

MFR 04 014603

COMMISSION SENSITIVE  
MEMORANDUM FOR THE RECORD

**Event:** Senior Advisor to the Assistant Secretary for Consular Affairs George Lannon

**Type of event:** Interview

**Date:** October 15, 2003

**Special Access Issues:** None

**Prepared by:** Tom Eldridge

**Team Number:** 5

**Location:** GSA Building, 301 7<sup>th</sup> Street, S.W.

**Participants - Non-Commission:**

<u>Name</u>	<u>Agency/Title</u>	<u>Phone</u>
George Lannon	DOS/CA/Snr. Advisor	
Jamison Borek	Asst. Legal Counsel	202-647-2318

**Participants - Commission:**

Tom Eldridge	Counsel Team 5	202-401-1686
Susan Ginsburg	Counsel Team 5	202-401-1747

**Documents/handouts received by the Commission:** None

**Other contacts referred to:** None

**TEXT:**

The interview was recorded on [redacted] and on Folder A, Track 1 of a new chip.

Lannon's CV is as follows:

- 1990 Consul General in Halifax, Nova Scotia
- 1992-1994 CA/VO, Office of Special Liaison
- 1994-1996 Chief, Consular Assistance Division
- 1996-1997 Deputy Executive Director, CA
- 1997-1998 Executive Director, CA
- 1998-1999 DCM, La Paz Bolivia
- 9/99 - 6/00 DAS for Passport Services
- 6/00 - 4/01 DAA Visa Services
- 4/01 - 7/02 PDAS, CA
- 7/02 - 11/02 Acting A/S, CA
- 11/02 - Present Snr. Advisor, A/S CA

CA in the 1990s

The lookout system was antiquated. The Blind Sheikh showed the flaws in the system. Lookouts were on microfiche. The FSN either didn't look or looked and didn't see him on it (unclear if fraud was involved). The process for getting names into Tipoff was haphazard. The Consular IT systems were a "hodgepodge and antiquated."

There was no systemic approach to putting names into Tipoff and no money to upgrade the technology. Then came the MRV fees. MRV fees were used to automate consular systems. From 1993-1999 CA got the "whole world on one system." They made the lookout system more robust, with modern technology and no fiche.

Visas Viper Committees were established. This process brought some new names into the lookout system. It also brought some accountability to the agencies charged with protecting our national security.

Tipoff graduates into CLASS when there is present sufficient biographical data to make placement in CLASS useful. Likewise, CLASS entries graduate into IBIS when the data meets IBIS criteria in order to meet the more demanding time requirements of clearance at the ports of entry. IBIS is not as robust as CLASS.

The 1990s Budget

There were major staffing and funding problems. The "administration wanted to shrink the government." This was the era of "reinventing government." The goal was to improve customer service and efficiency. The Vice President (GORE) was handing out hammer awards. CA was "hiring below attrition." Consular positions are generally at the entry level, so budget cuts meant that "they weren't there."

Several things happened as a result of this. First, there was developed a Best Practices Handbook. The Handbook urged posts to "interview to your refusal rate." Second, Eligible Family Members (EFMs) were hired at lower cost to handle visa work at posts. They only had SECRET clearances. Third, data entry was "off-shored." At the large posts which handle the bulk of visa issuing, State hired contractors off-site to perform data entry on the visa applications which were then forwarded to the posts for processing. Similar outsourcing was done for telephone appointment systems (for some reason, this was called RDS). Fourth, Congress helped by passing the MRV fee law, allowing State to take money "out of the hide of the applicant" to fund CA personnel and overhead as it related to "border security." The MRV fees began flowing in May 1994, but the benefits from them took several years to trickle back to the overworked consular personnel.

Lannon said the changes to workplace practices were viewed as valuable to improve efficiency. In addition, they were essential because people "were burning out." We asked Lannon how he knew this. He said people were telling them they could not take it any more and were leaving the Foreign Service as a result of it.

Lannon described there as being 10-20 posts as issuing the bulk of the visas. These include Seoul, London, and Sao Paulo. The big posts account for 90% of visas issued, so they concentrated on improving efficiencies there first. Also, improving efficiency required "first

world” capabilities such as banks who could receive the visa and MRV fees off-site. Lannon noted that having the money collected off-site was also good for avoiding the temptation of malfeasance. It got the money out of the consular section.

MRV fees were required to be spent improving border security, by statute.

#### CA Priorities

Lannon described CA’s priorities as American Citizen Services (ACS), Improved Datasharing, and Responses to terror attacks.

Within ACS was the goal of protecting amcits overseas, promoting Children’s Issues (CI Office established during this time), and pre-positioning materials overseas to augment posts’ abilities to respond to crises including terror attacks and natural disasters (materials such as cell phones).

Datasharing. They tried without success to gain access to NCIC data. This took the Patriot Act to accomplish (no thanks to the FBI). The FBI claimed there were problems because State was not law enforcement and there were not sufficient safeguards (e.g., vis-à-vis FSNs at post), but these objections were never really pushed and it was basically FBI stonewalling that prevented action on this topic.

With regard to INS, A major datasharing initiative concerned applications for people seeking to immigrate to the U.S. State attempted to work with INS on electronic transfer of the data files, mostly without success. The process was that an American Citizen would apply for a family member to emigrate to the U.S. This application would go to the INS at one of their six service centers. It would then be sent by INS to State’s Portsmouth, NH Visa Center for processing by State. Then State would send it (electronically) to post with notice that (typically) the person was on a waiting list. State wanted the transmission from INS to come to them electronically.

#### Awareness of and Responses to Terror.

“We looked to the intel community, S/CT, and FBI, to tell us what to do.” CA “had no expertise in terror.” CA did meet with DS and S/CT on issues of concern relating to the safety of amcits. Mary Ryan and Lannon received intel by pouch each morning.

The information on Al Qaeda related to its operations overseas. Lannon recalls in 2001 that there was concern about an attack coming overseas. He recalls a focus on this time on the vulnerabilities of embassies, businesses, hotels, and other threats to amcits.

From CA’s perspective, the goal was to issue appropriate warnings consistent with the “no double standard” policy established after the Lockerbie bombing. Unfortunately, the warning process produced warnings that were “vague and frustratingly so.”

If the information related to a specific individual suspected of involvement in terrorism (versus a threat to a specific location that concerned the ACS side) then the information went into Tipoff.

#### Fraud and Travel Documents

Lannon was not sure how the visa line officers get fraud alert information. He believed that lost or stolen passports information was included in CLASS and were checked before a visa could be issued.

COMMISSION SENSITIVE

Mostly, the fraud at post concerned phony bank statements, job letters, etc.

Lannon said CA did not get good service from the INS Forensic Document Lab. Lannon also felt that the fraud office (CA/FPP) had a tactical, not a strategic approach to fighting fraud. He described FPP as "a bastard child." FPP reports to the PDAS of CA. Lannon cited an example of tremendous resources being spent on Visas 92 cases – applications for family members of asylees – which Lannon felt were wasted (because the work had no effect on INS decision-making on these applications).

Lannon wanted to build within the Visa Office an office around a forensic document capability. This FPP would report through the Visa Office to the PDAS. They also would work with a Vulnerability Assessment Unit in the VO. He also wanted to limit the involvement of the Consular Systems Division because he felt it was a mistake to have a user of the computer systems involved in crafting the anti-fraud strategic plan for their systems.

Lannon also expressed concern that DS have assistance from individuals more expert in visa issuance so they did not jump to conclusions about CCD data.

9/11 Classified Information

Lannon said there is no centralized way that fraud is detected and interdicted. He said it depends on the post. Every post has a fraud officer, Lannon said, but the officer was not always a full-time fraud officer.

9-11

Lannon was in Washington on 9-11 and acting in MR's absence. He had a T.V. on and saw one of the planes hit the WTC live. He went upstairs to the morning meeting. Then, they saw smoke on a camera and thought it was coming from the OEOB (it was a camera angle picking up the Pentagon smoke). The building was ordered evacuated around 10 a.m. There was no communication from the SecState's office. Lannon moved with a small staff to the Annex in Columbia Plaza.

Two Task Forces TF1 And TF2 respond to emergencies. TF1 is convened by the SecSate. TF2 is the Consular Task Force. TF1 convened at the Schultz Center and Lannon sent 3-4 people there. However, there were major communication problems. There was no way to communicate from main state to the Schultz Center.

The day of 9-11, Lannon's objective was to make sure the "no double" standard issue was included in the many cables "rocketing out" regarding security concerns of our personnel overseas. Lannon also made sure there was someone on call to pull visa and passport records. He arranged this with the Passport DAS Wayne Griffith. Lannon stayed in the Annex until 4 p.m., ensured these components were in place, then left. He returned the next day after the President declared it "business as usual" that night.

COMMISSION SENSITIVE

There followed a frenzy of activity, the chronology of which Lannon could not recall precisely. Among the instructions sent to posts during this period were (paraphrasing): "Freeze all visa applications," "don't destroy visa applications," "The RSO will be the POC. Don't contaminate documents." A cable was sent regarding the collection of evidence.

Lannon said much was made later about the fact that the State Department did not perform its own investigation of how the hijackers had secured visas. In his view, this was because the law enforcement community told CA in effect, "Back off and let the cops do their job." In other words, this was a criminal investigation and the criminal investigators were the ones making decisions about what evidence to collect and how it would be used. CA complied. But, Lannon said, "It worked well, but we were never told 'it's over.'"

Similarly, Lannon said the only reason State knew who the 19 hijackers were was from reading it in the newspaper. "I read it in the Post."

Post 9-11 and Key Meetings

"Armitage was the focal point" on post-9-11 activities at State.

CSG Meeting with Dick Clarke. People pushed biometrics. Lannon pointed out that the CCD has photos and lots of biographical data which could be helpful in improving border security. At that time, State was piloting the availability of CCD data to inspectors at the Newark Port of Entry. Ziglar was at this meeting. According to Lannon, shortly after this CSG meeting, Ziglar went to (1) Ground Zero, and (2) Newark where he saw the CCD data in use. He immediately ordered it deployed to all POEs by the end of 2001.

Lannon said State was frustrated by INS's reluctance to embrace the CCD data. Then, when the INS did go national with the CCD data, they deployed it only in secondary, and then with difficult access issues. Lannon said this made no sense to not have it available in Primary. He said INS technology was, as usual, bad in this case.

In a memorable metaphor, Lannon described relations with INS as being "handcuffed to a corpse."

White House Meetings

Lannon recalls a number of these meetings but was vague on the dates. He recalls one meeting at which DOJ and FBI suggested shutting down the borders. State and Customs were there and discussed how to deal with the burdens caused by shutting down the borders.

FBI said let's shut down visas. Condor was FBI's idea.

Lannon/State's CSG suggestions

Lannon says he made a number of suggestions at the CSG meetings. They included:

1. Deploy the CCD data fully at POEs.
2. Create a position of a "dispassionate czar" who would be empowered to force the law enforcement and intelligence community to cough up data. This suggestion came from many years of dealing with the FBI. Lannon mentioned that the FBI said they had terrorist data in VGTOF, but efforts by State to gain access to it were rejected by the FBI. Also, the FBI can't

COMMISSION SENSITIVE

say who in VGTOF is Al Qaeda versus Crips versus Bloods. Likewise, NCIC can say there is a problem, but "not what it is," according to Lannon.

Echoing a sentiment expressed by many other people, Lannon said "The FBI doesn't give, the FBI takes." [As Lannon acknowledged, the second of these suggestions did not occur. Instead, in a cruel irony, Tipoff was handed over to the FBI. Said Lannon, "The fox has won."] As of November 2002, Lannon said, he was still reading about names of supposed terrorists "in the paper" and finding out that they were not in Tipoff. Said Lannon, "if the FBI is our domestic intelligence agency, then they are not sharing it."

3. Improve security in the Western Hemisphere. At present, a photocopied birth certificate and a Costco id are enough to allow you to gain entrance to the United States from Canada. Proposals to achieve this are still pending. Clarify how many people actually crossing.

4. Bar the entry (visa-free) of so-called "landed immigrants" from Commonwealth countries to the United States. These individuals were able to enter with a "Landed Immigrant Card", nothing more than a piece of paper. The countries involved included Pakistan. Lannon said it took until "well into 2002" to implement this ban.

5. Prevent entry to the United States by individuals who hold a valid I-94 but whose visa has expired. At the time of 9-11, you could leave the U.S. and travel to Mexico, Canada or the Caribbean and come back into the U.S. within 30 days, even though your visa had expired.

6. Interviews. Need to do more.

7. Visa revocation based on data supplied by CIA

8. Get VGTOF data into Tipoff. [Still not in there as of 10/03?]

9. Backup system vulnerabilities. CA banned the use of one month old CDs for CLASS namechecks. If CLASS is down, there can be no visas issued until it comes back up. Also, CA keeps a copy of all CLASS data backed up at the Kentucky Consular Center. CA also stores visa applications there. They are no longer destroyed after one year.

10. Visa waiver concerns. Lannon learned from testimony by Ziglar at a hearing in October 2001, that a majority of VW entrants are not checked at all by inspectors at POEs. The 45 minute rule ties the hands of inspectors, and makes them pass many travelers without inspection. Lannon thinks that either an Australian-type system or better use of APIS solves VW concerns. So long as you could prevent ticketing or boarding, you can accomplish the goal.

11. TWOV. State had recommended ending the program. It ultimately was eliminated.

12. Eliminate involvement from non-consular officers. State removed FSN access to CLASS. State also phased out the program pursuant to which family members of FSOs participated in visa adjudications.

Canada and Mexico

## COMMISSION SENSITIVE

One major problem is accurate data. For example, there were 39 million American border crossings with the Canadian border. It is unclear whether that is 39 million individuals or one individual crossing 39 million times. The same is true for Mexico with regard to border crossings. If State will be required to create passports for Americans seeking to transit the Mexico border, border crossing cards, or some other document, then State needs to know how many it will need to produce.

Post 9-11, negotiations with C and M intensified. Lannon sought ways to get them access to CLASS data. On the Mexico side, the issues were migration. Lannon said that the 30 point Ridge/Manley document was produced from negotiations already in the works pre-9-11 by State. Likewise, the Ridge/Creel agreement arose from previous talks with Mexico.

Lannon pointed out that, as to Canada, there is a great deal of "direct dial diplomacy." Lots of interactions between USG personnel and Canadian authorities about which the State Department is unaware.

CIESEN – Mexican CIA  
 INM – Mexican Immigration Authority  
 Federal Police – Mexican MIS

Post 9-11, Mexico supposedly increased enforcement along its Guatemalan border. S/CT stood up TIP in Mexico. Lannon thinks this occurred post Ridge/Creel. Lannon does not know at how many border crossings TIP is in use on the U.S-Mexico border.

Lannon said that Mexico "watchlists" visa applicants from 61 countries. Lannon said this means they just delay processing their visa applications and hope they go away (in effect, delaying is denying).

9/11 Classified Information

On the subject of Consular Matricula Cards, Lannon said there are two issues. First is the matter of interior enforcement. Congress has, in essence, said don't enforce the immigration law in the interior and instead move enforcement to the border. The second is with regard to employer sanctions.

Technology upgrades

The Lincoln Visa

Photo digitization of the passport.

Biometrics – coming. State gave NIST lots of data from their database on Mexican NIV applications (where they have been collecting photos and fingerprints for several years) for use in formulating a position on biometrics.

COMMISSION SENSITIVE

In 1999, Lannon saw a program on the Learning Channel about the use in Las Vegas of facial recognition software to prevent cheating/card counting. When he became the PDAS, he insisted that CA send a team to Las Vegas to investigate its possible use.

In 2002, from Spring to November, CA worked on how to get fingerprints and photos taken and verified at posts.

The DHS Oversight Role

In the INA of 1952, Congress recognized that there is a foreign policy and a law enforcement aspect to visa policy, and there is overlap. Now, under the new arrangement, the Secretary of State gets his power FROM DHS, and the Secretary of State can only make a decision to DENY a visa on foreign policy grounds, not approve anything.

CONDOR

The FBI and DOJ, at the White House, said let's shut down visas. Present at the meeting were: Dianna Schact, Steve McGraw, Stuart Levy, George Lannon, Steve Fischel, Wayne Griffith, and Kara Blue (from the DepSec's office).

Before this key meeting, the FBI "narrowed" their problem group to 26 countries, and all Muslim males ages 16-45.

State was concerned about negative effects on (1) foreign policy, and (2) U.S. economic well-being. According to Lannon, the law enforcement personnel didn't care about any of this. In Lannon's view, as a result of actions taken at the behest of law enforcement, "we have become a very inhospitable country." In his view, it is the loss to the tourism industry that has made our economy "soft."

The First step was a 20-day hold to allow the FBI to do namechecks on the applicants. State set up their computer system to block issuance of any visa for 20 days. According to Lannon, the FBI "didn't do anything on them." In other words, the FBI's goal was simply to slow down visa issuance. During this period, the FTTTF was being stood up.

The FBI then asked State to do 30-day holds concurrent with the 20-day holds. [Note: need to clarify how this was possible]

State then sent out a cable notifying posts of the 30-day hold. Unfortunately, the FBI could not meet this deadline. The FBI got back to State 45 to 90 days after the cables had been sent with some initial objections. State then revoked these visas prudentially. While this was the subject of a GAO report, no person in this group of revoked visas was ever shown to be a terrorist. [Note: Catherine Barry of the Visa Office advised us that all FBI objections were later withdrawn.]

Lannon's summary of Condor: "Condor is not serious. It's just to slow people down."

Relations with the CIA

Lannon said "they have done something." After the meeting between Mary Ryan and Tenet, the "thresholds" changed. In fact, Lannon said, Tenet discussed the fact that thresholds needed to

COMMISSION SENSITIVE

change. Lannon said that there were ways to protect sources and methods and get State the information it needed.

9/11 Classified Information

COMMISSION SENSITIVE