not be considered the exclusive domain of either the KCCIU or the KCC FPM. KCCIU and FPM personnel will work collaboratively to develop, maintain and share contacts and information on a routine basis. An effective, two-way exchange of information is critical to the effectiveness of fraud prevention and investigative efforts. This does not pertain, however, to

DS registered confidential informants, the management of whom will not be intermingled with KCCIU functions.

R. IMPLEMENTATION, TERMINATION, REVIEW AND AMENDMENT

This Agreement will become effective upon signature by the representatives of the Bureau of Consular Affairs and the Bureau of Diplomatic Security named below. The Agreement will remain in force until either party provides written notification of its intention to terminate the Agreement.

The parties will designate responsible officials to meet annually, or at the request of either Party, to discuss and review the implementation of the Agreement. Any disagreement over the implementation of the Agreement shall be resolved through consultation between the Parties.

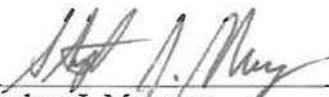
The Agreement may be amended by the mutual written consent of the parties' authorized representatives. Any changes or modifications to this Agreement shall be reflected in an addendum.

SIGNATURES:



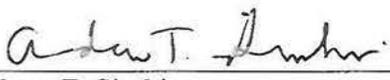
Edgar P. Moreno
Assistant Director
Domestic Operations
Bureau of Diplomatic Security

01/23/08
Date



Stephen J. Mergens
Director
Executive Office
Bureau of Diplomatic Security

1/28/08
Date



Andrew T. Simkin
Director
Office of Fraud Prevention Programs
Bureau of Consular Affairs

2/3/08
Date



Matthew S. Klimow
Executive Director
Bureau Of Consular Affairs

31 January 2008
Date

**ADDENDUM
TO THE
MEMORANDUM OF AGREEMENT
BETWEEN
THE BUREAU OF DIPLOMATIC SECURITY
AND
THE BUREAU OF CONSULAR AFFAIRS
ON THE ASSIGNMENT OF
BUREAU OF DIPLOMATIC SECURITY PERSONNEL
TO THE KENTUCKY CONSULAR CENTER (FEBRUARY 3, 2008)**

Section II (R) of the MOA between DS and CA on the Assignment of DS Personnel to the KCC (signed February 3, 2008) authorized changes or modifications to the MOA, and noted that all changes or modifications be reflected in an Addendum. The undersigned parties or their representatives consent to the changes or modifications contained in this Addendum.

Section I (A) is changed by removing the existing paragraph and replacing it with the following paragraph:

"The purpose of this Memorandum of Agreement between the Bureaus of Consular Affairs (CA) and Diplomatic Security (DS) (hereinafter referred to as "the parties") is to enhance border security by: 1) Affirming the parties' commitment to mutual cooperation in pursuit of common goals at domestic posts; 2) Defining parameters for assignment of one DS Special Agent, two DS Intelligence Research Specialists, and three DS Investigative Assistants to the Kentucky Consular Center (KCC) to establish the KCC Investigations Unit (KCCIU); and 3) Establishing guidelines for the operations of such positions. The administrative agreement covers one Special Agent, two Intelligence Research Specialists, and three Investigative Assistants, who will be assigned full time to KCC."

Section II (A) is changed by removing Edgar P. Moreno's name and adding "Assistant Director, Domestic Operations".

Section II (A) is changed by removing Andrew T. Simkin's name and adding "Office Director, Office of Fraud Prevention Programs".

Section II (C) is changed by adding the below text at the end of the existing text:

"3 Investigative Assistants"

Section II (D) 6 (b) is changed by adding the following bullet to the list under "The KCCIU will" section:

- "Regularly provide updates to DS and CA Headquarters staff on its activities, including: Quantity of investigative taskings from DS; Quantity of investigative taskings from other agencies or departments; Quantity of investigative taskings from CA; Quantity of investigative taskings from CA that resulted in a DS preliminary inquiry by KCCIU; Quantity of cases referred from KCCIU to DS units or other departments/agencies; Quantity of cases/investigations/inquiries instigated by KCCIU; and Quantity of inquiries/cases/taskings/referred for prosecution."

Section II (E) is changed by removing the existing text and replacing it with the following sentence:

"Monday through Friday, 0815 – 1700, on regular federal work days, will be the normal duty hours. Additional hours will be worked by the Special Agent as required to remain in compliance with Law Enforcement Availability Pay regulations. KCCIU staff may at times work overtime or on alternative work schedules to meet operational demands, contingent upon prior approval by the unit's Supervisory Special Agent at Criminal Investigations Division."

Section II (O) is changed by removing the existing first sentence of the first paragraph and replacing it with the following sentence:

"All KCCIU members will have access to the Consular Consolidated Database (CCD). Their role on the CCD will provide access to visa and passport records data, as needed. Their access to visa data will be in accordance with the Interface Control Document (Reports and Users) assigned to their organization."

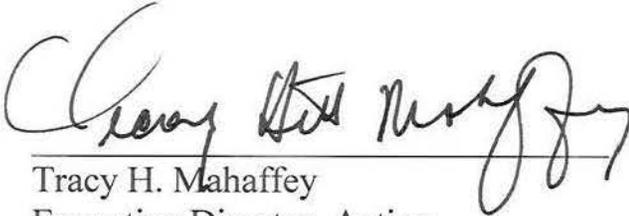
Section II (O), second paragraph, second sentence, is changed to add "three investigative assistants" to the sentence.

SIGNATURES:



Edgar P. Moreno
Assistant Director
Domestic Operations
Bureau of Diplomatic Security

01/27/10
Date



Tracy H. Mahaffey
Executive Director, Acting
Bureau of Diplomatic Security

2/1/2010
Date



Jeanne M. Maloney
Director
Office of Fraud Prevention Programs
Bureau of Consular Affairs

5/3/10
Date



Dean J. Haas
Executive Director
Bureau of Consular Affairs

4/29/10
Date

ABBREVIATIONS

APC	Appalachian Processing Center
CA	Bureau of Consular Affairs
COR	Contracting Officer's Representative
DS	Bureau of Diplomatic Security
DV	Diversity Visa
EEO	Equal Employment Opportunity
FAH	Foreign Affairs Handbook
FDNS	Fraud Detection and National Security
FR	Facial Recognition
GTM	Government Technical Monitor
KCC	Kentucky Consular Center
PASS	Pre-Adjudication Support Service
USCIS	U.S. Citizenship and Immigration Services
VO/DO	Office of Visa Services, Domestic Operations

OIG INSPECTION TEAM MEMBERS

Barry Langevin, Team Leader
Leslie Gerson, Team Manager
Hanane Grini
Colwell Whitney

Other Contributors

Dolores Adams
Caroline Mangelsdorf



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