

**Statement of**  
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**United States Department of Homeland Security**

**Before the**  
**Committee on International Relations**  
**United States House of Representatives**

**Hearing on**  
**“Stolen Passports: A Terrorist’s First Class Ticket”**

**June 23, 2004**

Mr. Chairman, Ranking Member Lantos, and Members of the Committee,

I am pleased to have the opportunity to appear before you today to discuss the findings of my office's recent review of the visa waiver program and the threat that stolen passports pose to that program and more broadly, national security.

In April 2004, my office issued an inspection report, *An Evaluation of the Security Implications of the Visa Waiver Program*. Copies of the report have been provided to the Committee and are available to the public on our website.

The Visa Waiver Program began as a pilot program in 1986 and has evolved into a permanent program in which 27 nations participate. The program enables most citizens of these countries to travel to the United States for tourism or business purposes for 90 days or less without obtaining a visa.

From the beginning, the program involved a balancing of security risks and benefits to commerce, tourism, foreign relations, and the workload of the Department of State (DOS). Until the Department of Homeland Security (DHS) was established, immigration policy and the conduct of the visa waiver program were the responsibility of the Immigration and Naturalization Service of the Department of Justice (DOJ).

The visa waiver program has been studied before. The DOJ Office of the Inspector General (OIG) examined the visa waiver program in 1999 and in a follow-up report in 2002.<sup>1</sup> The reports recounted timeliness and accuracy problems when stolen passport data was entered into lookout systems, failures to check lookout systems when passports were presented, and disorder in the management of the stolen passport program. More recently in November 2002, the General Accounting Office considered whether the visa waiver program should be ended, but did not recommend elimination.<sup>2</sup> My office undertook to look carefully at security issues in the visa waiver program and make recommendations to strengthen its management, focus and procedures now that DHS is established and largely responsible for the program.

Virtually all those familiar with the visa waiver program told us that the lost and stolen passport problem is the greatest security problem associated with the visa waiver program. Our country is vulnerable because gaps in our treatment of lost and stolen passports remain. To be specific:

- DHS does not have a process to check lost and stolen passport information against entry and exit information to determine the scope of fraudulent use of visa waiver passports, or to determine when a traveler overstays and does not leave the country as required.

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<sup>1</sup> *The Potential for Fraud and INS's Efforts to Reduce the Risks of the Visa Waiver Pilot Program*, Report No. I-99-10 (Mar. 1999); *Follow-up Report on the Visa Waiver Program*, Report No. I-2002-002 (Dec. 2001).

<sup>2</sup> *Border Security: Implications of Eliminating the Visa Waiver Program*, GAO-03-38 (Nov. 22, 2002).

- There continue to be problems with how the United States obtains lost and stolen passport information from visa waiver program participating governments and a need for a more regularized collection of such information. In at least one foreign country visited during our fieldwork, we observed substantial uncertainty over how to report thefts of its passports to our country.
- There are significant variations in the security practices and internal controls that foreign countries apply to their passport manufacturing and issuing processes. We urged that DHS examine these passport controls when it conducts the country reviews that assess a country's continued eligibility to participate in the visa waiver program.
- Even when lost and stolen passport data is properly reported to the U.S. and entered into U.S. lookout systems, some passports reported as stolen may still be used to enter the United States. We have indications that stolen passports have been used to enter the United States, even after September 11, 2001.
- In cases where inspectors identify stolen VWP passports presented by applicants who are denied entry, the fraudulent documents frequently are returned so that the travelers may use them to return to their country of origin.
- We also reported that a lack of training hampers POE inspectors' efforts to detect VWP passport fraud.

Many of the problems we encountered during this review are either the same as the earlier reported problems or closely related to them. Our report contained 14 recommendations for corrective action in response to the vulnerabilities we observed in the program. Subsequent to the issuance of our report, the Border and Transportation Security (BTS) directorate has responded to our report and agreed to take corrective action in response to each recommendation.

One of the most significant corrective actions responsive to the concerns stated in our report is the processing of visa waiver travelers through US Visitor and Immigrant Status Indicator Technology (US-VISIT). As implemented in December 2003, US-VISIT excluded visa waiver travelers from its scope. We strongly recommended that visa waiver travelers be added to the US-VISIT program because of the additional screening, identification, and exit control features it offers. On April 21, 2004, DHS Secretary Ridge announced that BTS would begin to process visa waiver travelers through US-VISIT "...by September 30, 2004."

A second and equally important concern from our report was the ill-defined process by which information about a country's stolen and lost passports are reported and disseminated among other countries. We are therefore pleased to learn of the INTERPOL plan to consolidate and regularize reporting of lost and stolen passports. This initiative, when fully implemented and when all nations participate, should be of

great benefit by permitting automatic checking at the checkpoint or port of entry of whether the traveler is presenting a lost or stolen passport.

Even with the completion of the corrective actions we recommended, the visa waiver program will always pose some security risk. The fundamental premise of the program is that millions of persons, about whom we know little, can be exempted from DOS' ever more rigorous visa procedures and permitted to board U.S.-bound planes. As we said in our report, "The visa is more than a mere stamp in a passport. It is the end result of a rigorous screening process the bearer must undergo before travel." By the end of the visa interview DOS has collected and stored considerable information about the traveler and the traveler's planned journey. DOS has introduced biometric features into its visas, shares data from its visa records with DHS port of entry systems, and significantly increased the percentage of applicants subject to a careful interview. In contrast, the visa waiver traveler is interviewed briefly, and the passport examined, again briefly by an inspector who may be unfamiliar with even valid passports from the issuing country.

During the course of our review of the visa waiver program, we obtained documents that recount instances in which blank, bona fide passports from other countries were stolen and, as determined from their serial numbers, later used to enter the United States, sometimes on multiple occasions. In some instances, entry was permitted even after the stolen passport had been posted in the lookout system.<sup>3</sup>

On the basis of this information, I asked that my Office of Inspections, Evaluations, and Special Review begin a review into this information. I do not comment on ongoing work, but I can advise you that the review has obtained additional documentation that, while still subject to further analysis, strongly suggests that stolen passports can be used successfully to enter the United States today. I will report to you on the further results of this review as soon as I am able.

This concludes my statement. I look forward to the opportunity to answer your questions.

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<sup>3</sup> The passports of some countries contain two numbers: an inventory control number for the blank document and an issuance number added to the finished passport along with the bearer's personal information. In most instances, only the issuance number is queried against lookout lists, although it is the inventory control number that would have been entered into our lookout system had it been reported stolen by the foreign government.