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STATEMENT OF  
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GENERAL GOVERNMENT DIVISION  
U.S. GENERAL ACCOUNTING OFFICE  
BEFORE THE  
SUBCOMMITTEE ON IMMIGRATION,  
REFUGEES, AND INTERNATIONAL LAW  
COMMITTEE ON THE JUDICIARY  
HOUSE OF REPRESENTATIVES



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ON  
[ IMMIGRATION AND NATURALIZATION SERVICE'S  
SURVEY OF ILLEGAL ALIENS  
AND  
ALIEN DOCUMENTATION, IDENTIFICATION AND TELECOMMUNICATION SYSTEM ]

Madam Chairwoman and Members of the Subcommittee:

I appreciate your invitation to present our views on  
the Immigration and Naturalization Service's contract for  
a residential survey of illegal aliens and its development  
of an Alien Documentation, Identification and Telecommunication  
system. Accompanying me today are Mr. Frank Toth and Ms. Geri  
Jasper, both of whom were deeply involved in the audit of the

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Alien Documentation, Identification and Telecommunication System.

We have issued to this Subcommittee separate reports on each of these matters and my remarks are, for the most part, based upon those reports. Our major observations on the contract for a survey of illegal aliens were

- the Service's contracting efforts left much to be desired and were responsible, in part, for the contract not being completed and funds being depleted, and
- in view of the contract's complexity, large dollar amount and problems encountered, an audit of the contractor's costs was desirable.

Our major observations on the Service's alien documentation system were

- the system, designed to help prevent the entry of aliens using fraudulent identification documents, will have little impact on the influx of illegal aliens into the United States, and
- that development of certain automated verification portions of the system should cease.

Our report on the first matter was issued on April 17, 1978, and our report on the alien documentation system was just issued in draft to the Subcommittee. At this time, I will discuss in greater detail our major observations.

## SURVEY OF ILLEGAL ALIENS

In April 1978, we reported to the Subcommittee that the contract between the Immigration Service and J.A. Reyes Associates for a survey of illegal aliens was in trouble: contract performance was delayed and the money was running out. But, at that time, the Service maintained that the survey could be completed, although on a greatly reduced basis, with some benefit.

Since then, as you know, the survey has been terminated by the Service. The Service has received no information from the contractor. Just what contractor developed information the Service is entitled to is now a matter of dispute between the Department of Justice and the contractor.

What part of the blame for the failure of the survey should be borne by the Service is difficult to gauge. Under the best of circumstances, an undertaking of this nature would be difficult. But the Service's lack of experience in handling this type of contract made it more so.

The purpose of the survey was to:

Estimate the number of illegal aliens by type  
(entrant without inspection, visa abuser, etc.)  
in selected areas within the 12 most populous  
States: California, New York, Pennsylvania,  
Texas, Illinois, Ohio, Michigan, New Jersey,  
Florida, Massachusetts, Indiana, and North  
Carolina.

Collect and analyze characteristics information on illegal aliens such as: age, sex, nationality, marital status, mode of entry, education, length of stay, source of livelihood.

Determine the extent of participation of illegal aliens in social service programs and the labor market.

Stimulate further illegal alien research in specific areas based on the results of this effort.

Because of inexperience in studies of this nature, size, and complexity, the Service may have been simply over-optimistic. The Service's project officer acknowledged that the request for proposals was not adequately thought out and the Service really didn't know what it wanted. Following contract award, the Service requested numerous changes in the survey design and questionnaire. These changes were accompanied by prolonged discussions, reviews, and deliberations. All of which took time; and in Government contracting, time is money.

As deliberations continued over just how the survey should proceed, the contractor was incurring costs under the cost-type contract. It was not until about 14 months after the contract was awarded that project office officials realized the contractor was not under a firm fixed price contract

and, therefore, was not committed to completing the job within the estimated cost of the contract. The depletion of available funds and the lack of tangible results ultimately caused the Service to terminate the contract.

In our April 1978 report we listed several reasons why a financial audit of the contract was in order. An audit was then performed and we understand an interim report questioned charges of about \$150,000 and indicated that additional charges may be questioned.

As I mentioned, what, if any, data the Service will receive for its money is in dispute.

ALIEN DOCUMENTATION, IDENTIFICATION  
AND TELECOMMUNICATION SYSTEM

Regarding the Service's alien documentation system, our recent draft report to this Subcommittee points out that the system will be of little help in stopping the influx of illegal aliens.

The system is to use an alien identification card which is more fraud-resistant than prior cards because its physical characteristics make it difficult to tamper with and because its authenticity can be machine validated. Additional information about the cardholder is to be available through automated access to a central data base. The document verification system and additional information would be used

by Federal inspectors at ports-of-entry to determine the admissibility of aliens.

When completed, the system, as conceived, will solve a problem of little magnitude. Although there are many illegal aliens in the country (estimates range from 2 to 12 million), most persons entering the country illegally do not use admission documents. Most illegal aliens simply cross the border between or are smuggled through inspections points. Immigration Service statistics for fiscal years 1974 through 1977 show that 89 percent of the deportable aliens apprehended entered the country without inspection. In addition, only a portion of the remaining 11 percent entered the country using fraudulent identity cards.

There is also a major system implementation problem. The standardized, fraud-resistant card cannot be effective until it replaces existing cards. Until total replacement is made, aliens would be able to use one of the 17 existing, easily counterfeited, cards.

When system development began, the Service planned to replace existing cards within 3 to 4 years. In December 1977, the Immigration and Naturalization Service projected a 7-year replacement schedule. However, as of October 1978, planned daily and total card production output had not been met and production problems existed.

Precisely when the new card will replace all other cards is difficult to gauge. If the 1984 date were to be met, the Service estimated that as of October 1978, 825 thousand cards should have been produced. To meet that goal, daily card production should have averaged 3,300. As of that date, only 160,000 new cards had been issued and daily production was only 2,000.

There remains, however, a clear need to improve the entry documents currently in use. These documents can be easily counterfeited or altered and some people attempt to do so. Also, simply standardizing the current 17 versions of alien registration cards should be a help to Federal inspectors. The system will provide an improved document.

The system is a long way from completion. Additional unresolved hardware development problems exist and the projected cost of the system has escalated from \$13 million to about \$67 million through fiscal year 1984. Recent information provided to us by the INS shows the following actual and estimated costs for the system.

1.	Amount spent and appropriated through FY 1979	\$24.0 million
2.	Amount requested in FY 1980 budget	7.0 million
3.	Estimated amount for automated validation and on-line inquiry equipment	8.7 million
4.	Estimated amount for card production for 1981 through 1984	<u>27.0 million</u>
	Total	<u>\$66.7 million</u> -----

In our report we have questioned the need for INS to develop the automated features of the system. We recognize, however, that an improved identification card is needed.

First, the card is to have, among other features, high quality fine line engraving; a photograph of the alien incorporated in such a manner as to preclude substitution; and special plastic laminates fused to the card surface. These and other card features improve the inspectors' manual inspection capability to such an extent that additional machine verification is, in our opinion, of limited value.

Second, large numbers of persons enter the United States through ports-of-entry, particularly those on the land borders. We believe that the use of machines to verify a substantial number of cards would slow traffic flow--an unacceptable condition.



Third, the Service has not demonstrated that the automated verification portion of the system will be cost effective. It appears to us that minimal benefits will be obtained for the millions of dollars that the Federal Government will be required to invest to procure such equipment as optical character readers. Also, even if the automated verification portion of the system does result in a decrease in the number of illegal aliens entering the country at ports of entry, there is no assurance that these same people will not enter the country between ports of entry.

It is for these and other reasons that we recommended in our report that further development of the automated verification portion of the system should cease.

This concludes my statement Madam Chairwoman. We will, of course, be happy to respond to any questions you may have on these matters.