

TEAM 1503007743
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COMMISSION SENSITIVE

MEMORANDUM FOR THE RECORD

Event: Briefing by Frank Moss, DAS for Passports, U.S. Department of State

Type of event: Briefing

Date: September 10, 2003

Special Access Issues: None

Prepared by: Tom Eldridge

Team Number: 5

Location: Department of State

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Documents/handouts received by the Commission: A copy of the powerpoint presentation provided to the Commission. A document titled, "Technologies and Design Elements of the 1998 U.S. Passport."

Other contacts referred to:

Jim Williams – DHS contact on bimoetrics
Stuart Verdery – DHS Undersecretary handling U.S. Visit
Charny Lions -- ?

TEXT:

Background

There are 900 DOS employees adjudicating passports.
There are 600 contractors who are also involved in the process.
The average adjudicator handles 150-200 cases per day.
They adjudicate about 7 million/year
Current capacity of passport agency: 10 million passports per year.
There are 53 million U.S. passports in circulation (20% of our amcits)

1994 – last major revision to the U.S. passport
-- contained a new security laminate
-- contained hundreds of hidden security features
-- made by GPO for \$2.25 per copy
1996 – photo-digitized passport being developed
1998 – photo-digitized passport first placed onto the passport datapage
-- plan on obsolescence/ overcome by fraud within five years.
Y2K -- diverts passport services resources and attention
End 2001 -- finished process of introducing photo-digitized passport

Locations of passport agency service centers:

2 megacenters in Portsmouth, New Hampshire, and Charleston, South Carolina

1111 19th Street – a center providing passports to USG diplomatic and civilian and specialized agencies.

Funding

How funded: Indirectly. Machine Readable Visa Fees are a significant source of DOS funding. Passport fees -- \$400 million/year – go into the general U.S. Treasury. A passport expedition fee of \$65 per passport generates \$95 million/year. These funds go into a capital investment fund of the State Department. In return (sort of) for this capital investment fund influx, the passport agency gets an outflux of MRV fees money for its budget.

How MRV fees affect passport agency budget. MRV fees have risen, as demand has dropped in the past two years. The total of MRV fees has increased, but the amount passed back to the passport agency has not kept pace with the new costs, such as for the development of biometrics.

Western Hemisphere Project

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Studying a requirement that Amcits must have a passport to travel to Mexico or Canada and Canadian cits must have a passport to travel to the U.S.

Under the INA, the SecState decides if AmCits need a passport to travel within the Western Hemisphere.

140 million Americans cross the border every year in the WH, but it is unclear how many individual citizens this represents.

Enhanced Border Security Act of 2002 – Section 303(C)(1). Requires an embedded biometric for citizens of visa waiver countries who want to come to the U.S. after October 26, 2003. Points to ICAO for the standard. This provision is waivable and was waived by SecState in September 2003, until October 26, 2004.

ICAO – decided that a contactless chip would be the best and would work across all platforms – passports, visas, and travel cards. Standard for size of chip – 12 KB.

Rollout of the Contactless chip biometric passport

By October, 2004, DOS plan is to have a small number of the contactless chip passports produced with a 32 KB chip.

Late winter/early spring 2005. DOS plans beginning production of contactless chip passport.

End 2005. DOS plans full production of contactless chip passport.

Today, they are sending out Requests for Information (RFIs) to “the world.” They have received back 40 responses from businesses primarily giving them information and advice about how to implement a biometric passport.

Security concerns Among the concerns are “skimming” – i.e., the ability of someone employing technology to read the passport by holding a piece of equipment in close proximity to the passport even when it is in a person’s pocket. This is a matter of concern to USG agencies

9/11 Classified Information and is on the plate for ICAO to address in their standards determination.

9/11 Classified Information

Other concerns. Procurement is an issue. State is working on having GPO be the purchasing agent for the passport from the vendors who will produce it. That would simplify the process.

Goal of new passport. To look behind the paper.

Coordination with other agencies/databases. State is working with SSA to check SSNs to see if they are in circulation as part of their passport adjudication. They are also working to gain access to private databases such as Choicepoint and Axion.

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Anti-fraud efforts.

Stats: THIS YEAR: 32,766 cases sent to Fraud Prevention Managers for screening; 2,854 of these sent to DS for criminal investigation; 491 accepted for prosecution; 203 people arrested in connection with these cases.

State has a sophisticated anti-fraud program under which they educate passport application acceptors and adjudicators about fraud indicators, do investigations of suspected fraud, and make appropriate referrals for prosecution.

Validation studies. After issuing, they have gone back to a randomly selected 1,000 passport set to see if any were obtained by fraud. They have conducted this exercise twice and both times turned up NO fraudulently-issued passports.

Belief on volume of fraud. State believes they uncover one half of the total passport fraud committed.

State is now scanning all prior passport applications into CLASS.

Prosecution -- Centers for Excellence. The USA in New Hampshire will prosecute any passport dfraud case originating from applications that pass through the Portsmouth Center.

TRAP

Terrorism indicators created from review of previous terrorists.

CLASS

15-16 million names of visa refusals
3 million lost or stolen passport records
.75 million who are a flight risk – unclear what is source of these.

G-8 Issue

The issue of whether countries can better coordinate on the sharing of information on lost or stolen passports may be raised by the U.S. in the G-8 when the U.S. has the presidency next year.

Individuals working on the issue are Gary Edson from the NSC and Dr. Russ Newman of the USOSTP (Office of Science Technology Policy). Moss thinks a secure ICAO website could serve as a central repository for lost and stolen passport data.

Moss said that international information sharing now was better on stolen passports than on lost ones.

CCD

Has information reliably input from State all over world since 1998.
In last eight months, State has created links across CCD datafiles. For example, now a person searching NIV records for a particular applicant will see the IV records relating to that same applicant on their screen.

9/11 Classified Information

9/11 Classified Information

DHS Coordination on U.S. visit, etc.

Asa Hutchinson

Jim Williams

Bob Mottney

Shary Lions

State is working to provide all passport documents to DHS through electronic databases. The supporting docs can be numerous and their availability to DHS could be very useful in fraud or CT investigations.

Implications for the Visa Waiver Program

DAS Moss said it was his belief that the biometric passport, when adopted by VW countries, could improve security of travel from visa waiver countries by:

1. creating a more secure passport (harder for terrorists to forge one and acquire VW citizenship)
2. By allowing for better datasharing on U.S. passports (?)
3. ?

Facial Recognition software and Pilot

NIST did a study in 2002

It was done with DOD and DOS money

The findings were that FR was 90% effective in a 1 to 1 match.

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The October 26, 2004 deadline

Moss said there are good reasons why we would give a break to some countries on the deadline.

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Most countries will have difficulty meeting the 10-26 deadline. The only possible exception is Australia. On 9-12, Moss was on the phone with the Canadians, who were amazed at the U.S. progress in their biometric passport program.

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According to Moss, State believes the 10-26-04 deadline is firm, in that countries must both (1) have a biometric program and (2) have their biometric passport in production on that date to be in compliance. Other agencies, he indicated, do not believe the deadline must be so strict.

Breeder documents

Sections 656 and 657 of IRAIRA gave authority to develop uniform national standards on breeder documents to the INS. This was a mistake, Moss said, because INS had no real desire to take on this responsibility. Really, this authority should be given to the National Center for Health Statistics (NCHS), a branch of the CDC.

Goal is to have one state-authorized birth certificate with some security features such a watermark.

Future Projects

1. Western Hemishpere
2. Biometric Passports
3. Breeder documents
4. G-8 coordination
5. More validation studies

11/12

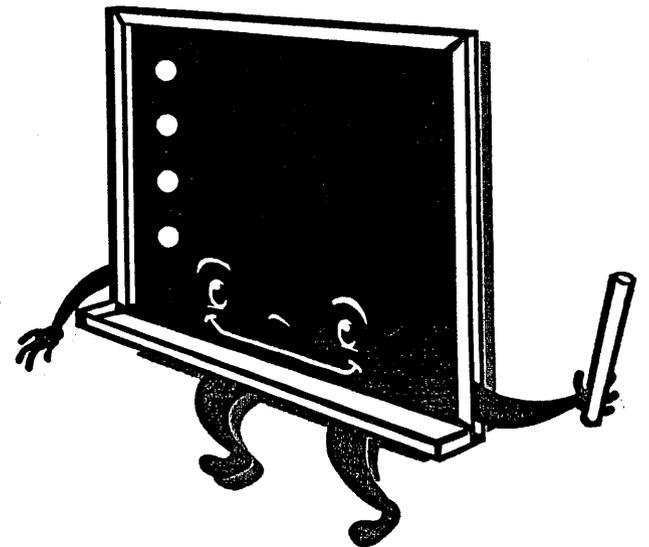
Briefing on Passport Operations for the 9/11 Commission



By the
Bureau of Consular Affairs
September 10, 2003

Issues To Be Covered:

- Passport Security
- Passport Systems
- Continuous Improvements to U.S. Passports
- Targeted Improvements to U.S. Passport Adjudication Process
- Role of Acceptance Agents
- Fraud Prevention Efforts
- Western Hemisphere Project



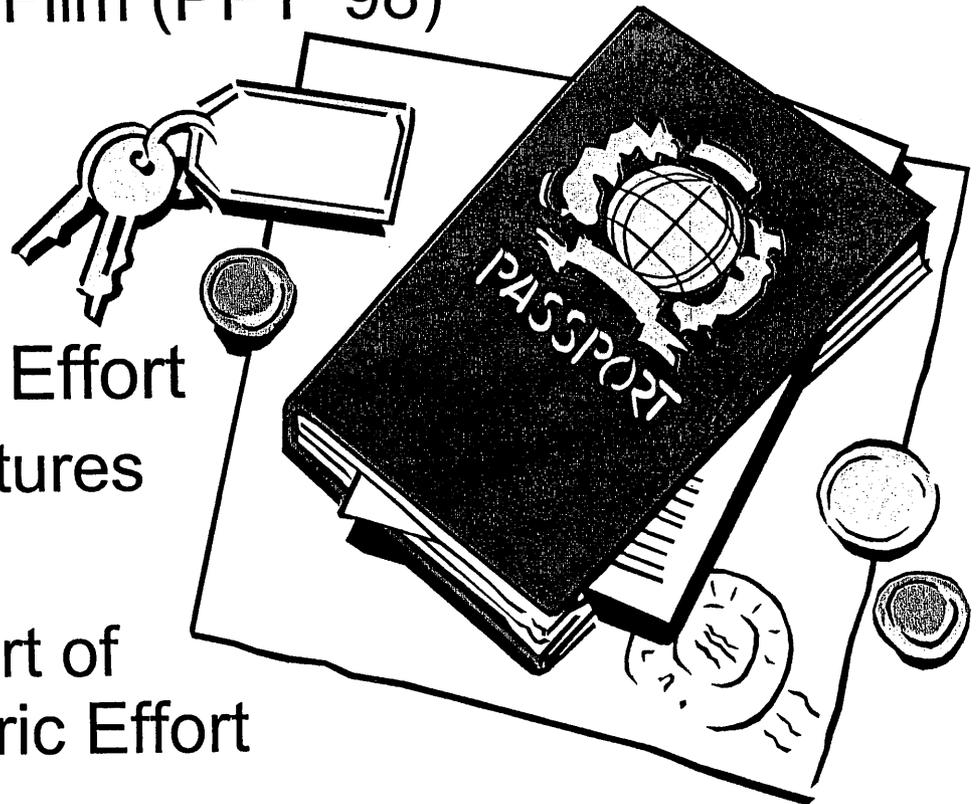
Passport Security

- Current Security Features

- Laminate (PPT '94)
- Photodigitization Film (PPT '98)
- Paper
- Printing
- Special Inks

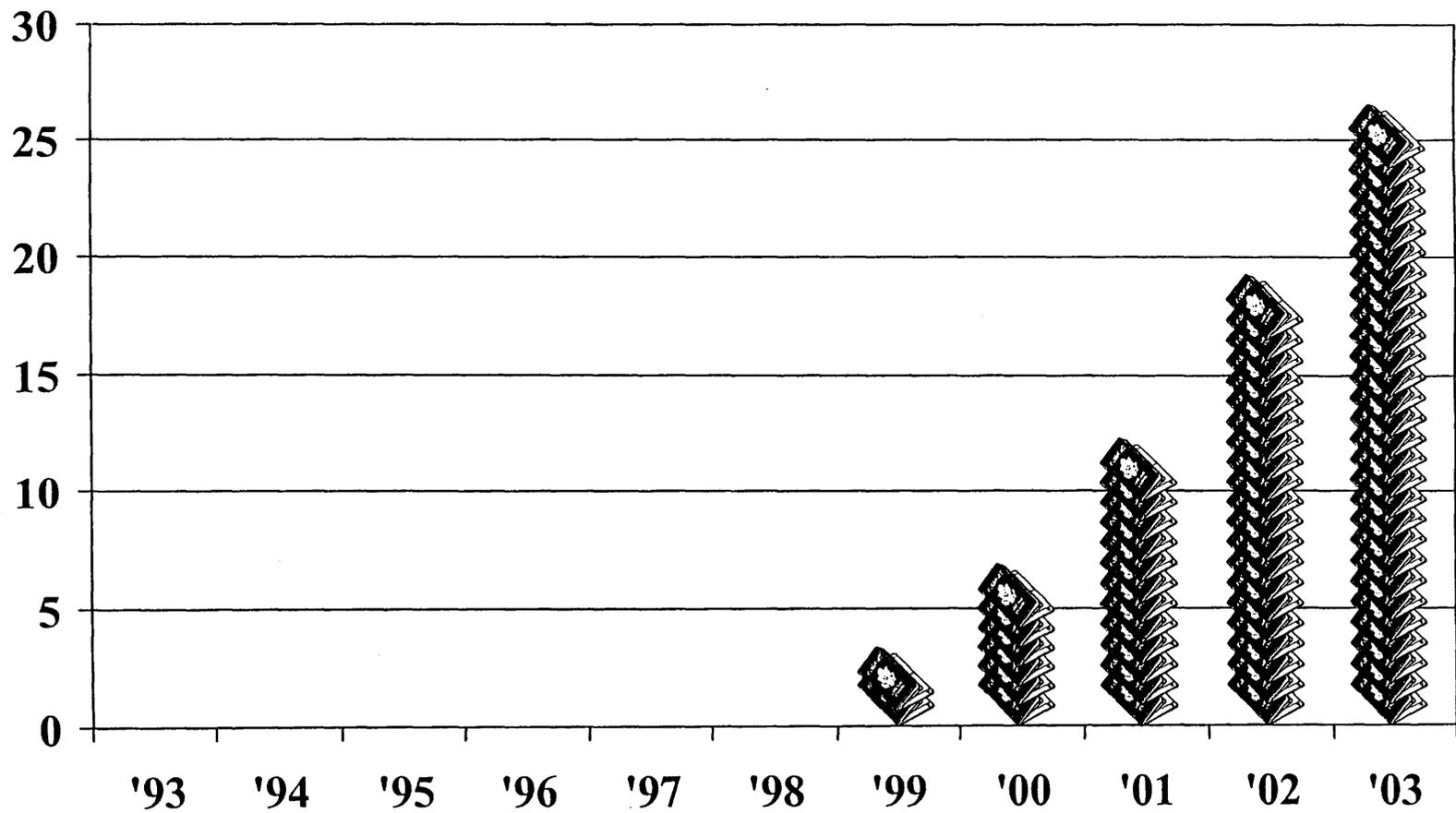
- New Book Design Effort

- New security features
- New art
- Introduced as part of Passport Biometric Effort



Photodigitized Books in Circulation

(in millions)



Passport Systems

96-98 collection
15-16 m - visas
3 m - passports
dead beat
250k from crim.
justice

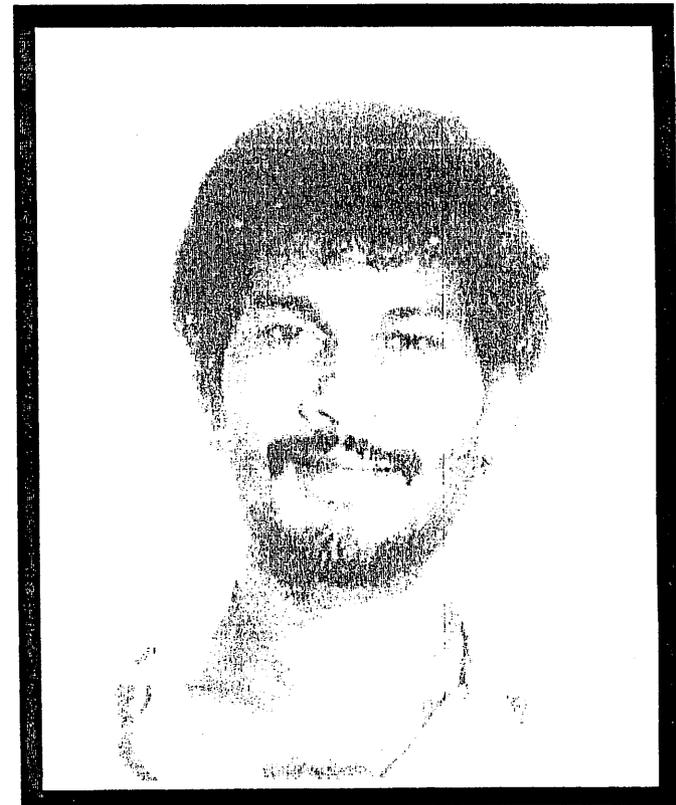
- Consular Lookout and Support System (CLASS)
- WIN database *warrants & holds*
- Multiple Issuance Verification (MIV)
- Consular Lost and Stolen Passport (CLASP)
- PRISM/PIERS
 - Backscanning passport applications to 1994
- Overseas Photo-Digitized Passport (OPDP)
- Consolidated Consular Database (CCD)
- PLOTS *Passport Lookout Tracking System*
frauds



Biometrics in U.S. Passports

Improving the Product

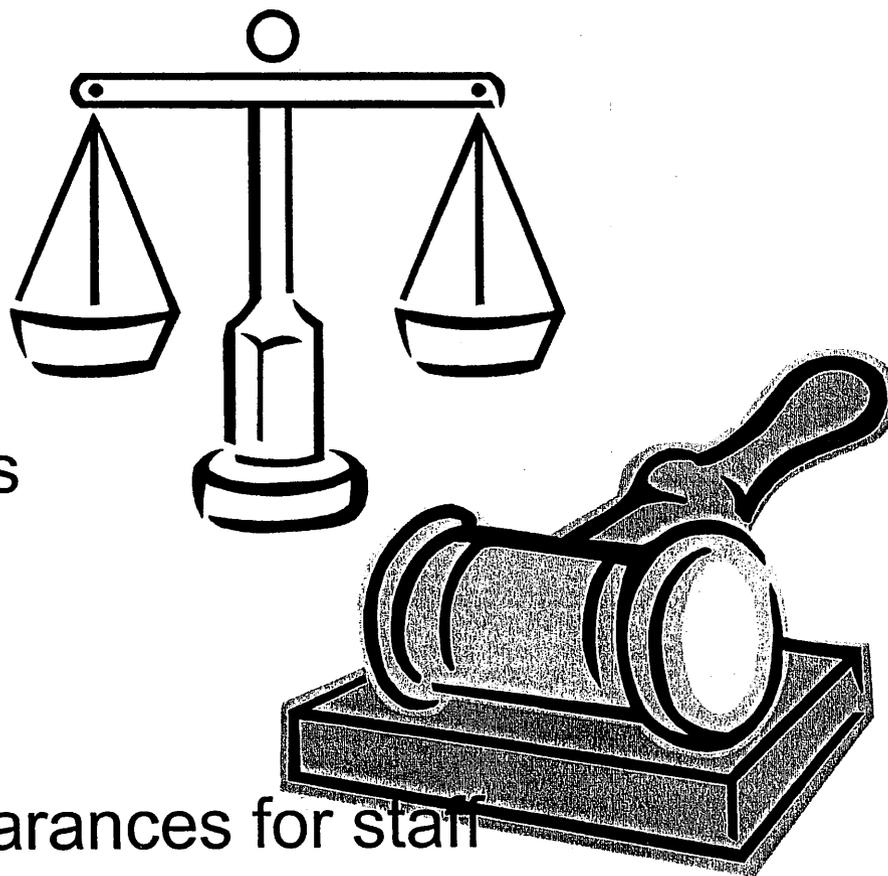
- U.S. Legislation
- ICAO
- Which Biometric?
- 1 to 1 vs. 1 to Many
- Drawback of Other Biometrics
- U.S. Rollout Strategy
- Product Demonstration



Passport Adjudication

Improving the Process

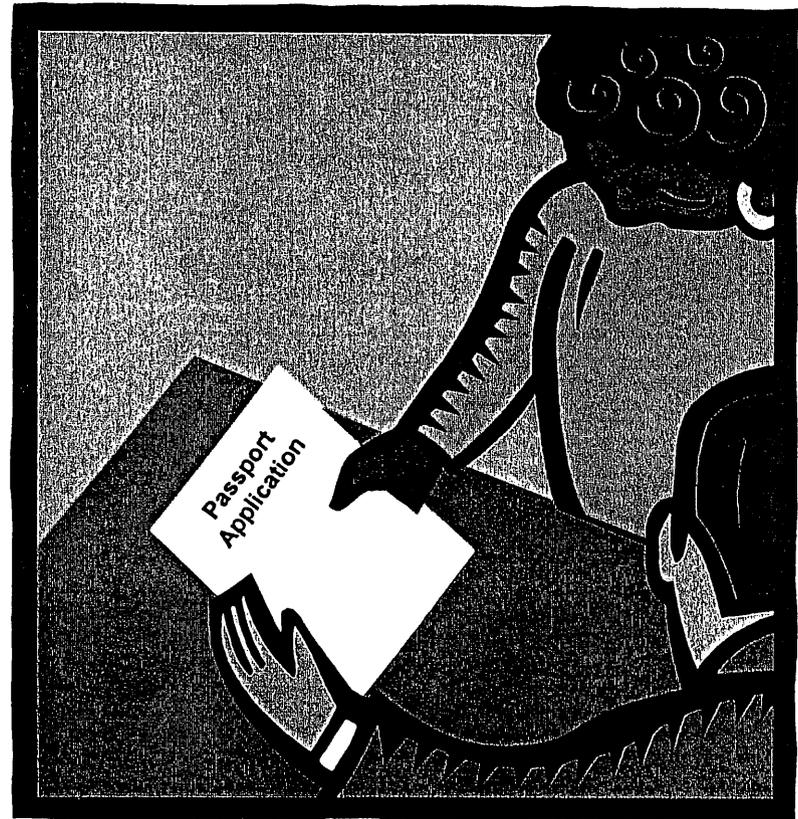
- Current system
 - Identity
 - Citizenship
- Looking behind the paper
- SSA access
- Commercial databases
 - Not credit checks
- Capistrano/TRAP
- DataShare efforts
- Upgraded security clearances for staff



Acceptance Agents

- Role in Passport Process
- Who are they?
- Where are they?
- Recognition Process
- Liaison with USPS
 - Training
- Other Acceptance Agents

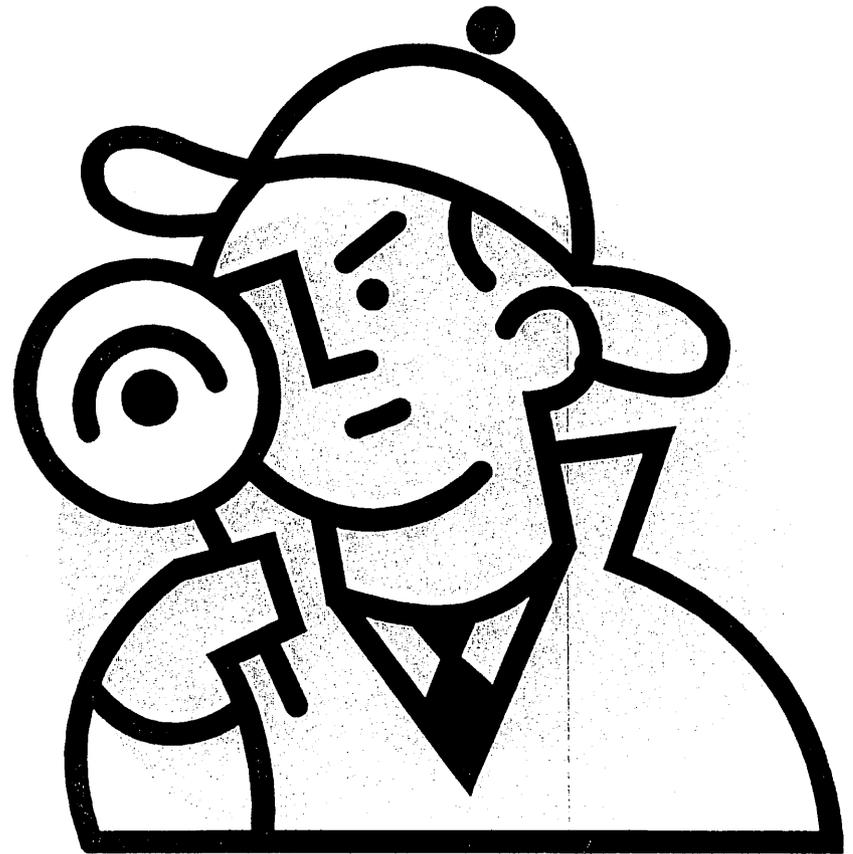
*Clerks, Post offices
about 5,500 locations
80% USPS - retain a fee of \$30*



Fraud Prevention Efforts

- Role of FPMs
- Fraud Indicators
- Referrals from Passport Specialists
- Role of DS
- Centers for Excellence/
criminal penalties
 - Nashua, NH

*AUSA
will take
any care*



Fraud Prevention Metrics

1-1000

- 32,766 to FPM for screening
- 2,854 to DS for criminal investigation
- 491 accepted for prosecution
- 203 arrests
- Increased criminal penalties

*fraud prevention
angers
at least
one in
every
agent*

*likely
twice as
many*

15%

*sentencing
guidelines
effort
underway
Asmitage -
Thompson*

Fraud Indicator Check	
Applicant's Name <u>Smith, Ann Marie</u> D	
Referred By <u>McDonald</u> Passport Agent	
Birth/Citizenship Evidence	Identification
<input checked="" type="checkbox"/> Counterfeit?	<input type="checkbox"/> Recently
<input type="checkbox"/> Forged/Altered	<input type="checkbox"/> Issued w/
<input type="checkbox"/> Delayed, based on	<input type="checkbox"/> past
<input type="checkbox"/> insufficient or	<input type="checkbox"/> Forged/Al
<input type="checkbox"/> contrived evidence	<input type="checkbox"/> Inadequat
<input type="checkbox"/> Unfamiliar Format	<input type="checkbox"/>
<input type="checkbox"/>	
Previous Passport	Identifying With
<input type="checkbox"/> Page/Photo Subbed	<input type="checkbox"/> Same as N
<input type="checkbox"/> Claims Lost/Stolen	<input type="checkbox"/> Friend/Co
<input type="checkbox"/> Mutilated/Altered	<input type="checkbox"/> Unable to
<input type="checkbox"/> Exhibits frequent/	<input type="checkbox"/> w/o appl
<input type="checkbox"/> repeated travel	<input type="checkbox"/> Has acted
<input type="checkbox"/> to	<input type="checkbox"/> previous
<input type="checkbox"/> Not Indicated	
Expeditious Service	Completion of Ap
<input type="checkbox"/> Will Call	<input type="checkbox"/> Errors/On
<input type="checkbox"/> Visa/Travel Service	<input type="checkbox"/> completi
<input type="checkbox"/> Overnight Delivery	<input type="checkbox"/> Not compl
	<input type="checkbox"/> applican
	<input type="checkbox"/> Complet
	<input type="checkbox"/> one hand
Address(es)	Phone Number(s)
<input type="checkbox"/> Mail Drop	<input type="checkbox"/> place pretextur
<input type="checkbox"/> PO Box/Suite No.	<input type="checkbox"/> Not indic
<input type="checkbox"/> Care of	<input type="checkbox"/> Home/Basis
<input type="checkbox"/> Commercial	<input type="checkbox"/> Same as NO
<input type="checkbox"/> Same as NOK/IDW	<input type="checkbox"/> No Listing
<input type="checkbox"/>	<input type="checkbox"/> other pas
Social Security Number	Emergency Addr
<input type="checkbox"/> Recently Issued	<input type="checkbox"/> Friend
<input type="checkbox"/> Not Assigned	<input checked="" type="checkbox"/> CONRAD/-R
<input type="checkbox"/> Erroneous	

Western Hemisphere Project

- What is it?
- Advantages
 - Facilitation
 - Security
- Where are we?
- How many passports?
At what cost?
- Timeline



