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# **Targeted Review of Leadership and Management at the National Passport Center**

DOMESTIC OPERATIONS AND SPECIAL REPORTS

## Summary of Review

The Office of Inspector General (OIG) conducted a targeted review of leadership and management at the National Passport Center (NPC) to address a high volume of complaints received by OIG's hotline in early 2018. NPC staff made complaints that alleged misconduct, harassment, and retaliation as well as misuse of government systems and software applications at NPC. OIG found significant and credible evidence of ongoing and systemic deficiencies in leadership and management that require the immediate attention of the Bureau of Consular Affairs (CA).

Specifically, OIG found that a sustained failure of leadership at NPC fostered a culture where inappropriate conduct was permitted and employees were not held accountable for that conduct. Employees reported that retaliation, harassment, and "bullying" created an abusive and threatening work environment, which was either condoned or perpetrated by nearly all levels of NPC leadership. Ineffective communication throughout the organization compounded these problems. In the course of examining these issues, OIG also identified a number of organizational, administrative, and security issues that exacerbated NPC's other problems in the work environment.

OIG recommended that CA develop a corrective action plan within 60 calendar days from the date of this report to address NPC's leadership and management deficiencies. OIG will monitor execution of the corrective action plan until CA has implemented all of its elements because OIG found overwhelming evidence that senior leaders in both CA's Office of Passport Services and NPC took no action or contributed to the serious longstanding problems at NPC that were identified as long ago as 2014.

OIG made 12 recommendations to address the leadership and management deficiencies at the National Passport Center. In its comments on this draft report, the Bureau of Consular Affairs concurred with all 12 recommendations. The bureau's response to the recommendations and OIG's reply can be found in the Recommendations Section of this report. OIG considers the recommendations resolved. The bureau's formal written response is reprinted in its entirety in Appendix C.

## BACKGROUND

NPC, the largest of 29 passport-processing agencies and twice the size of the next largest, issued 7.4 million passports in FY 2017, or 38 percent of all passports issued by the U.S. Government from October 2016 to September 2017. Located in Portsmouth, New Hampshire, the center was created in 1992, and it grew from 60 employees at its founding to approximately 900 following a 2007 surge in passport demand.<sup>1</sup>

At the time of the inspection, NPC's staff consisted of a GS-15 Director, 6 GS-14 Assistant Directors, 16 GS-13 Adjudication Managers, and 57 GS-12 Supervisory Passport Specialists who supervised approximately 350 Passport Specialists.<sup>2</sup> Additional staff included Customer Service and Fraud Prevention employees, Passport Operations Officers, and over 400 contractors who were responsible for passport production and other support services. NPC operates two flexible shifts, which together cover

<sup>1</sup> The surge resulted from the launch of the Western Hemisphere Travel Initiative that requires all travelers to present a passport upon entering the United States.

<sup>2</sup> Passport Specialists are bargaining unit employees and subject to a collective bargaining agreement.

22 hours per day Monday through Friday.<sup>3</sup> In addition, depending on workload, NPC scheduled overtime shifts on Saturday and Sunday.

## **Department Leadership Standards**

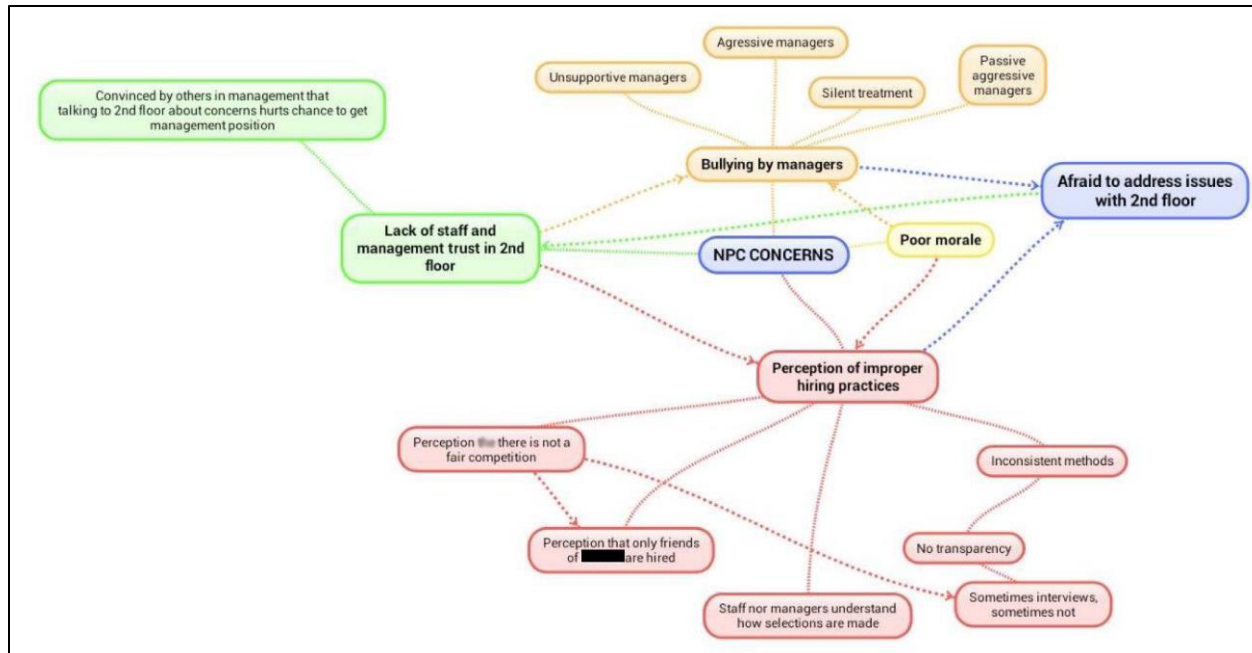
The Department of State's (Department) Leadership and Management Principles for Department Employees, as contained in 3 Foreign Affairs Manual (FAM) 1214, state that the Department relies on all employees to represent the U.S. Government in the course of carrying out its mission. However, the principles make clear that managers and supervisors have an additional obligation to ensure the mission is carried out by leading by example to foster the highest attainable degree of employee morale and productivity. Specifically, they must model integrity by holding themselves and others to the highest standards of conduct, performance, and ethics, especially when faced with difficult situations. They must act in the interest of and protect the welfare of their team and organization, generously share credit for the accomplishments of the organization, and take responsibility for themselves, their resources, their decisions, and their actions.

## **Previous and Current Allegations Regarding National Passport Center's Workplace Environment**

Senior leaders in CA's Office of Passport Services (CA/PPT) were aware of concerns regarding NPC's work environment since at least 2013, when several NPC employees made allegations against NPC leadership. The employees alleged harassment, "bullying," a lack of trust in leadership, favoritism, abusive behavior to employees, improper hiring procedures, and an overall lack of transparency in the operations of the organization. In response to the allegations, CA/PPT instructed the Director of the Northeast Regional Office, who oversees NPC and other passport agencies, to conduct an internal review of NPC, which he did in January and February 2014. During the current inspection, OIG was provided the schematic shown in Figure 1, which was prepared as part of the Northeast Regional Office Director's 2014 internal review. To address the internal review's findings, CA/PPT ordered extensive executive coaching and training for NPC's Director and senior leaders. The training lasted approximately 2 years and ended in 2016.

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<sup>3</sup> NPC was closed about 2 hours each day, between 2:30 and 4:30 am.

**Figure 1: Issues Identified in 2014 CA/PPT Internal Review**

Note: Offices of the Director and Assistant Directors are located on the second floor of NPC.

Source: Bureau of Consular Affairs, Office of Passport Services.

More recently, between February and May 2018, OIG received a series of hotline complaints alleging misconduct, harassment, retaliation, and unfair hiring practices at NPC. The complaints suggested that some members of NPC's leadership team were responsible for the alleged activities, which, if true, would be contrary to the Department's Leadership and Management Principles for Department Employees<sup>4</sup> and the Bureau of Consular Affairs' Leadership Tenets.<sup>5</sup> In response to these allegations, OIG conducted this targeted review of NPC's leadership and management. OIG also sought to determine the underlying cause or causes for the inappropriate behavior or activities.

## SUSTAINED FAILURE OF LEADERSHIP HARMED NATIONAL PASSPORT CENTER'S WORK ENVIRONMENT

OIG found that a sustained failure of leadership fostered a culture at NPC where inappropriate conduct was permitted and employees were not held accountable for that conduct. As detailed below, OIG found many instances in which NPC managers and supervisors did not comply with the Department's leadership principles or with basic leadership tenets for establishing and maintaining a respectful work environment for all employees. In addition, the issues identified in CA/PPT's 2014 review, as shown in Figure 1, were substantially similar to the issues OIG found in this review that took place over 4 years later. Furthermore, OIG found no evidence that senior leaders in CA/PPT monitored the situation at NPC after 2016 to determine whether the coaching and training had the desired effect, which was to resolve the issues identified in the 2014 internal review and improve the overall culture of the organization.

<sup>4</sup> 3 FAM 1214.

<sup>5</sup> 7 Foreign Affairs Handbook (FAH)-1 H-252.3.

OIG reached its conclusions on the basis of 188 interviews with NPC, CA, and other Department employees, both in New Hampshire and Washington, DC;<sup>6</sup> responses to a confidential survey sent to 898 NPC employees, of which 550 responded; and OIG's review of documents and observations of meetings and other activities at NPC during the 2-week on-site portion of the inspection. OIG's work revealed extensive employee concerns regarding inappropriate behavior, including harassment and "bullying," prohibited personnel practices, and selective non-compliance with policies and regulations; OIG also concluded these concerns went largely unaddressed by both CA/PPT and NPC leadership. While NPC's direct-hire and contract staff told OIG they had a sense of pride in their public service and in the center's ability to adjudicate and issue passports in a timely manner, the ineffective leadership created a work environment that harmed staff morale at all levels.

NPC's problematic work environment was exacerbated by other factors. In particular, OIG found that communication was ineffective at all levels within NPC and that leadership within the organization would not or could not engage effectively with their employees. Most notably, although guidance for adjudication standards is crucial information that employees need to perform their work, new or updated adjudication guidance was not effectively communicated to employees. Additionally, the guidance was not centrally stored for easy access by employees, and NPC's locally developed and administered training program was insufficient.

### **National Passport Center Employees Reported Widespread Retaliation, Harassment, and Bullying that Pervaded the Workplace**

Hundreds of NPC employees reported to OIG that retaliation, harassment, and "bullying" pervaded the work environment at NPC. OIG found that the reported behavior was widespread and was either condoned or perpetrated by nearly all levels of NPC leadership. Seventeen percent (91) of NPC employees who responded to OIG's survey reported that they had experienced or observed discrimination and harassment.<sup>7</sup> Of the 156 NPC employees OIG interviewed, 54 (35 percent) stated that they had experienced or observed retaliation, 80 (51 percent) stated that they had experienced or observed harassment, and 61 (39 percent) stated that they had experienced or observed discrimination.

Supervisory Passport Specialists and Passport Specialists reported to OIG multiple instances of perceived or possible retaliation by Assistant Directors, Adjudication Managers, and other Supervisory Passport Specialists in denying awards, promotions, and special assignments. Furthermore, OIG received allegations that NPC managers took possible retaliatory actions against high-performing employees who spoke out against mismanagement. In one case, managers reportedly pursued a disciplinary action against an employee who had reported managerial wrongdoing. The action against the employee was ultimately found not to have merit. In another case, an employee reported that, after sharing various concerns about the workplace environment with NPC leaders, managers thwarted that employee's competitive promotion.

OIG also received information from various sources recounting allegations that, if true, would constitute evidence of systemic harassment by senior and mid-level managers against their subordinates. To take

<sup>6</sup> The 188 interviews consisted of 175 interviews with 156 individual NPC employees and 13 interviews with 17 individual CA and other Department employees. The interview totals and employee totals differ because some employees were interviewed more than once.

<sup>7</sup> The survey question asked, "Have you witnessed or experienced racial, sexual, or other discrimination or harassment within your [office]?"

but one example, multiple employees reported incidents of sexual and gender-based harassment to OIG, which in some cases, had been ongoing, widely known, and accepted as part of the center's culture. During the review, as required by guidance in 3 FAM 1526.2c, OIG filed four separate incident reports to the Department's Office of Civil Rights (S/OCR) based on specific, detailed information received from NPC employees during interviews.<sup>8</sup>

Many employees reported that managers and supervisors denigrated their employees' character and reputation. Employees identified multiple incidents of managers and supervisors who intimidated their subordinates and sometimes their colleagues. At times, the reported intimidation was subtle, but more often it was blunt, offensive, and demeaning. Employees reported to OIG they were conditioned through painful experiences, either their own or watching what happened to others, to "keep their heads down." OIG notes that these claims are consistent with the 2014 CA/PPT internal review, which similarly identified "bullying by managers," "unsupportive managers," and "aggressive managers" as serious concerns. During its review, OIG found no evidence that these conditions had been addressed. Moreover, OIG learned of incidents in which employees reported concerns and managers responded by publicly ridiculing the employees. Some examples included:

- Putting a "hurt feelings report" form that portrayed employees as "whiners" on the desks of employees who had complained.
- Displaying a Walmart job application with a note stating that, if employees did not like working at NPC, Walmart was hiring.
- Ordering and distributing buttons that read "stop lurking" after employees expressed concerns that a manager was eavesdropping and making them uncomfortable.

OIG determined that CA/PPT and NPC leadership, including senior and mid-level managers, failed to take corrective action to address numerous incidents of inappropriate behavior and potentially of prohibited personnel practices. In many cases, employees reported that members of NPC leadership perpetrated inappropriate behavior. OIG also determined that CA/PPT and NPC senior leaders were disengaged and, based on OIG interviews, generally aware of concerns regarding harassment, abuse, and misconduct. During OIG's review, CA/PPT senior leaders told OIG that they blamed some of the issues at NPC on the fact that employees have known each other for a long time, dismissing the allegations as grudges held from high school and referring to employees as "crusty New Englanders." CA/PPT's senior leaders moreover acknowledged inappropriate behavior at NPC, but hoped that "being really busy would solve the problem."

OIG particularly notes ongoing concerns regarding retaliation. Despite training conducted by S/OCR at NPC in 2014, twice in 2015, and, as part of a settlement agreement for an Equal Employment Opportunity (EEO) case in February 2018, employees repeatedly stated that retaliation and harassment by NPC managers persisted. Some employees told OIG they did not report these types of incidents because they feared that NPC leadership would either retaliate against them or would simply not take action. OIG concluded that the failure of NPC's leadership to lead by example created a climate in which employees believed there were no consequences for inappropriate behavior and potentially prohibited personnel practices.

OIG also notes that, after its site visit, a CA/PPT senior leader visited NPC. According to an information memo CA prepared for the Deputy Secretary following the visit, the CA/PPT senior leader communicated

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<sup>8</sup> OIG has not, however, made any finding or determination that harassment or any other prohibited personnel practice occurred as a matter of fact or law in any particular case that came to OIG's attention in connection with the present review.

to NPC employees that the Department does not tolerate retaliation. However, OIG subsequently received complaints that CA/PPT senior leaders and NPC managers admonished staff for complaining to and speaking with OIG.

## **Communication at National Passport Center Was Ineffective**

NPC's already problematic workplace environment was exacerbated by the fact that communication was ineffective at all levels within NPC. Of the 156 interviewed NPC employees, 101 (65 percent) cited concerns with communication—the most frequent concern was that there was insufficient communication. Employees reported that the Director did not regularly communicate with the GS-13 Adjudication Managers, who, as described later in this report,<sup>9</sup> had a significant role in managing day-to-day adjudication operations. Furthermore, she had never discussed her vision or expectations with NPC staff who had a need to understand her priorities. Many employees also reported that they did not know which Assistant Director supervised their divisions and had limited or no engagement with senior leaders. Shortly before the OIG review, several Assistant Directors held meetings with their division staff (managers, supervisors, and Passport Specialists) for the first time in more than a year. Assistant Directors told OIG that they had not held meetings until recently due to workload constraints and because meeting spaces had been used for storage for an extended period of time. CA/PPT senior leaders knew that the frequency of meetings had decreased but pointed out that CA/PPT did not approve this reduction.

One example of poor communication was the lack of a formal and effective process for explaining and interpreting new guidance with Passport Specialists. When CA/PPT Office of Adjudication (CA/PPT/A) issued new or updated adjudication-specific guidance, its implementation instructions to passport agencies stated that Adjudication Managers must meet with Passport Specialists to discuss the guidance, answer questions, and ensure everyone understands how to implement the new guidance.<sup>10</sup> However, NPC's Adjudication Managers consistently and affirmatively refused to meet with Passport Specialists. Instead, they delegated this task to Supervisory Passport Specialists. Supervisory Passport Specialists repeatedly requested more interaction with Adjudication Managers so that they could better advise the Passport Specialists who work on their teams. For example, Supervisory Passport Specialists requested that an Adjudication Manager attend the Supervisory Passport Specialists' meeting to address questions. However, based on emails between Adjudication Managers and Supervisory Passport Specialists that OIG reviewed, Adjudication Managers affirmatively denied this request.

Supervisory Passport Specialists told OIG the Adjudication Managers decided as a group in 2015 to stop holding team meetings, preferring that questions be referred individually through the chain of command rather than discussed at widely-attended meetings. Adjudication Managers did allow one Supervisory Passport Specialist to attend their weekly meetings one time a month and to report back to their peers. However, the Supervisory Passport Specialists told OIG that this process was ineffective because it did not ensure that information was disseminated in a consistent and timely manner. It also did not allow for questions from the Supervisory Passport Specialists to be addressed until the next meeting.

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<sup>9</sup> See section titled "Organizational Structure Diffused Supervisory Responsibility."

<sup>10</sup> These adjudication instructions can cover a wide range of issues necessary for the day-to-day work of NPC employees. For example, one set of instructions provided guidance to employees on how and whether to accept birth certificates from particular counties.



These issues should be addressed promptly, as failure to effectively communicate new or updated guidance increases the risk of different interpretations of the guidance and mistakes in passport adjudication.

## **Lack of a Central Repository of Adjudication Policies and Procedures, Combined with Poor Communication, Led to Confusion by National Passport Center Employees**

NPC's failure to effectively communicate guidance was compounded by the manner in which CA/PPT and NPC distributed information to employees. This guidance was typically in the form of memoranda and notices of revisions to the FAM. CA/PPT conveyed this information via email, but neither CA/PPT nor NPC maintained a repository of those emails. As a result, employees reported difficulties discerning which policies and procedures were current.

Employees said the absence of an authoritative, centralized location for policies and procedures combined with Adjudication Managers' refusal to meet with employees to clarify policies and procedural updates led to delays and mistakes. Specifically, some employees reported suspending applications for the wrong reasons or requesting incorrect or unneeded documents from applicants. Additionally, employees reported that some supervisors had preferred adjudication "styles" that they expected employees to adopt, but the "styles" did not always align with Department procedures or with the FAM. This perpetuated inconsistency and confusion among a workforce that should process each passport application using the same standards.

As with the inappropriate behavior more generally, CA/PPT's senior leaders acknowledged communication problems. OIG found no evidence, though, that these issues had been addressed.

## **National Passport Center Did Not Conduct Sufficient Employee Training**

OIG found that NPC's locally developed and administered annual training program for adjudication, fraud, customer service, and management development had degraded since 2014. For example, a 2014 training matrix showed 1 adjudication course per month, 1 fraud course per month, 6 customer service courses for the year, and 10 management development courses for the year. However, all customer service courses were dropped from the curriculum in 2015, followed by all management development courses in 2016.

NPC senior and mid-level managers stated that CA/PPT had instructed them to reduce training levels in response to the passport surge of 2017. CA/PPT leadership acknowledged that NPC curtailed training during the surge but told OIG that this was done without their approval. Given the staff size and production volume of passports at NPC, CA/PPT should ensure that employees have a robust and comprehensive training program that includes customer service and management development. Reduced training increases the risk that employees are not equipped with the most current guidance to fulfill their duties and with the skills needed to improve their overall performance.



## ORGANIZATIONAL AND ADMINISTRATIVE ISSUES EXACERBATED PROBLEMS AT NATIONAL PASSPORT CENTER

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In addition to the systemic failures in both leadership and communication at NPC, several organizational and administrative issues contributed to the problems at the center. As described in more detail below, the organizational structure diffused supervisory responsibility such that NPC's Assistant Directors were detached from adjudication processes. Furthermore, the center did not have adequate or efficient human resource (HR) services, and it lacked many written HR policies, which made it difficult to ensure transparency and consistency in decisions affecting employees and the work place. Finally, due to NPC's 22-hour per day work schedule, supervisors did not always adequately supervise subordinates working the second shift, and the cost of premium pay paid to staff working that shift was unnecessarily increased.

### **National Passport Center's Organizational Structure Diffused Supervisory Responsibility**

The rapid and exponential growth of NPC to approximately 900 employees was not matched by a corresponding change to NPC's organizational structure. Rather, as NPC's workload increased, the center expanded its staffing by replicating its original organizational model, one used by all passport agencies regardless of size. The standard organizational staffing model for passport agencies consists of a Director, an Assistant Director, two Adjudication Managers, and four Supervisory Passport Specialists who each supervise seven Passport Specialists. OIG found no evidence that CA/PPT considered whether, due to its size, NPC required a different management model other than simply increasing the number of Assistant Directors, managers, and supervisors.

OIG notes that this structure did not function effectively at NPC. There, the six Assistant Directors each have 10 to 15 ancillary duties, which detracted from their ability to directly supervise the 16 Adjudication Managers. For example, employees reported to OIG that Assistant Directors were removed from adjudication processes and thus, the daily workload that they were expected to manage. Their focus on ancillary duties and lack of involvement in day-to-day adjudication process meant, in turn, that the Assistant Directors were often unable to answer procedural questions because of a lack of knowledge. As a result, GS-13 Adjudication Managers assumed a greater role and authority in managing operations without proper oversight by the Assistant Directors. This diffusion of supervisory responsibility exacerbated the leadership and communication problems described previously.

### **Bureau of Consular Affairs Did Not Provide Adequate Human Resources Services to National Passport Center**

CA failed to deliver adequate or efficient HR services to the NPC. Of the 550 survey respondents, 215 (39 percent) rated HR services a 2 or lower on a scale of 1 to 5. Eighty-eight interviewed employees (56 percent) noted a lack of HR support. At the time of OIG's review, HR delivered support to NPC remotely, primarily through the Office of the Executive Director, Human Resources Division (CA/EX/HRD). CA/EX/HRD instructed NPC employees and managers/supervisors to send questions and requests to one of several CA/EX/HRD mailboxes. Emailed requests were then assigned to CA/EX/HRD team members. Employees and managers reported that this process was lengthy with little information as to what, if any, action was taking place, describing the process as a "black hole." Since there was no mechanism for requestors to monitor the status of a request, the NPC Assistant Directors used an internal spreadsheet

to track and follow up on requests and cases forwarded to CA/EX/HRD for action. Although two CA/EX/HRD human resource specialists had offices at NPC, they reported to CA/EX/HRD in Washington and were not designated to provide support to NPC employees.

Some managers tried to fill the gap created by the centralized HR support approach. For example, while the Assistant Directors were responsible for performance management, conduct, and discipline issues within their respective divisions, one Assistant Director's ancillary duties involved liaising with CA/EX/HRD and others in the Bureau of Human Resources. These interactions addressed a wide range of HR functions, including hiring, employee relations, and the Equal Employment Opportunity program. However, this Assistant Director had not been formally trained in HR responsibilities, and his position description did not include these duties, which often required a considerable amount of his time.

The lack of effective and timely HR support from CA/EX/HRD resulted in the transfer of responsibility for HR functions to NPC's managers, supervisors, and individual employees, which resulted in inefficiencies at all levels. NPC managers and employees are not HR professionals, yet they attempted to perform HR duties to compensate for the inadequate support they received from CA/EX/HRD. Delays by CA/EX/HRD in responding to requests placed an undue burden on employees, managers, and supervisors. Particularly in the case of performance and conduct issues, the delays led to increased workload for supervisors monitoring these issues in the workplace and harmed organizational morale.

## **National Passport Center Lacked Written Human Resource Policies**

OIG found that NPC lacked written policies on a variety of human resource issues, including core work hours, awards, flexible work schedules, and leave without pay. For example, NPC's core hours corresponded with the different shift hours that it developed internally. However, core hours, as described in 3 FAM 2331.3, are the daily hours when employees on a flexible work schedule must be present for work, with a band of core hours being at least 5 consecutive hours that do not begin before 6:00 a.m. or extend past 6:00 p.m. In another example, besides Department awards, NPC had an "internal, peer-to-peer" awards program. However, OIG was unable to find a written policy that explained the program and found that employees were generally unaware of the criteria for qualifying for an award or the process for approving the awards. The absence of policies made it difficult to ensure transparency and consistency in decisions and led to perceptions of favoritism.

## **National Passport Center's Second Shift Was Problematic Due to Lack of Supervision and Unnecessary Premium Pay**

OIG found that, as a result of NPC's 22-hour per day work schedule, NPC leaders did not consistently and adequately supervise subordinates on the second shift, and the cost of premium pay (night differential) was unnecessarily increased. Since its creation in 1992, NPC had periodically run two shifts per day for short durations to handle seasonal increases in workload. However, during the passport surge that began in 2007, NPC management created a permanent second shift to handle the increased workload and to have enough desks for newly-hired employees.<sup>11</sup> NPC maintained two shifts even after the surge diminished, but it allowed employees, including supervisors and senior managers, flexibility to determine their own start and end times based on their personal preferences. The result of granting employees such flexibility was that over time, the employees' preferred work schedules—rather than

<sup>11</sup> This problem no longer exists because a recent remodeling and reconfiguration of NPC's workspace created enough work stations to accommodate all staff from both shifts. CA/PPT leadership also indicated that the workspace configuration could accommodate a reduced work schedule for the facility as a whole.

the operational needs of the center—dictated NPC’s operating hours. At the time of the inspection, NPC was open from 4:30 a.m. to 2:30 a.m., with employees arriving and departing at a variety of times throughout that time period.

The most significant effect of the 22-hour per day work schedule was diminished supervision of employees, particularly those on the second shift. OIG found that the shifts of some senior managers did not align with the hours worked by their employees. In addition, OIG hotline complaints alleged that some employees and mid-level managers on the second shift were routinely absent without leave for extended meal breaks and were not available to provide supervisory assistance. To assess the validity of these allegations, as well as additional allegations reported during the site visit, OIG compared building access records against leave requests from March to June 2018 for seven NPC managers.<sup>12</sup> OIG found instances where the managers used their badges to exit the facility and were absent for extended periods. There were no corresponding leave requests to account for those absences. OIG also found instances where the managers used their badges to enter multiple times during their shifts but did not use their badges to exit. As described later in this report, NPC leadership failed to enforce Department standards for entering and exiting the facility. As a result, the building access records were not reliable enough for OIG to reach definitive conclusions about whether the managers worked their entire shifts. Therefore, OIG referred this matter to CA/EX for its review and to take appropriate management action.

Running a second shift also had significant cost effects. Specifically, all work conducted before 6:00 a.m. and after 6:00 p.m. is compensated with premium pay (night differential). In 2016, NPC conducted a cost analysis of the night differential paid to second shift employees based on 2014 staffing levels. According to this analysis, NPC spent over \$1 million per year on night differential. The analysis also showed that NPC could save over \$400,000 per year if the second shift ended at 10:00 p.m. and over \$632,000 if the second shift ended at 8:00 p.m. Due to the expected surge in 2017, corresponding with the 10-year renewal timeframe for passports issued in 2007, the cost analysis was never formally presented to CA/PPT leadership. However, now that the surge is over, CA/PPT and NPC should review and possibly implement the recommendations from the 2016 analysis. Implementing the recommendations would reduce costs associated with premium pay. It would also compress the work hours of mid-level managers and Passport Specialists so that they coincide with senior managers, which in turn would allow for greater oversight.

## NATIONAL PASSPORT CENTER FAILED TO FOLLOW SECURITY PROCEDURES

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In the course of examining the leadership and communication issues described previously, OIG also learned that NPC did not comply with all required Department security procedures. Specifically, as discussed below, NPC did not follow facility access control measures that govern employee entry and exit, creating an opportunity for individuals without approved access to enter the building. This also hindered the managers’ ability to account for employees in an emergency. In addition, unclear Information System Security Officer (ISSO) roles led to confusion and system vulnerabilities.

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<sup>12</sup> Some of the allegations reported during interviews involved first shift managers. To enter and exit the facility, NPC employees put their badges in a card reader and enter their personal identification number (PIN).

## **National Passport Center Did Not Follow Department Facility Access Control Procedures**

In another example of leadership failure, NPC senior leaders made decisions that could have compromised employee safety by allowing them to disregard facility access control procedures set forth in Department standards. Specifically, OIG observed the Bureau of Diplomatic Security's (DS) Uniformed Protection Division officers, who stand watch at the employee entrance during the first to second shift change, lock the turnstiles in the open position to allow employees to enter the facility without using the PIN pads.<sup>13</sup>

DS officers informed OIG that they were instructed by their local DS supervisors, who had been instructed by NPC management, to conduct shift change operations in this manner. They stated this was done to prevent long lines of employees during the shift change. The officers also reported, however, that they took this approach at the end of the second shift even though there were no arriving employees waiting to enter. The officers stated that this practice had been in place for years even though they had objected to DS management about the practice. The officers said that they had not received permission from DS in Washington to open the turnstiles, but rather, all guidance came directly from NPC management. Allowing the turnstiles to be locked in the open position creates undue risks. First, an individual who is not authorized to enter the facility could gain access through the open turnstile. Second, there is a lack of accountability for employees in the event of an emergency.

## **Information System Security Officers' Roles and Responsibilities Were Not Clear**

CA's Senior Information Management Officer did not delineate the roles and responsibilities of the Regional ISSO and the duties of Assistant Director ISSOs (AD/ISSO) at NPC, as outlined in 8 FAH-1 H-601.4-6(A)a-c. The lack of clear guidance on roles and responsibilities caused confusion as to which ISSO would fulfill a given information systems security duty for the center's Sensitive But Unclassified network. In addition, the Regional ISSO had a checklist outlining ISSO duties, but he did not provide clear guidance to the AD/ISSOs on how to perform their duties and did not track compliance. As a result, OIG found multiple information security deficiencies in areas such as configuration management of servers and workstations, continuous monitoring, audits of users' files and folders, and universal serial bus port access control. These information security deficiencies created vulnerabilities that exposed the Department's computer systems to potential misuse and unauthorized software application changes.

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<sup>13</sup> DS' Physical Security Standards for Department of State Domestic Facilities, dated April 27, 2017, VI Access Control Systems, B. DOS-controlled Space, 1(b) Turnstiles, states, "When turnstiles are used, DS-approved card readers with PIN pads shall control ingress."

## RECOMMENDATIONS

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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. The bureau's complete response can be found in Appendix B. The bureau also provided technical comments that were incorporated into the report, as appropriate.

**Recommendation 1:** The Bureau of Consular Affairs should, within 60 days, develop a corrective action plan to address the leadership and management deficiencies at the National Passport Center. At a minimum, the corrective action plan should address Recommendations 2 through 12 and include milestones and target implementation dates for the resolution of each. In addition, the action plan should be reviewed and approved by the Under Secretary for Management. (Action: CA, in coordination with M)

**Management Response:** In its November 16, 2018, response, the Bureau of Consular Affairs concurred with this recommendation. The bureau noted a target compliance date of January 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a corrective action plan to address the leadership and management deficiencies at the National Passport Center.

**Recommendation 2:** The Bureau of Consular Affairs, in coordination with the Office of Civil Rights, should investigate the expressed concerns within the National Passport Center workforce of sexual harassment and discrimination. (Action: CA, in coordination with S/OCR)

**Management Response:** In its November 16, 2018, 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 the Bureau of Consular Affairs' investigation of expressed concerns of sexual harassment and discrimination at the National Passport Center.

**Recommendation 3:** The Bureau of Consular Affairs should assess the skills, knowledge, abilities, and conduct of the National Passport Center's current senior and mid-level management staff to determine whether they should remain in their positions. (Action: CA)

**Management Response:** In its November 16, 2018, response, the Bureau of Consular Affairs concurred with this recommendation. The bureau noted a target compliance date of February 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the Bureau of Consular Affairs' assessment of the National Passport Center's current senior and mid-level management staff to determine whether they should remain in their positions.

**Recommendation 4:** The Bureau of Consular Affairs should implement mechanisms to facilitate more frequent communication and feedback from National Passport Center management to employees. These mechanisms should include means of holding managers accountable for meeting with employees to discuss new passport adjudication guidance in accordance with Department standards. (Action: CA)

**Management Response:** In its November 16, 2018, response, the Bureau of Consular Affairs concurred with this recommendation. The bureau noted a target compliance date of January 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Consular Affairs implemented mechanisms to facilitate more frequent communication and feedback from National Passport Center management to employees.

**Recommendation 5:** The Bureau of Consular Affairs should develop a consistent method to document, communicate, and retain passport adjudication policy and procedure updates and guidance for employee reference. (Action: CA)

**Management Response:** In its November 16, 2018, response, the Bureau of Consular Affairs concurred with this recommendation. The bureau noted a target compliance date of May 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of a consistent method to document, communicate, and retain passport adjudication policy and procedure updates and guidance.

**Recommendation 6:** The Bureau of Consular Affairs should require the National Passport Center to implement a local training program that equips employees with the skills needed to perform their duties. (Action: CA)

**Management Response:** In its November 16, 2018, response, the Bureau of Consular Affairs concurred with this recommendation. The bureau noted a target compliance date of May 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the National Passport Center implemented a local training program that equips employees with the skills needed to perform their duties.

**Recommendation 7:** The Bureau of Consular Affairs, in coordination with the Bureau of Human Resources, should conduct an organizational assessment of the National Passport Agency's structure and responsibilities and implement appropriate recommendations. (Action: CA, in coordination with DGHR)

**Management Response:** In its November 16, 2018, response, the Bureau of Consular Affairs concurred with this recommendation. The bureau noted a target compliance date of May 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the Bureau of Consular Affairs' organizational assessment of the National Passport Agency's structure and responsibilities and implementation of the recommendations.

**Recommendation 8:** The Bureau of Consular Affairs should implement an effective model for providing human resource services to National Passport Center management and staff. (Action: CA)

**Management Response:** In its November 16, 2018, 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 Bureau of Consular Affairs implemented an effective model for providing human resource services to National Passport Center management and staff.

**Recommendation 9:** The Bureau of Consular Affairs should require the National Passport Center to develop and publish policies, in compliance with applicable Department standards, that cover shift hours/core hours, flexible work schedules, awards program, and leave without pay. (Action: CA)

**Management Response:** In its November 16, 2018, response, the Bureau of Consular Affairs concurred with this recommendation. The bureau noted a target compliance date of January 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of policies addressing shift hours/core hours, flexible work schedules, awards programs, and leave without pay that comply with applicable Department standards.

**Recommendation 10:** The Bureau of Consular Affairs should review the National Passport Center's use of the second shift and institute changes to provide for greater supervision of employees and minimize premium pay costs. (Action: CA)

**Management Response:** In its November 16, 2018, response, the Bureau of Consular Affairs concurred with this recommendation. The bureau noted a target compliance date of May 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Consular Affairs reviewed the National Passport Center's use of the second shift and instituted changes to provide for greater supervision of employees and minimize pay costs.

**Recommendation 11:** The Bureau of Consular Affairs should require the National Passport Center management to follow Department standards for facility access control. (Action: CA)

**Management Response:** In its November 16, 2018, 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 National Passport Center complies with Department standards for facility access control.

**Recommendation 12:** The Bureau of Consular Affairs should establish roles and responsibilities for the Regional and Assistant Director Information Systems Security Officers, in accordance with Department standards. (Action: CA)

**Management Response:** In its November 16, 2018, response, the Bureau of Consular Affairs concurred with this recommendation. The bureau noted a target compliance date of January 2019.

**OIG Reply:** OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Consular Affairs established roles and responsibilities for the Regional and Assistant Director Information Systems Security Officers in accordance with Department standards.



## **APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY**

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This review was conducted from June 1 to September 24, 2018, 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**

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, OIG conducted a targeted review of leadership and management at the National Passport Center (NPC).

OIG's specific objectives were to (1) analyze recent complaints made to the OIG Hotline alleging misconduct, harassment, and retaliation, and (2) determine the underlying cause(s) for the reported misconduct, harassment, and retaliation.

### **Scope and Methodology**

To address its objectives, OIG sent questionnaires to 898 NPC employees, including direct-hire and contractors. OIG received 550 responses to the questionnaire, which were analyzed and the results compiled to group allegations of waste, fraud, mismanagement, and discrimination by NPC work unit. OIG also reviewed documentation from the Bureau of Consular Affairs (CA) and NPC on a variety of topics including organizational structure, management policies and procedures, physical security, and information systems security. In Washington, OIG interviewed cognizant officials in CA, the Office of Civil Rights, and the Bureau of Human Resources.

During a 2-week on-site visit to NPC in Portsmouth, New Hampshire, OIG conducted 175 interviews with 156 individual employees, including the NPC Director, all Assistant Directors, and all Adjudication Managers. In addition, OIG interviewed the Regional Director for Passports, who was located at another facility in Portsmouth, but has supervisory responsibility for NPC. OIG used professional judgment, along with documentary, testimonial, and analytical evidence collected or generated to develop its findings and actionable recommendations. At the conclusion of the review, OIG briefed the findings of the review to CA's Assistant Secretary, Principal Deputy Assistant Secretary, the Acting Deputy Assistant Secretary for Passports, and the Managing Director for Passports.

Susan Elliott (Team Leader), Todd Fontaine (Deputy Team Leader), Thea Calder, Tanya Manglona, Sherrie Marafino, Derwood Staeben, and Latesha Turner conducted this review.

## APPENDIX B: MANAGEMENT RESPONSE

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**United States Department of State**

*Assistant Secretary of State  
for Consular Affairs*

*Washington, D.C. 20520*

UNCLASSIFIED

November 16, 2018

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

THRU:       CA – Carl C. Risch

FROM:       CA/PPT – Rachel M. Arndt

SUBJECT:    Response to Draft OIG Report – Inspection of the National Passport Center

Consular Affairs has reviewed the draft OIG Inspection report. We provide the following comments in response to the recommendations provided by OIG:

**OIG Recommendation 1:** The Bureau of Consular Affairs should, within 60 days, develop a corrective action plan to address the leadership and management deficiencies at the National Passport Center. At a minimum, the corrective action plan should address Recommendations 2 through 12 and include milestones and target implementation dates for the resolution of each. In addition, the action plan should be reviewed and approved by the Under Secretary for Management. (Action: CA, in coordination with M)

**Management Response:** CA concurs with this recommendation. CA is formulating a corrective action plan to address the leadership and management deficiencies at the National Passport Center (NPC) to include milestones and target implementation dates for the resolution of each recommendation provided. The timeline for developing the plan is 60 days.

**OIG Recommendation 2:** The Bureau of Consular Affairs, in coordination with the Office of Civil Rights, should investigate the expressed concerns within the NPC workforce of sexual harassment and discrimination. (Action: CA, in coordination with S/OCR)

**Management Response:** CA concurs with this recommendation. S/OCR provided a copy of the Harassment Investigation to Mr. Tyrone Shelton on November 9.

**OIG Recommendation 3:** The Bureau of Consular Affairs should assess the skills, knowledge, abilities, and conduct of the National Passport Center's current senior and mid-level management staff to determine whether they should remain in their positions. (Action: CA)

**Management Response:** CA concurs with this recommendation and is assessing the expertise and conduct of NPC's current senior and mid-level management staff. Once the assessments are

completed CA will make determinations regarding retention. The timeline for completing the review is approximately three months.

**OIG Recommendation 4:** The Bureau of Consular Affairs should implement mechanisms to facilitate more frequent communication and feedback from National Passport Center management to employees. These mechanisms should include means of holding managers accountable for meeting with employees to discuss new passport adjudication guidance in accordance with Department standards. (Action: CA)

**Management Response:** CA concurs with this recommendation. CA is formulating a strategic communication plan which will include means of accountability for disseminating guidance in a timely manner. The timeline for completing the communication plan is approximately two months.

**OIG Recommendation 5:** The Bureau of Consular Affairs should develop a consistent method to document, communicate, and retain passport adjudication policy and procedure updates and guidance for employee reference. (Action: CA)

**Management Response:** CA concurs with this recommendation. CA is conducting a gap analysis on the current methodology for documenting, communicating, and retaining passport adjudication policies in order to address shortcomings in the process. CA estimates the timeline for a full analysis and implementation of Recommendation 5 is six months.

**OIG Recommendation 6:** The Bureau of Consular Affairs should require the National Passport Center to implement a local training program that equips employees with the skills needed to perform their duties. (Action: CA)

**Management Response:** CA concurs with this recommendation. CA is conducting a training needs assessment and will implement a consistent local training program that will enhance the skills, knowledge, abilities of the staff. The timeline for implementation is approximately six months.

**OIG Recommendation 7:** The Bureau of Consular Affairs, in coordination with the Bureau of Human Resources, should conduct an organizational assessment of the National Passport Agency's structure and responsibilities and implement appropriate recommendations. (Action: CA, in coordination with DGHR)

**Management Response:** CA concurs with this recommendation. Passport Services (CA/PPT) and CA's Office of the Executive Director (CA/EX) are assessing NPC's organizational structure. Once CA has completed its initial review, it will consult with DGHR on the appropriate next steps. CA estimates the timeline for a full analysis and implementation is six months.

**OIG Recommendation 8:** The Bureau of Consular Affairs should implement an effective model for providing human resource services to National Passport Center management and staff. (Action: CA)

**Management Response:** CA concurs with this recommendation in part. CA will review current practices, procedures, office structure, and tools to identify potential opportunities to increase effectiveness. CA's Human Resources Division (CA/EX/HRD) has already taken steps in advance of OIG's report to address concerns raised in this report.

**OIG Recommendation 9:** The Bureau of Consular Affairs should require the National Passport Center to develop and publish policies, in compliance with applicable Department standards, that cover shift hours/core hours, flexible work schedules, awards program, and leave without pay. (Action: CA)

**Management Response:** CA concurs with this recommendation. CA will ensure appropriate policies are developed and published in compliance with applicable Department standards that cover shift hours/core hours, flexible work schedules, awards program, and leave without pay. CA anticipates NPC will be in full compliance within approximately two months.

**OIG Recommendation 10:** The Bureau of Consular Affairs should review the National Passport Center's use of the second shift and institute changes to provide for greater supervision of employees and minimize premium pay costs. (Action: CA)

**Management Response:** CA concurs with this recommendation. CA/PPT and CA/EX are assessing NPC's organizational configuration, to include operational hours. Once CA has completed its initial review, it will consult with DGHR on the appropriate next steps. CA estimates the timeline for a full analysis and implementation is six months.

**OIG Recommendation 11:** The Bureau of Consular Affairs should require the National Passport Center management to follow Department standards for facility access control. (Action: CA)

**Management Response:** CA concurs with this recommendation and immediately began enforcing Department standards for facility access control.

**OIG Recommendation 12:** The Bureau of Consular Affairs should establish roles and responsibilities for the Regional and Assistant Director Information Systems Security Officers, in accordance with Department standards. (Action: CA)

**Management Response:** CA concurs with this recommendation. CA will review the roles and responsibilities for the Regional and Assistant Director Information Systems Security Officers, and will provide clear guidance to stakeholders. The timeline for implementation is approximately two months.

The point of contact for this memorandum is Tyrone Shelton.



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[WPEAOmbuds@stateoig.gov](mailto:WPEAOmbuds@stateoig.gov)