

GAO

Report to the Chairman, Committee on  
Homeland Security, House of  
Representatives

September 2007

# BORDER SECURITY

## Fraud Risks Complicate State's Ability to Manage Diversity Visa Program



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Accountability · Integrity · Reliability

# Highlights

Highlights of [GAO-07-1174](#), a report to the Chairman, Committee on Homeland Security, House of Representatives

## Why GAO Did This Study

Diversity visas provide an immigration opportunity to aliens from countries with low rates of immigration to the United States. Diversity visa applicants must apply online, be selected by lottery, be interviewed, and be determined to be eligible before obtaining a diversity visa. GAO was asked to review (1) the extent to which the Diversity Visa Program (DV program) is diversifying the U.S. immigrant pool, (2) areas of the DV program that are vulnerable to fraud, (3) whether there are security implications associated with these vulnerabilities, and (4) what steps the Department of State (State) has taken to address the vulnerabilities. We reviewed laws, regulations, and other documentation, and interviewed numerous State officials both at headquarters and in the field.

## What GAO Recommends

We recommend that State compile better data on known fraud in the DV program and use these data to develop a strategy to address fraud risks, including proposals for legislative changes, if deemed necessary. State did not agree with our recommendations and said that it has a robust fraud screening program for DV applicants. However, our report shows that there are significant fraud risks in the DV program and that State could do more to mitigate the risk, especially at posts that are reporting significant challenges with DV fraud.

To view the full product, including the scope and methodology, click on [GAO-07-1174](#). For more information, contact Jess T. Ford at (202) 512-4128 or [fordj@gao.gov](mailto:fordj@gao.gov).

# BORDER SECURITY

## Fraud Risks Complicate State's Ability to Manage Diversity Visa Program

### What GAO Found

The DV program is contributing to the diversity of U.S. immigrants; since 1995, more than 500,000 aliens from countries with low rates of immigration to the United States have become legal permanent residents through the program. Little is known about diversity immigrants once they enter the United States, such as whether they contribute to further diversity by petitioning for family members to immigrate.

The DV program is vulnerable to fraud committed by and against DV applicants, but State has not compiled comprehensive data on detected and suspected fraudulent activity. At 5 of the 11 posts we reviewed, consular officers reported that the majority of DV applicants, lacking access to a computer or internet savvy, use "visa agents" to enter the lottery. Some agents take advantage of DV applicants; visa agents in Bangladesh have intercepted applicants' program documents and charged ransoms of up to \$20,000 or coerced applicants into sham DV marriages. Consular officers at 6 posts reported that widespread use of fake documents, such as birth certificates, marriage certificates, and passports, presented challenges when verifying the identities of applicants and dependents.

Difficulty in verifying identities has security implications because State's security checks rely heavily on name-based databases. In 2003, State's Inspector General raised concerns that aliens from countries designated as state sponsors of terrorism can apply for diversity visas. Nearly 9,800 persons from these countries have obtained permanent residency in the United States through the program. We found no documented evidence that DV immigrants from these, or other, countries posed a terrorist or other threat. However, experts familiar with immigration fraud believe that some individuals, including terrorists and criminals, could use fraudulent means to enter or remain in the United States. This places a premium on mitigating fraud risks.

Despite taking steps to strengthen the DV program, State does not have a strategy to address the pervasive fraud reported by some posts. State believes that some legislative changes could mitigate fraud risks, but it has not made formal proposals for change and has not compiled comprehensive data on program outcomes and fraud trends which would help decision makers consider whether legislative changes are needed.

**Top 10 Countries of Origin for DV Immigrants, Fiscal Years 1995-2006**



Source: Map Resources (map).

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**Abbreviations**

DV	Diversity Visa
FPP	Office of Fraud Prevention Programs
IG	Inspector General
INA	Immigration and Nationality Act
KCC	Kentucky Consular Center

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United States Government Accountability Office  
Washington, DC 20548

September 21, 2007

The Honorable Bennie G. Thompson  
Chairman  
Committee on Homeland Security  
House of Representatives

Dear Mr. Chairman:

Congress established the Diversity Visa Program (DV program) through the Immigration Act of 1990.<sup>1</sup> The program provides up to 55,000<sup>2</sup> immigrant visas<sup>3</sup> each fiscal year to aliens from countries with low rates of immigration<sup>4</sup> to the United States. Diversity visas provide an immigration opportunity to individuals from countries other than the countries that send large numbers of immigrants to the United States. Aliens from 179 countries are eligible to participate in the 2007 DV program. A diversity visa holder may travel to the United States and apply for entry as a legal permanent resident.<sup>5</sup> Legal permanent resident status allows individuals to live and work legally in the United States, travel in and out of the country, petition for certain family members to join them, and eventually apply for U.S. citizenship. Unlike most immigrant visa categories, DV applicants do

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<sup>1</sup>Immigration Act of 1990, Pub. L. No. 101-649, § 131, 104 Stat. 4978, 4997-99 (1990) (codified at 8 U.S.C. § 1153 (c)).

<sup>2</sup>The Nicaraguan Adjustment and Central American Relief Act (NACARA) passed by Congress in November 1997 stipulated that up to 5,000 of the 55,000 annually allocated diversity visas be made available for use under the NACARA program. The reduction of the limit of available diversity visas to 50,000 began with the DV program's fiscal year 2000, or DV-2000, and is likely to remain in effect through the DV-2008 program.

<sup>3</sup>The United States also grants visas to people who are seeking to enter the United States temporarily. In this report, we use the term "visa" to refer to immigrant visas only.

<sup>4</sup>Aliens from countries that have sent more than 50,000 immigrants in the family- or employment-based categories in the previous 5 years are not eligible for the current fiscal year's lottery. The list of ineligible countries can change every year as immigration patterns shift; on average, approximately 15 countries have been ineligible each year since DV-2000. The following 16 countries are ineligible for the 2007 DV program: Canada, China (mainland-born), Colombia, Dominican Republic, El Salvador, Haiti, India, Jamaica, Mexico, Pakistan, Philippines, Poland, Russia, South Korea, United Kingdom (except Northern Ireland) and its dependent territories, and Vietnam.

<sup>5</sup>Holding an immigrant visa is but one of the requirements an alien must satisfy to become a legal permanent resident. *See* 8 U.S.C. § 1201.

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not need a family member or employer in the United States to petition on their behalf. Instead, aliens enter what is commonly referred to as the “visa lottery”; individuals selected in this lottery are eligible to apply for a diversity visa. The Department of State (State) administers the DV program, including an online entry and lottery selection process at its Kentucky Consular Center (KCC) and visa adjudication interviews at its consular posts abroad.<sup>6</sup>

This report is part of a two-pronged approach to address your interest in the immigrant visa process, the potential vulnerabilities in the process—including security risks—and options for mitigating these risks. In the course of our research, we decided to focus on the diversity visa category of immigrant visas for two reasons. First, in 2003, State’s Office of the Inspector General (IG) pointed to pervasive fraud in DV applications that posts must deal with, as well as the risk inherent in allowing aliens from countries designated as state sponsors of terrorism<sup>7</sup> to apply for and obtain a diversity visa. Second, we spoke with several experts both within and outside of government who raised concerns about fraudulent activity in the DV program. Another GAO study currently underway—the second to address your request—will focus on the security screening and adjudication process for nonimmigrants already in the United States who are applying for legal permanent resident status.

This report examines (1) the extent to which the DV program is diversifying the U.S. immigrant visa pool, (2) areas of the DV program that are vulnerable to fraud, (3) whether there are security implications associated with these vulnerabilities, and (4) what steps State has taken to address the vulnerabilities in the DV program. To conduct our review, we

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<sup>6</sup>Applicants already residing in the United States on a nonimmigrant or other status may be eligible to adjust to legal permanent resident status through the Department of Homeland Security’s U.S. Citizenship and Immigration Services. *See* 8 U.S.C. § 1255. In fiscal years 2000 through 2005, about 5 percent of DV immigrants adjusted status.

<sup>7</sup>Countries determined by the Secretary of State to have repeatedly provided support for acts of international terrorism are designated pursuant to three laws: section 6(j) of the Export Administration Act as codified at 50 App. U.S.C. § 2405 (j), section 40 of the Arms Export Control Act as codified at 22 U.S.C. § 2780(d), and section 620A of the Foreign Assistance Act as codified at 22 U.S.C. § 2371. Taken together, the four main categories of sanctions resulting from designation under these authorities include restrictions on U.S. foreign assistance, a ban on defense exports and sales, certain controls over exports of dual use items, and miscellaneous financial and other restrictions. Designation under the above-referenced authorities also implicates other sanctions laws that penalize persons and countries engaging in certain trade with state sponsors. Currently there are five countries designated under these authorities: Cuba, Iran, North Korea, Sudan, and Syria.

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reviewed laws, regulations, and other documentation related to the DV program, and interviewed officials at State headquarters and at the KCC, where the online entry and selection processes for the diversity visa lottery are administered. We selected 11 DV-issuing posts to review because they encompassed a range of experiences in DV processing: (1) posts that had reported considerable DV fraud activity, (2) posts representing various DV workload volumes, (3) posts located in different geographic regions, and (4) posts that process applicants from countries designated as state sponsors of terrorism. We conducted field work at 4 of these posts: Accra, Ghana; Lagos, Nigeria; Warsaw, Poland, which processes DV applicants from Ukraine; and Ankara, Turkey, which processes DV applicants from Iran. At these 4 posts, we reviewed consular operations and interviewed State officials regarding the challenges they face with the DV program. We interviewed consular officers at an additional 7 posts via teleconference. We conducted our review from November 2006 to August 2007 in accordance with generally accepted government auditing standards. Appendix I provides more information on our scope and methodology.

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## Results in Brief

Data show that the DV program is contributing to the diversification of the U.S. immigrant pool. As a result of the program, more than 500,000 aliens from countries with low rates of immigration to the United States have obtained legal permanent resident status. Immigrants from Africa and Europe have received the most diversity visas. For example, in fiscal year 2006, 40 percent of diversity immigrants were from Africa and 34 percent were from Europe, while 19 percent were from Asia, 4 percent from South America, and 1 percent from North America. Ethiopia, Nigeria, and Ukraine have consistently ranked among the top diversity-visa-sending countries since fiscal year 1995. Little is known about diversity immigrants once they enter the United States, such as whether they remain in the United States and petition for other family members to immigrate. There have been very limited attempts by State and the Department of Homeland Security to evaluate the effectiveness of the program and its impact.

Several elements of the DV program are vulnerable to fraudulent activity committed by and against DV applicants, but State has not compiled comprehensive data on detected or suspected fraudulent activity. The extent to which these vulnerabilities are exploited varies by country, depending on the applicant pool and local circumstances. Some of the posts we reviewed indicated that fraudulent activity was a major concern, while others did not report serious problems. In countries such as Bangladesh, Ethiopia, Ghana, Nepal, Nigeria, and Ukraine, consular

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officers reported that the majority of DV applicants, lacking access to a computer or internet savvy, seek assistance from “visa agents” or “visa consultants” to enter the lottery. While some visa agents perform a legitimate service, others take advantage of DV applicants by such means as disseminating misleading information on the program, intercepting official correspondence from the KCC to the lottery winners, and charging exorbitant fees for each step in the DV process. For example, consular officers at the U.S. embassy in Dhaka, Bangladesh, said that some unscrupulous visa agents use their own address on DV entry forms so that KCC’s notification letters are delivered to them instead of to the person selected in the lottery. The agents have then, in some cases, held these letters for up to \$20,000 in ransom, or offered to reduce this fee if the legitimate DV winner agreed to marry a person of the agent’s choosing—who had also paid a fee to the agent—and to add this new spouse to the visa application. Consular officers working in the U.S. embassies in Accra, Addis Ababa, Dhaka, and Warsaw<sup>8</sup> and in the U.S. consulate in Lagos said they encountered many of these fraudulent DV marriages, termed “pop-ups” since the relationships were formed after the DV applicants had been selected in the lottery. Cables from the U.S. embassy in Addis Ababa, Ethiopia, to State headquarters reported that fraudulent DV couples go to great lengths to try to prove their relationship is legitimate, including backdated marriage certificates and staged wedding photographs, and some even incur pregnancies for the sake of the visa. Consular officers at six of the posts reviewed—Accra, Addis Ababa, Dhaka, Kathmandu, Lagos, and Warsaw—reported that the availability of fake documents, or genuine documents with false information, such as birth certificates, marriage certificates, and passports, presented significant challenges when verifying DV applicants’ identities and the relationship between the principal DV applicants and their spouse and dependents. Despite much anecdotal information on DV program fraud and abuse, State has not compiled comprehensive data on detected or suspected fraud across all DV-issuing posts.

Although none of the officials at State headquarters in Washington or the consular officers at the 11 posts we reviewed considered the DV program to be specifically targeted by terrorists, a few said that difficulties in verifying visa applicants’ identity could have security implications.

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<sup>8</sup>As Poland “graduated” from the program after DV-2006, Polish natives are not currently eligible to apply for diversity visas. The U.S. embassy in Warsaw adjudicates DVs for natives of Belarus, Latvia, Lithuania, and Ukraine.

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Consular officers' difficulties in verifying the identity of some DV applicants, particularly in countries where applicants can purchase legitimate identity documents containing fraudulent information, could reduce the effectiveness of security screening for DV applicants. While consular officers screen all visa applicants for security-related concerns, a DV applicant with no previous record in U.S. government agency databases or an applicant who is using a false identity may not be detected as a potential security concern. A 2002 cable from the U.S. embassy in Dhaka stated that the ease with which individuals can obtain genuine identity documents in any assumed identity, including passports, creates an "open door" for terrorists wishing to enter the United States with legal status. The cable also stated that name check requirements for visa applicants are useless in detecting someone with a newly invented identity, as may be the case with many of the post's DV applicants. In 2003, State's IG raised concerns that aliens from designated state sponsors of terrorism are eligible for the DV program. Since 2000, nearly 9,800 aliens from state sponsors of terrorism have received diversity visas. The IG stated that the DV program posed significant risks to national security from hostile intelligence officers, criminals, and terrorists attempting to use the program for entry into the United States as permanent residents and recommended that State's Bureau of Consular Affairs propose legislation to bar aliens from state sponsors of terrorism. Consular Affairs agreed with the recommendation in principle but did not implement it, expressing concern over the effect of permanently disbarring aliens who may be fleeing oppressive regimes of states that sponsor terrorism. The IG later agreed to close the recommendation although it had not been implemented. We found no documented evidence of DV immigrants from state sponsors of terrorism committing any terrorist acts. However, as we have previously reported,<sup>9</sup> the Department of Homeland Security, terrorism experts, and federal law enforcement officials familiar with immigration fraud believe that some individuals, including terrorists and criminals, could use fraudulent means to enter or remain in the United States.

State has taken steps to strengthen the DV program, but it does not have a strategy to address the pervasive fraud being reported by consular officers at some posts. Since 2003, KCC has employed facial recognition software

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<sup>9</sup>GAO, *Immigration Benefits: Additional Controls and a Sanctions Strategy Could Enhance DHS's Ability to Control Benefit Fraud*, [GAO-06-259](#) (Washington, D.C.: Mar. 10, 2006).

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to detect multiple entries, implemented an electronic application process, and hired a full-time fraud prevention manager. KCC employees flag DV cases with fraud indicators before they are sent to posts; consular officers can use this information when adjudicating DV cases. Posts also conduct fraud investigations on some DV cases. These efforts address some of the vulnerabilities within State's control, but not all. For instance, DV applicants who are selected in the DV lottery receive a notification letter in a large white envelope that lists KCC as the return address, which consular officers say is highly conspicuous for postal workers or other third parties who may intercept the letter and extort money from applicants in exchange for it. At the same time, State contends that it is restrained from addressing other vulnerabilities by insufficient resources and the legislative requirements of the program. For instance, the consular chief in Lagos said the consular section did not have the resources to conduct all the fraud investigations it would like to, and the post's assistant regional security officer for investigations position had been vacant since September 2006. Moreover, while State believes that some legislative changes could mitigate fraud in the DV program, it has not made any formal proposals to this effect. Further, it has not compiled comprehensive data on DV program outcomes and on detected and suspected fraud activity in the program, which would help decision makers consider whether legislative changes are needed.

We are recommending that State compile more comprehensive data on the DV program, including information on detected or suspected DV fraud and data on the amount of fraud prevention resources being spent on DV investigations. We also recommend that State use these data to formulate a strategy to combat fraud in the DV program. This strategy should include proposals for legislative change, if deemed necessary to mitigate fraud risks; consideration of appropriate fraud prevention resources; and some operational improvements to strengthen the program.

We provided a draft of this report to the Departments of State and Homeland Security for their comments. The Department of Homeland Security did not comment on the report. In its written comments, State said it was disappointed with the report's findings and did not agree with the recommendations. It said that our report did not give the department enough credit for steps it has taken to combat fraud in the DV program and that our report identified management failures that do not exist. While State's comments acknowledge that the DV program faces fraud challenges, State also said that there are limits to what the department can do. In our report, we give credit to State for making several improvements to its fraud screening for DV applicants, such as implementing an

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electronic application process and facial recognition software, and flagging DV cases with fraud indicators before they are sent to posts. Moreover, our report does not discuss “management failures” by State. Our report shows that the DV program has significant risks for fraud and that while State has taken steps to address this fraud, it could still do more to mitigate the risk, especially at posts that are reporting significant challenges with DV fraud. This is why we recommend that State collect more comprehensive data on known DV fraud and use this information to develop a strategy to combat fraud in the program. This strategy should include operational improvements to the program and proposals for legislative changes, if deemed necessary to improve State’s ability to combat fraud.

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## Background

In 2006, the United States granted permanent admission—or legal permanent resident status—to approximately 1.3 million aliens.<sup>10</sup> Aliens granted legal permanent resident status are formally classified as immigrants, and receive a permanent resident card commonly referred to as a green card. The Immigration and Nationality Act (INA), as amended in 1990, is the primary body of law governing immigration and visa operations. According to the act, immediate relatives of U.S. citizens<sup>11</sup> are granted legal permanent resident status without numerical limitation;<sup>12</sup> in 2006, this category represented nearly half of all aliens granted this status (see fig. 1). Other legal permanent residents are admitted in numerically limited categories, with preference given to aliens who have close family relationships to a U.S. citizen or legal permanent resident, or who have needed job skills.

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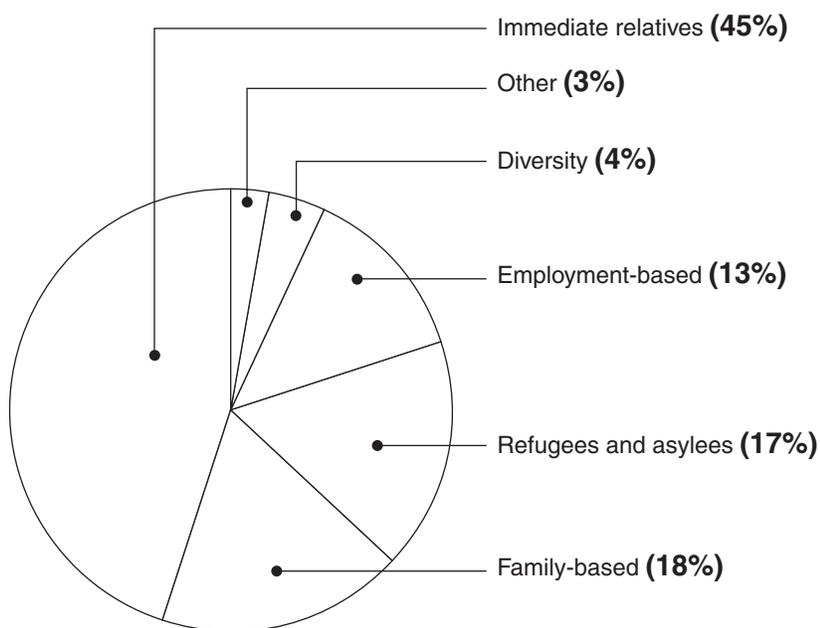
<sup>10</sup>U.S. Citizenship and Immigration Services counts both “arrivals” and “adjustments-of-status” in this number. In 2006, roughly 65 percent of immigrants were adjustments and 35 percent were arrivals. “Adjustments” refer to cases in which the alien is already present in the United States, and “arrivals” refer to cases in which the alien requests permanent admission before entering the United States. In the latter cases, the alien must apply for and obtain a U.S. immigrant visa at a U.S. embassy or consulate abroad before arriving at U.S. ports of entry. A visa indicates that the alien’s application has been reviewed and determined eligible by a U.S. consular officer, and allows the bearer to apply for admission to the United States at a U.S. port of entry.

<sup>11</sup>Immediate relatives include spouses, parents of citizens ages 21 and older, and unmarried children of citizens under 21. *See*, 8 U.S.C. § 1151 (b)(2)(A)(i).

<sup>12</sup>8 U.S.C. § 1151.

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**Figure 1: Percentage of Aliens Granted Legal Permanent Resident Status by Class of Entry, Fiscal Year 2006**



Sources: U.S. Department of Homeland Security's Office of Immigration Statistics; GAO.

The 1990 amendment to the act also established the DV program, which authorizes up to 55,000 immigrant visas annually to aliens from countries with low rates of immigration to the United States.<sup>13</sup> The Department of Homeland Security's Office of Immigration Statistics annually determines regional and country limits for DV allocations and notifies State which countries can participate in the DV program each fiscal year. All countries are eligible for the DV program except those that contributed more than 50,000 family- or employment-based immigrants to the U.S. immigrant population over the 5 preceding years, and each eligible country is limited to 7 percent, or 3,850, of the total diversity visa limit.<sup>14</sup> Sixteen countries are ineligible for the 2007 DV program: Canada, China (mainland-born),

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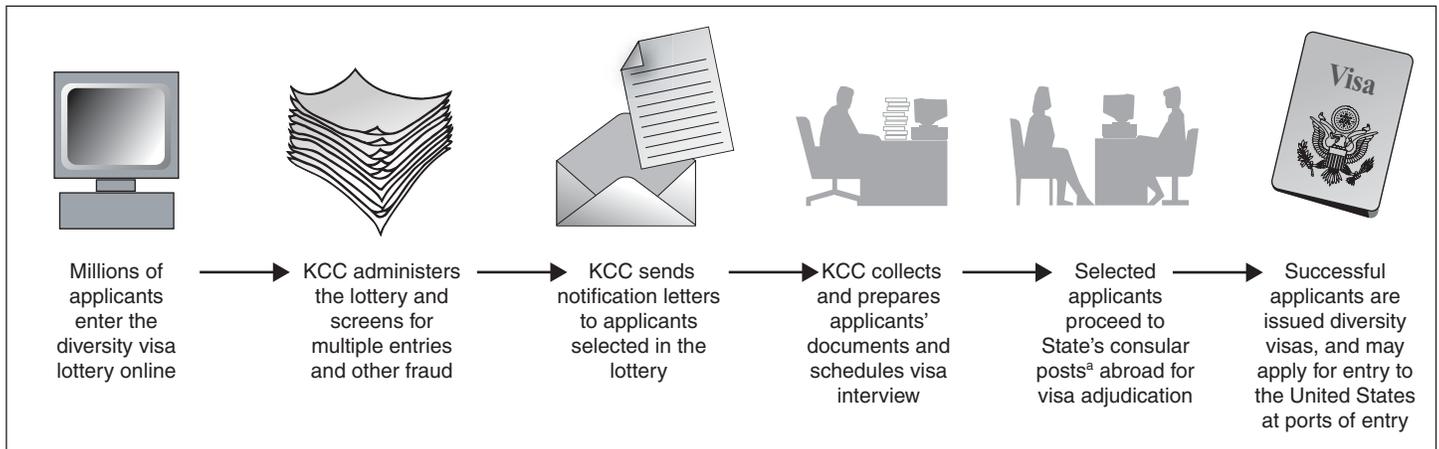
<sup>13</sup>Pub. L. No. 101-649, § 131.

<sup>14</sup>8 U.S.C. § 1153(c).

Colombia, Dominican Republic, El Salvador, Haiti, India, Jamaica, Mexico, Pakistan, Philippines, Poland, Russia, South Korea, United Kingdom (except Northern Ireland) and its dependent territories, and Vietnam.

As with all other immigrant visas, DV holders who attain legal permanent resident status may petition for certain family members to join them in the United States, travel in and out of the country, and eventually apply for U.S. citizenship. However, unlike family and employment immigrant visa categories, DV applicants do not need a petition from a family member or employer in the United States to apply. Instead, aliens enter what is commonly referred to as the “visa lottery” online during a period of time of at least 30 days as established by State each fiscal year. The process for obtaining a diversity visa involves several steps, and is administered primarily by State (see fig. 2). State’s KCC manages the early stages of the process, including the DV lottery and case preparation, and State’s consular officers adjudicate the majority of DV cases at overseas posts.<sup>15</sup>

**Figure 2: Process for Obtaining a Diversity Visa**



Sources: GAO analysis of State data; Nova Developments (clip art).

<sup>a</sup>Applicants already residing in the United States on a nonimmigrant or other status may be eligible to adjust to legal permanent resident status through U.S. Citizenship and Immigration Services.

<sup>15</sup> Applicants already residing in the United States on a nonimmigrant or other status may be eligible to adjust to legal permanent resident status through U.S. Citizenship and Immigration Services. See 8 U.S.C. § 1255. In the last 5 years, the percentage of DV applicants who adjusted status has been about 5 percent.

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The online entry form requires basic personal information as well as a digital photograph.<sup>16</sup> Aliens may prepare and submit their own entries or someone else may prepare and submit the entry for them. All family members (spouse and unmarried children under age 21) must be listed on the principal entrant's form; these dependents are also eligible to apply for a diversity visa if the principal entrant is selected in the lottery. Aliens who will obtain diversity visas in fiscal year 2008 ("DV-2008") submitted their online entry forms between October 4 and December 3, 2006. The KCC received 5.5 million qualified entries for the DV-2008 program. KCC screens all entries, and may disqualify aliens who entered the lottery more than once. Acceptable entries are run through a computer-generated random drawing administered by KCC. KCC notifies those entrants selected in the lottery by mail;<sup>17</sup> the notification letters are sent to the mailing address provided on the entry, regardless of who prepared it. These letters provide visa application instructions. Aliens whose entries were selected in the DV-2008 lottery received notification letters from KCC by July 2007. KCC continues to process applications by collecting and preparing the selected applicant's key documents until the applicant is considered documentarily qualified and is scheduled for a visa interview at a consular post abroad.<sup>18</sup> For DV-2008 applicants, visa adjudication interviews must take place before September 30, 2008, because applicants only remain eligible through the end of the specific fiscal year for which they were selected; after this time, the DV-2008 program will be complete and no more DVs from that lottery pool can be issued.

Although KCC prepares each applicant's case, only consular officers at a U.S. embassy or consulate can make the adjudicatory decision whether to issue a diversity visa.<sup>19</sup> At the DV adjudication interview, consular officers must determine that there is a basis for immigration (in this case, a winning diversity lottery entry) and that the applicant meets the two basic eligibility requirements: applicants must (1) be from an eligible DV

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<sup>16</sup>22 C.F.R. § 42.33.

<sup>17</sup>KCC does not notify those entrants who were not selected in the lottery.

<sup>18</sup>Those qualified to adjust status in the United States are processed at domestic U.S. Citizenship and Immigration Services offices.

<sup>19</sup>See 8 U.S.C. §§ 1104(A), 1201(a). See also, 8 C.F.R. § 245.2. Adjustment-of-status cases are adjudicated by U.S. Citizenship and Immigration Services adjudication officers in the United States.

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country,<sup>20</sup> and (2) demonstrate that they either hold the equivalent of a U.S. high school education<sup>21</sup> or possess 2 years of work experience in an occupation requiring 2 years of training or experience within the 5-year period immediately prior to the application.<sup>22</sup> Consular officers must also verify the relationship between principal DV applicants and their dependents. As with all visa applicants, DV applicants are subject to all grounds of visa ineligibility such as certain adverse medical conditions, criminal behavior, security and terrorist concerns, and other factors. Aliens who are granted a diversity visa have 6 months from the date of issuance to proceed to a U.S. port of entry to apply for admission into the United States.

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<sup>20</sup>Aliens applying for a diversity visa must either be a native of (born in) a country that qualifies for the DV program, regardless of the alien's current country of residence or nationality, or be entitled to claim another country as their native country. The rules of "cross chargeability" within the DV program—designed to prevent the separation of family members—allow individuals to claim their native country as one other than their country of birth for reasons including: (1) an alien born in a nonqualifying country in which neither parent was born nor resident at the time of the child's birth may claim the birthplace of either parent, if that country qualifies for the DV program; and (2) an alien born in a nonqualifying country may claim his or her spouse's native country if it qualifies for the program, provided that the spouse is included on the DV application, is issued a visa, and enters the United States simultaneously with the applicant. See 22 C.F.R. § 42.12 for chargeability exceptions generally and State's *Foreign Affairs Manual* Volume 9, section 42.12 notes for chargeability exceptions as applied to the DV program.

<sup>21</sup>The State Department's interpretation of the term "high school education or its equivalent" means successful completion of either (1) a 12-year course of elementary and secondary study in the United States, or (2) a formal course of elementary and secondary education comparable to completion of 12 years of elementary or secondary education in the United States. According to State's *Foreign Affairs Manual*, the education should be sufficient to allow a student to apply for college admission without further education.

<sup>22</sup>The Department of Labor's O\*Net ([online.onetcenter.org](http://online.onetcenter.org)) establishes eligible occupations.

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## The DV Program Is Contributing to a Diverse U.S. Immigrant Population, but Little Is Known about DV Immigrants Once They Enter the United States

Data show that the DV program is contributing to the diversification of the U.S. immigrant pool. As a result of the program, more than half a million aliens from countries with low rates of immigration to the United States have obtained legal permanent resident status. In fiscal year 2006, 40 percent of diversity immigrants were from Africa and 34 percent were from Europe, while 19 percent were from Asia, 4 percent from South America, and 1 percent from North America. In general, more aliens from Africa and Europe immigrate to the United States on a diversity visa than on a family- or employment-based immigrant visa, in contrast to immigrants from other regions. Since fiscal year 1995, Ethiopia, Nigeria, and Ukraine have sent the most diversity immigrants to the United States. While these data demonstrate that the DV program has contributed to the diversification of the U.S. immigrant pool, little is known about DV immigrants after they enter the United States, such as whether they remain in the United States and if they petition for family members to join them.

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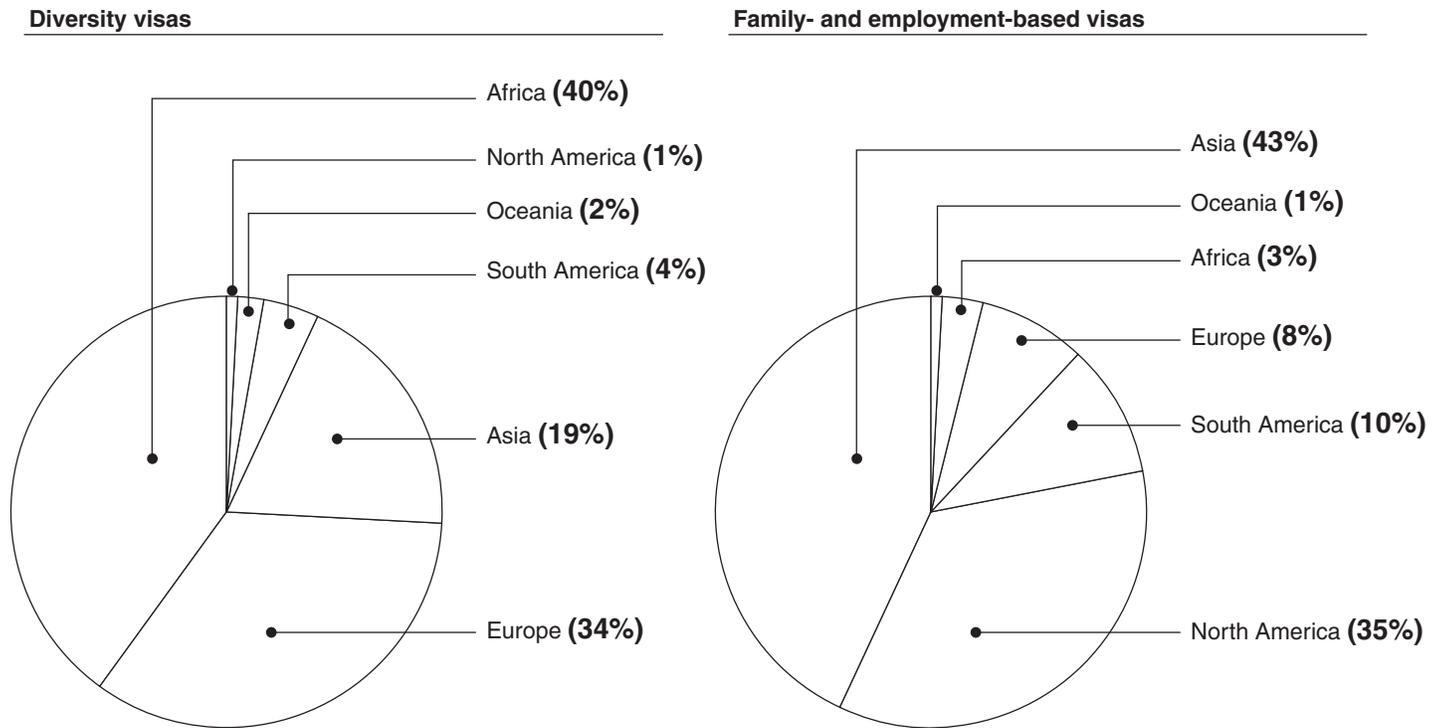
## Aliens from Africa and Europe Receive Majority of Diversity Visas

Aliens from Africa and Europe receive a greater percentage of visas in the diversity visa category than immigrants from other regions (see fig. 3).<sup>23</sup>

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<sup>23</sup>While immediate relatives of U.S. citizens are admitted without limit, other immigrant visa categories, such as employment, family, and diversity visas, are numerically controlled. 8 U.S.C. § 1151.

**Figure 3: Percentage of Diversity Visas Compared to Family- and Employment-Based Visas by Geographic Region, Fiscal Year 2006**



Sources: U.S. Department of Homeland Security's Office of Immigration Statistics; GAO.

Current U.S. immigration policy favors individuals with family or employment ties in the United States, and the DV program seeks to provide an opportunity for immigration to aliens from countries that do not have high levels of immigration. More than half a million aliens from countries with low rates of immigration to the United States have obtained legal permanent resident status since the inception of the program; these are individuals who may not otherwise have had the opportunity to immigrate via family or employment ties. In 2006, immigrants from Africa received 40 percent of all diversity visas, compared with 3 percent of family-based and employment-based immigrant visas combined. Similarly, immigrants from Europe received 34 percent of diversity visas issued in 2006, in contrast to 8 percent of family-based and employment-based visas combined. Immigrants from North America, South America, and Asia received the majority of family-based and employment-based visas, and received a smaller percentage of diversity visas.

Since 1995, Ethiopia, Nigeria, and Ukraine have consistently ranked among the top diversity visa sending countries (see table 1). Some countries, such as Peru, Poland, and Russia, are ineligible for the DV-2008 program due to their recent high immigration volume.<sup>24</sup> In such cases, State refers to countries as having “graduated” from the program.

**Table 1: Top 10 Countries of Origin for Diversity Visa Immigrants, Fiscal Years 1995-2006**

Country of birth <sup>a</sup>	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total
1 Ethiopia	2,656	3,240	2,880	2,090	2,190	1,777	2,194	3,994	3,381	4,517	3,427	3,357	<b>35,703</b>
2 Nigeria	2,408	4,359	2,605	3,185	3,112	2,821	2,684	2,279	3,119	2,959	2,379	2,942	<b>34,852</b>
3 Ukraine	1,068	2,328	1,660	2,095	3,091	3,969	2,748	3,028	3,033	2,975	2,745	3,282	<b>32,022</b>
4 Albania	597	2,400	3,474	3,403	3,114	3,909	3,295	2,566	1,915	2,075	2,438	1,500	<b>30,686</b>
5 Bulgaria	1,000	985	1,843	2,924	3,390	3,657	2,611	1,808	2,486	2,342	2,854	1,631	<b>27,531</b>
6 Poland <sup>b</sup>	4,915	3,444	3,418	391	36	24	22	2,486	2,568	2,850	3,259	2,100	<b>25,513</b>
7 Bangladesh	1,920	3,753	3,080	2,835	1,697	1,719	1,508	1,104	745	1,756	1,753	3,093	<b>24,963</b>
8 Romania	1,992	2,321	2,378	2,620	2,862	2,867	1,953	981	1,202	1,145	1,585	1,207	<b>23,113</b>
9 Egypt	2,230	2,219	1,652	1,786	1,536	1,506	1,123	1,161	923	1,643	2,478	3,727	<b>21,984</b>
10 Ghana	1,338	3,933	2,350	2,156	1,734	1,737	1,120	1,217	1,577	1,152	1,049	1,129	<b>20,492</b>

Source: U.S. Department of Homeland Security's Office of Immigration Statistics.

<sup>a</sup>Although State's rules of cross-chargeability allow DV applicants to claim a country other than their country of birth as their native country, the numbers in this table count DV immigrants by country of birth, as reported by the Department of Homeland Security's Office of Immigration Statistics.

<sup>b</sup>Poland's eligibility for the DV program has fluctuated. As noted previously, State's rules of cross-chargeability would allow a spouse or child of a DV applicant who was born in Poland to claim the country of the principal DV applicant as his or her native country. Some diversity visas were issued to aliens whose country of birth is Poland but who claimed another country as their native country in years when Poland was ineligible for the program.

## Little Is Known About Diversity Immigrants Once They Enter the United States

Although the DV program has helped some countries to increase immigration to the point where the country has graduated from the program, very little is known about DV immigrants after they arrive in the United States. For example, neither State nor the Department of Homeland Security has done a specific study on DV immigrants after they enter the United States, such as whether they remain in the United States and petition for family members to join them. Therefore, it is difficult to

<sup>24</sup>Poland's eligibility for the program has fluctuated as its immigration pattern to the United States has changed.

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determine to what extent the DV program contributed to a country's graduating from the program or whether the country graduated from the program because of other factors.

Similarly, it is unclear whether DV program requirements provide sufficient grounds for DV immigrants to lead successful lives in the United States. In 2003, State compiled a report that described certain demographics of DV recipients in that year. The study illustrated characteristics of DV recipients' gender, age, level of education, work experience, and marital status, and reported that the "typical" DV recipient was a male professional, aged 26-30, holding a university degree. The study also pointed to certain demographics that varied across regions; for instance, more DV recipients from Europe were married than those from Africa. While the 2003 study provided useful information regarding DV recipients, we asked Department of Homeland Security and State officials whether a similar study had been done on DV recipients once they became legal permanent residents in the United States, and they did not know of any such study.

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## The DV Program Is Vulnerable to Fraudulent Activity Committed by and Against Applicants, but State Has Not Compiled Comprehensive Data on Detected or Suspected Fraudulent Activity

Some DV applicants commit fraud in an effort to obtain a diversity visa or are themselves the victims of fraud perpetrated by an unscrupulous “visa industry.”<sup>25</sup> The extent of fraudulent activity varies by post and is influenced by the applicant pool and local country conditions. In our review of 11 DV-issuing posts, consular officers at 5 posts—Accra, Addis Ababa, Lagos, Dhaka, and Warsaw<sup>26</sup>—reported that fraudulent activity was a major challenge in adjudicating visas for DV applicants. These 5 posts all ranked in the top 10 countries with the most DV entrants worldwide in 2006. Consular officers at the other 6 posts reported some challenges with the program but not as pervasive as the posts listed above. The problems of fraud and abuse as reported by consular officers in Accra, Addis Ababa, Lagos, Dhaka, and Warsaw are often rooted in the fact that a majority of the DV applicants at those posts sought assistance from the visa industry to enter the lottery. In so doing, they are sometimes extorted for large sums of money or coerced into sham marriages by unscrupulous entities in this industry. In addition, consular officers at these 5 posts said that fraud activity made it challenging to verify applicants’ identity and eligibility, and that detecting fraudulent DV marriages also presented a challenge. Despite much anecdotal information on DV program fraud and abuse, State has not compiled comprehensive data on detected or suspected fraud across all DV-issuing posts.

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## Many Applicants Do Not Receive Accurate Information and Do Not Apply Independently for the DV Lottery

Consular officers at 6 of the 11 posts we reviewed reported that many of the applicants they see at DV adjudication interviews entered the DV program with high expectations but little understanding of the program’s rules. State publishes detailed information on the DV program at [www.travel.state.gov](http://www.travel.state.gov), and many embassies and consulates that process diversity visas also post DV program details on their individual Web sites, frequently in the host country’s language. In addition, 8 of the 11 posts we reviewed conduct public outreach through press conferences, TV and

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<sup>25</sup>For the purposes of this report, “visa industry” is defined as the individuals and businesses involved in a variety of tasks related to the DV process, such as preparing and submitting DV entries, translating documents, and even making travel arrangements for applicants’ visa interviews. We use the terms visa “agents,” “consultants,” and “facilitators” interchangeably, as these and other terms were used by consular officers when referring to the visa industry.

<sup>26</sup>As Poland “graduated” from the DV program after DV-2006, Polish natives are not currently eligible to apply for diversity visas. The U.S. embassy in Warsaw adjudicates DVs for natives of Belarus, Latvia, Lithuania, and Ukraine. In this report, references to Warsaw are specifically about the post’s challenges with processing Ukrainian applicants.

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radio information sessions, or flyers to educate potential applicants about the program. State's official 17-page instruction packet lists detailed information on the program and informs applicants that it is free to enter the lottery, and that the U.S. government does not employ any outside consultants or private services to operate the DV program.

However, consular officers and public diplomacy officers at six posts reported that many applicants do not learn about the DV program details from State, but rather from other sources, such as from family and friends in their local community or from the visa industry—self-styled “visa consultants” and “visa agents” who have no official connection to the U.S. government. Consular officers remarked that the visa industry is very active in countries such as Bangladesh, Ethiopia, Ghana, Nepal, Nigeria, and Ukraine. Consular officers at the U.S. embassy in Kathmandu reported that visa consultancy is a “booming” business in Nepal. An October 2006 cable from the U.S. embassy in Kiev to State headquarters reported that visa consultancy businesses in western Ukraine (a poor, rural region that provides the majority of Ukrainian DV applicants) constantly advertise in local newspapers and on billboards; two such businesses had office buildings decorated with large American flags. An August 2006 cable from the U.S. embassy in Accra to State headquarters noted that visa consultants targeted university students as potential clients and set up information tables on university campuses to enroll students into the DV lottery. Consular officers in Accra and Lagos said that visa consultants advertised with banners around town, and officers in Kathmandu suspected that it was visa consultants who ripped down banners that the U.S. embassy put up in major cities in Nepal, announcing how to get free information on the DV program. Not only do visa consultants charge for information that State provides for free, but many consular officers said that they also give out inaccurate or misleading information. The former consular chief in Katmandu, who spoke with us in May 2007, weeks after finishing his posting, said that his post's biggest challenge was counteracting the incorrect information the visa industry put out.

Consular officers in Bangladesh, Ethiopia, Ghana, Nepal, Nigeria, and Ukraine estimated that the majority of the DV applicants at their posts sought assistance from this visa industry to enter the DV lottery. They cited the lack of personal computers and internet savvy as among the reasons for this. For example, according to the U.S. embassy in Dhaka, Bangladesh has one of the lowest internet access and usage rates in the

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world, yet it has provided the highest number of principal entrants, not including dependents, into the DV lottery in 2006, 2007, and 2008;<sup>27</sup> a December 2006 cable from the U.S. embassy in Dhaka attributed Bangladesh's large number of entrants solely to the visa industry. Some visa consultants offer legitimate help, such as preparing and submitting DV entry forms, but several consular officers said many also encourage unqualified applicants to enter the DV lottery, submit multiple or incorrect entries, and take advantage of their clients in a multitude of ways. A May 2006 cable from the U.S. embassy in Addis Ababa noted that it is the applicants' responsibility to ensure accuracy of their lottery entry, but, in Ethiopia, many applicants have little control over their entry when it is being handled by visa agents, and no alternative way to enter other than through the visa industry.

Consular officers at several posts said that they encountered unqualified and misinformed applicants. Some applicants did not understand that "winning" the lottery did not guarantee them a visa, but rather provided them with an opportunity to apply for one. One consular officer in Accra noted that some applicants were confused by KCC's notification letter since the first word of the letter says "congratulations." A February 2007 cable from Kathmandu noted that DV applicants thought the visa interview was a mere formality. A consular officer in Lagos said that some applicants think they just need to stop by the embassy to pick up their visa. Other officers reported that some applicants believe that, in addition to a visa, they will get a free house and car in the United States. Consular officers reported that these misconceptions are problematic since unqualified applicants will proceed with their applications despite the considerable expense associated with it (the total cost, per person, for DV adjudication is \$755, whether or not the adjudication results in visa issuance<sup>28</sup>). Officers processing DVs in low income countries such as

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<sup>27</sup>More than 1.7 million Bangladeshis entered the DV-2008 lottery. Entrants from Nigeria and Ukraine rank next, with approximately 685,000 and 620,000 entrants, respectively.

<sup>28</sup>The \$755 DV adjudication fee is comprised of the following: a \$335 immigrant visa application processing fee, a \$375 DV surcharge fee, and a \$45 immigrant visa security surcharge. While State headquarters advises posts to charge the full \$755 before a DV adjudication interview, we found that some posts had implemented their own fee collection policies. For example, the post in Lagos charged DV applicants \$375 before the interview and the remaining \$380 only if the adjudication resulted in a visa issuance. Officers there claimed the policy was fair considering the financial burden DV fees imposed on applicants.

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Bangladesh, Ghana, and Nigeria<sup>29</sup> said that applicants raised the fee through a variety of ways, including taking out loans, selling property, and collecting money from networks of extended family and friends.

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### Some Applicants Who Seek Assistance from the Visa Industry Are Defrauded

While seeking assistance from visa agents or consultants, some applicants are cheated and abused by unscrupulous entities<sup>30</sup> within this visa industry. Consular officers at six posts we reviewed—Accra, Addis Ababa, Dhaka, Kathmandu, Lagos, and Warsaw—provided examples of such abuse. As mentioned above, some visa consultants encourage people to enter the DV program regardless of their eligibility, and charge fees for each step of the process. Consular officers in Addis Ababa, Kathmandu, and Warsaw said that visa agents often filled out applicants' DV entry forms incorrectly—failing to list all family members or listing incorrect biographic data—which disqualified otherwise eligible applicants when they came to their visa interview. Consular officers in Dhaka said that many of their DV applicants could not read Western script; if given the chance to review their entry form, they could not tell whether visa consultants had filled in their biographic information correctly. Consular officers at these six posts estimated that visa consultants' fees ranged from nominal amounts for assistance in entering the lottery to exorbitant sums if an applicant is selected in the lottery.

Consular officers in Accra, Dhaka, Lagos, and Warsaw cited issues with KCC's notification letters that contributed to such abuse. They said that visa agents frequently list their own address on the lottery entry so that the notification letter comes directly to them, giving them control over the application. With the winning notification letter in hand, the agents can then demand thousands of dollars from the applicant in exchange for the letter; an August 2006 cable from the U.S. embassy in Accra cited an example where agents charged \$2,500 for such an exchange, while consular officers in Dhaka suspected that the fee could range between \$10,000 and \$20,000. In our observation of DV adjudication interviews in Warsaw, consular officers pointed out several applicants whose applications did not list their own personal address, but rather the same P.O. box in Ukraine, which the officers attributed to a visa facilitator. An

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<sup>29</sup>In 2005, the World Bank reported that the gross national income, per capita, was \$470 in Bangladesh, \$450 in Ghana, and \$560 in Nigeria.

<sup>30</sup>Consular officers in Bangladesh and Ukraine suspected that these unscrupulous elements are connected to organized crime.

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October 2006 cable from Warsaw noted that hundreds of Ukrainian DV applications were linked to the same P.O. box. Moreover, consular officers in Bangladesh and Nepal said that some letters, which conspicuously bear a U.S. postmark and KCC's return address, were intercepted by postal employees or stolen out of the mail, resulting in the letter being held for ransom. Also, some visa agents enter individuals into the DV lottery without their knowledge. For example, consular officers in Ukraine told us they suspected that visa agents bribe local officials for biographic data to enter potentially qualified applicants without their knowledge, and then attempt to extort money in exchange for the notification letter if one of the applicants is selected in the lottery. A March 2007 cable from the U.S. embassy in Dhaka noted that, in Bangladesh, visa agents posted fake job advertisements to collect biographic data and enter individuals without their knowledge. If one of these individuals won the lottery, the visa agent would either extort money in exchange for the notification letter or threaten to steal the individual's identity. A consular officer in Dhaka said that the diversity visa is referred to as the "Visa of Tears" by some Bangladeshis because of the suffering associated with it.

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### Fraud Activity Makes It Challenging to Verify DV Applicants' Identity and Eligibility at Some Posts

Once applicants proceed to an embassy or consulate for their visa adjudication interview, consular officers must be able to confirm that the person at the visa interview is the same person listed on the DV winning entry, and therefore the legitimate applicant for the visa. However, in 6 of the 11 posts we reviewed—Accra, Addis Ababa, Dhaka, Kathmandu, Lagos, and Warsaw—consular officers said that unreliable local documents made verifying DV applicants' identity a challenge. Officers in Accra, Dhaka, and Lagos said that applicants' identity documents could not be trusted because legitimate, authentic documents could be purchased with fraudulent information on them. In addition, the posts in Kathmandu and Warsaw sent cables to State headquarters to report that DV applicants could purchase authentic identity documents with false information from corrupt government officials. Consular officers in Accra, Dhaka, and Lagos noted that many applicants did not have birth certificates prior to their DV application and only procured them for the purpose of their DV application. These officers believed that some may have obtained birth certificates with fraudulent information. Moreover, 5 posts reported that visa consultants offer fraudulent documents as part of their services. A cable from Accra noted that Ghanaian police raided a travel agency suspected of fraud and found blank forms for passports, birth certificates, and other civil documents, as well as receipts for "DV consultations" ranging from \$300 to \$7,000. According to a Warsaw cable, Ukrainian DV applicants said that corrupt government officials in Ukraine

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were collaborating with visa facilitators to provide fraudulent documents. In Dhaka, consular officers suspected that visa facilitators use the availability of fake documents to substitute imposters in DV cases under their control if they cannot receive sufficient payment from the real applicant.

In addition to verifying that an applicant is a native of an eligible DV country, consular officers must determine whether the applicant meets the education or work experience requirement for the diversity visa. However, at five of the posts we reviewed, consular officers reported that some applicants tried to claim education or work experience they did not possess. For example, consular officers in Dhaka said that DV applicants presented handwritten education documents that could be easily forged or altered, and reported that school officials were willing to issue authentic documents with false information. At several posts, consular officers referred questionable documents to the consular section's fraud prevention unit for further review; for example, the fraud prevention unit in Accra verified education documents with school authorities in Ghana. The fraud prevention unit in Lagos found that most of the documents were authentic, but suspected that legitimate education credentials masked a deeper problem of widespread cheating in school-leaving examinations. In cases where applicants applied for the diversity visa with their work experience, officers reported several cases where applicants used fake credentials and job letters. Moreover, the officers reported that some were coached by visa consultants on how to fake knowledge of work experience they did not possess.

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### Fraudulent DV Marriages Present a Challenge at Several Posts

The DV program rules require applicants to list all family members<sup>31</sup> on their original entry form. Due to the extended time between the lottery entry and the visa interview at post, some applicants marry and have children after their initial DV entry, and these new beneficiaries are added to the principal DV winner's application. At some posts, verifying the legitimacy of these new relationships did not pose a problem. However, at 5 of the 11 posts we reviewed—Accra, Addis Ababa, Dhaka, Lagos, and Warsaw—consular officers reported that verifying these relationships, referred to as “pop-ups,” was a major fraud challenge.<sup>32</sup> Consular officers

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<sup>31</sup>The principal DV winner's spouse and unmarried children under age 21 are also eligible to apply for a diversity visa.

<sup>32</sup>Marriage fraud is not limited to diversity visas. Many consular officers said they suspected that many of the K visas (for fiancées) that they adjudicated were fraudulent.

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in Accra and Addis Ababa said that relationship fraud was their biggest fraud challenge in DV processing. In Addis Ababa, for example, marrying a DV lottery winner in an attempt to obtain an immigrant visa has become so common that the term “DV marriage” has entered the local lexicon. Officers in Accra estimated that up to 50 percent of DV adjudications there involve a “pop-up” spouse; officers in Addis Ababa said that the percentage of sham DV marriages at their post could be as high as 90 percent and a cable from the post stated that DV-related marriage fraud was “rampant.” Officers speculated that some applicants entered into a DV marriage to help a friend or another family member, even a sibling, obtain an immigrant visa. According to officers in Addis Ababa, Accra, and Lagos, applicants engaging in sham marriages rely on backdated marriage certificates, fake supporting documentation, and staged wedding pictures to try to prove their marriage is legitimate. An officer in Accra said that the prevalence of customary marriages in Ghana, in which there is no official documentation of the union, complicates matters since even legitimate couples may only acquire a marriage certificate after winning the DV lottery. The custom of arranged marriage in Nepal and Bangladesh makes it challenging for officers to sort out legitimate arranged marriages from those arranged solely for immigration purposes.

Consular officers and cables from Addis Ababa, Dhaka, and Warsaw cited the involvement of the visa industry in organizing fake DV marriages. The officers in Addis Ababa believed that arranging DV marriages was the greatest money maker for visa agents. If an applicant cannot pay a visa agent’s exorbitant fees, a lesser fee can be arranged if the applicant marries a person who has also paid a fee to the agent. The visa agents provide the new couples with fake documentation to establish the marriage and coach them on how to answer questions about the relationship in the visa interview. Officers in Warsaw obtained a “cheat sheet” from some Ukrainian applicants detailing how to prepare for the consular officer’s questions. Moreover, the fraud prevention unit at the U.S. embassy in Ukraine learned of a visa consultancy in western Ukraine that offered, for approximately \$14,500, to set up a fake marriage between a client and a DV winner. The arrangement was based on fake documents and months of preparation before the visa interview. If the couple’s visa application was denied, most of the money would be returned to the client.

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## Considerable Anecdotal Evidence Exists, but State Lacks Comprehensive Data on DV Fraud

State has considerable anecdotal evidence on fraudulent activity committed by and against DV applicants, but has not compiled comprehensive data on detected or suspected fraud across all DV-issuing posts. For example, posts such as Accra, Addis Ababa, Dhaka, and Warsaw have summarized DV fraud trends in cables, consular packages, and other reports sent to State headquarters, but the information is largely qualitative and it is difficult to gauge what percentage of DV applicants are implicated in fraud. Although the KCC collects data on the number of cases with potential fraud indicators, it is only when cases are adjudicated at consular posts that the fraud can be investigated more fully and determined to be factual and material to the case. While some consular officers we spoke with had estimates of such things as the number of cases with suspected “pop-up” spouses and the percentage of applicants who had been assisted by visa agents, none said they had developed comprehensive data on detected or suspected DV fraud at their post. Officials from Consular Affairs’ Office of Fraud Prevention Programs (FPP) said that they could not gauge the extent of DV fraud overall and that they did not analyze DV fraud in isolation, as their fraud prevention initiatives were aimed at combating all types of visa fraud, regardless of category. However, they said they had recently implemented fraud tracking software to collect more data from posts, such as when an officer suspected that fraudulent documents were used or when officers referred a DV case to the post’s fraud prevention unit. An FPP official shared some preliminary results from the first three quarters of fiscal year 2007: 31 DV-issuing posts had referred 1081 DV cases to the posts’ fraud prevention units. Eight of these posts had each referred more than 60 cases to their fraud prevention unit; Dhaka had referred 121 cases and Warsaw had referred 173. The official said that FPP was still working out some glitches with the fraud tracking program, but was hopeful that the data collected could clarify where DV fraud was most prevalent.

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## Difficulties in Verifying the Identity of Some DV Applicants May Have Security Implications

Although none of the officials at State headquarters or the consular officers at the 11 posts we interviewed considered the DV program to be specifically targeted by terrorists, a few said that the challenge of verifying DV applicants’ identity could have security implications. The State IG has also raised concerns that natives of state sponsors of terrorism are eligible to participate in the DV program.

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## Prevalence of Identity Fraud at Some Posts Could Reduce Effectiveness of Security Screening

Consular officers' difficulties in verifying the identity of some DV applicants, particularly in countries where applicants can purchase legitimate identity documents containing fraudulent information, could reduce the effectiveness of security screening for DV applicants. Consular officers screen all visa applicants for security-related concerns. Each applicant's name is checked against State's Consular Lookout and Support System, which contains records provided by numerous agencies and includes information on persons with visa refusals, immigration violations, and terrorism concerns. Consular officers also collect applicants' fingerprints at the visa interview and run them through U.S. databases of criminals and terrorists. In some cases—for instance, if the applicant's name generates a hit in the Consular Lookout and Support System, or if the applicant's nationality, background, or intentions in the United States warrant further investigation—the consular officer is required to request a security advisory opinion for the applicant, which is sent back to Washington where multiple agencies collect and review additional information on the applicant. Despite these security checks, a DV applicant with no previous record in U.S. government agency databases or an applicant who is using a false identity may not be detected as a potential security concern. Criminals or terrorists with no record in U.S. government agency databases could potentially contact an unscrupulous visa agent and arrange to be added to a DV applicant's case as a “pop-up” spouse. A 2002 cable from the U.S. embassy in Dhaka stated that the ease with which individuals can obtain genuine identity documents in any assumed identity, including passports, creates an “open door” for terrorists wishing to enter the United States with legal status. The cable noted that 99 percent of DV applicants' identity documents were issued after the applicant had been selected in the lottery and that, despite officers' diligent compliance with name check requirements, these checks were useless in detecting someone with a newly invented identity. Similarly, a consular officer in Kathmandu said that official documents could be purchased or fabricated in Nepal, and this officer was concerned that a terrorist from another country would obtain a Nepalese passport with a false identity. He noted the importance of locally engaged staff working in the consular section who could help with detecting imposters, such as by recognizing that the applicant spoke Nepali with a foreign accent.

Consular officers at some posts said that determining whether DV applicants have a criminal background, which may make them ineligible to

receive a visa, was challenging in countries where the police certificates were unreliable.<sup>33</sup> Consular officers in Accra, Dhaka, Kathmandu, Lagos, and Warsaw considered the police certificates “worthless” because they had never seen one with derogatory information on an applicant. Officers in Lagos suspected that inadequate record keeping and the ease of bribing police officers were to blame.

**Aliens from Countries Designated as State Sponsors of Terrorism Eligible for DV Program**

Aliens from state sponsors of terrorism are eligible to apply for and receive a diversity visa, and since fiscal year 2000, nearly 9,800 aliens from state sponsors of terrorism have received diversity visas (see table 2).

**Table 2: Diversity Visa Recipients from Countries Designated as State Sponsors of Terrorism, Fiscal Years 2000-2006**

Country of birth	2000	2001	2002	2003	2004	2005	2006	Total
Cuba	712	429	425	214	298	371	314	<b>2,763</b>
Iran	355	333	695	478	349	407	547	<b>3,164</b>
North Korea	-	-	-	-	-	-	-	-
Sudan	1,033	719	629	420	351	248	303	<b>3,703</b>
Syria	38	34	27	20	-	19	24	<b>162</b>
<b>Total</b>	<b>2,138</b>	<b>1,515</b>	<b>1,776</b>	<b>1,132</b>	<b>998</b>	<b>1,045</b>	<b>1,188</b>	<b>9,792</b>

Source: U.S. Department of Homeland Security’s Office of Immigration Statistics; GAO.

In a 2003 report on the DV program, the State IG noted that, while aliens from state sponsors of terrorism can only be issued nonimmigrant visas in limited circumstances, no parallel restriction exists for diversity visas. Because of this, and because of the program’s vulnerability to fraud, the State IG said the DV program contained significant risks to national security from hostile intelligence officers, criminals, and terrorists attempting to use the program for entry into the United States as permanent residents. The State IG recommended that the Bureau of Consular Affairs propose changes to the INA to bar aliens from state sponsors of terrorism from the DV application process. Consular Affairs agreed with the recommendation in principle but did not implement it,

<sup>33</sup>DV applicants are required to bring police certificates with them to their visa adjudication interview, except in certain countries, such as Iran, where the certificates are considered unavailable. 22 C.F.R. § 42.65.

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expressing concern over the effect of permanently disbarring aliens who may be fleeing oppressive regimes of states that sponsor terrorism. The IG later agreed to close the recommendation although it had not been implemented.

As we have previously reported,<sup>34</sup> the Department of Homeland Security, terrorism experts, and federal law enforcement officials familiar with immigration fraud believe that some individuals, including terrorists and criminals, could use fraudulent means to enter or remain in the United States. We found no documented evidence of DV immigrants from state sponsors of terrorism committing terrorist acts. However, two of the four consular officers adjudicating diversity visas at the U.S. embassy in Ankara, Turkey,<sup>35</sup> where some DV applicants from Iran are adjudicated, said that it was somewhat difficult to verify Iranian identity documents. Although they said that the vast majority of Iranian applicants are subject to security advisory opinions, the regional security officer in Ankara considered it possible for Iranian intelligence officers to pose as DV applicants and not be detected by the post's security screening if their identity was not already known to U.S. intelligence. Although this is an inherent risk with applicants from all countries, the regional security officer noted that it was difficult to mitigate this risk for Iranian applicants since the United States does not have a diplomatic presence in Iran.

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<sup>34</sup>GAO, *Immigration Benefits: Additional Controls and a Sanctions Strategy Could Enhance DHS's Ability to Control Benefit Fraud*, [GAO-06-259](#) (Washington, D.C.: Mar. 10, 2006).

<sup>35</sup>As there is no U.S. embassy in Iran, visa services are available for Iranian applicants at the U.S. embassies in Abu Dhabi, Ankara, and Vienna, as well as the U.S. consulates in Dubai, Naples, and Frankfurt.

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## State Has Taken Steps to Strengthen the DV Program, but Does Not Have a Strategy to Address Pervasive Fraud Reported by Consular Officers at Some Posts

State has taken steps to address some weaknesses in the DV program, but it does not have a strategy to address pervasive fraud being reported by consular officers at some posts. Since 2003, KCC has improved its detection of multiple DV entries and of potential fraud indicators. Consular officers at the 11 posts we reviewed described a variety of fraud prevention measures aimed at combating DV fraud, but some of the posts are limited by resource constraints. These efforts address some of the program's vulnerabilities, but State does not have a strategy to address the pervasive DV fraud being reported by posts such as Accra, Addis Ababa, Dhaka, Lagos, and Warsaw. State consular officials believe that some legislative changes could make it easier for State to mitigate fraud in the DV program—such as raising the education eligibility requirement—but State has not made any formal proposals to this effect.

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## KCC Has Improved Its Detection of Multiple Lottery Entries and Potential Fraud Indicators

KCC has made several improvements to its processing of the DV lottery entries to detect multiple entries and to screen cases for possible fraud indicators before they are sent to consular posts for adjudication. KCC piloted facial recognition software in 2001 and, in 2003, moved to an electronic application process, known as e-DV. Both facial recognition and e-DV improve KCC's ability to detect multiple entries and to detect possible fraud indicators. Prior to this, the DV lottery was paper-based, which made it difficult for KCC employees to catch multiple entries. Now, all e-DV entries go through electronic and manual procedures to screen out ineligible entries. The entries are screened electronically for exact duplicate digital photographs or biographic information; exact duplicates are disqualified. Next, all principal applicant entries selected in the lottery are checked with facial recognition software against galleries (by region and by gender) drawn from the entire e-DV database to further eliminate duplicate entries based on photo matches. Possible matches are returned to KCC's facial recognition technicians, who then make a determination on whether or not a valid match exists. KCC reported that it detected 7,622 multiple entries in 2005, 7,166 in 2006, and 3,969 in 2007. KCC's fraud prevention manager attributed the decreasing number to the success of facial recognition software, suggesting that applicants and visa industry consultants were not submitting as many multiple entries because they had learned that KCC would detect and disqualify them.

If KCC's facial recognition technicians detect multiple entries before the entrant has been notified of being selected in the lottery, KCC will disqualify the entry and not notify the entrant of the disqualification. In the past, KCC disqualified the entrant and sent a disqualification letter to the entrant regardless of whether the entrant had already been sent a

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notification letter. Consular Affairs' legal department requested KCC to cease disqualification of entrants who had already been notified as this could be perceived as an adjudicatory decision by KCC.<sup>36</sup> KCC now forwards the information on the facial recognition match to the post so the consular officer can make the decision.

In addition to facial recognition software, KCC employees search for other fraud indicators as they collect additional documents from individuals selected in the lottery and prepare to send their cases to posts for adjudication. For example, they note, through "fraud flags," if applicants (1) added a spouse or children to their case after being selected in the lottery, (2) if there were substantial changes to biographic details, or (3) if the applicant appeared in a different entry with different family members. In their scan of applicants selected in the 2005 DV program, KCC employees found 804 "pop-up" spouses or children; applicants from Ghana, Nigeria, and Ukraine had more "pop-ups" than any other country. KCC's fraud flags are noted in both the electronic and hard copy files that are sent to posts, and several of the consular officers at the posts we reviewed said that the fraud flags were useful for their adjudication of DV cases. With the advent of e-DV it also became possible to provide an electronic comparison of the applicant's lottery entry photograph to the photograph submitted with the visa application so that consular officers can review and compare these photographs. This process has assisted numerous posts in identification of imposters. Finally, in 2004, KCC hired a full-time fraud prevention manager, who oversees fraud prevention programs for both the DV program and petition-based nonimmigrant visa programs, which are also processed at the KCC. In commenting on this report, State mentioned some additional tools it uses to prevent DV fraud, such as fraud conferences and fraud prevention management training, which include DV patterns and issues.

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### Posts Combat DV Fraud with Various Fraud Prevention Measures, but Some Face Resource Constraints

All of the 11 DV-processing posts we reviewed use various resources to combat DV-related fraud, both to warn DV applicants about visa industry scams and to detect fraudulent activity by DV applicants. Consular officers in Addis Ababa, Dhaka, Kathmandu, Lagos, and Warsaw said that they conduct extensive public diplomacy campaigns to educate DV applicants about the program and to warn them about unscrupulous visa consultants.

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<sup>36</sup>Only consular officers at a U.S. embassy or consulate can make the adjudicatory decision whether to issue a diversity visa. *See* 8 U.S.C. §§ 1104(A), 1201(a). *See also*, 8 C.F.R. § 245.2.

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For example, the U.S. embassy in Addis Ababa distributed 100,000 color flyers throughout Ethiopia, printed in six local languages, and ran many advertisements in local newspapers to exhort DV applicants not to be fooled by the visa industry and to warn that fake marriages will not go undetected by consular officers. Similarly, consular officers in Accra and Lagos have conducted numerous interviews and press conferences to educate applicants about the DV program and to warn them against scams. The post in Kathmandu reported it undertakes extensive outreach to ensure that potential DV applicants have information on the program, and is planning even more aggressive public outreach for the future. Moreover, officers at several posts described efforts they took to warn applicants not to proceed with the visa interview unless they were qualified. For example, the consular sections in Accra, Ankara, and Kathmandu post signs next to the cashier's window, reminding applicants of the DV eligibility requirements and that the \$755 fee is not refundable. Consular officers in Dhaka brief DV applicants in the waiting room every morning to remind them of the requirements, the consequences of committing fraud, and that the fee is nonrefundable. However, consular officers consistently said that some DV applicants still hold misconceptions; the officers suspect that they do not trust information they receive from the U.S. government, preferring to trust members of their own community as sources of information.

In addition to public diplomacy efforts, DV posts also use a variety of antifraud tools to combat fraud after the applicant has come to the post for visa adjudication. Consular officers review the applicant's documents, along with any fraud notes from KCC, and scrutinize the applicant during the visa interview. The consular chief in Dhaka said the post's best antifraud tool is good interviewing skills. In Accra, Addis Ababa, and Warsaw, officers conduct split interviews for couples suspected of marriage fraud. Questionable cases are referred to the post's fraud prevention unit for further review.<sup>37</sup> These units investigate the facts of the case, such as by calling school boards to see if the education certificate is legitimate, or conducting field investigations to see if an applicant's marriage is legitimate. Some posts also receive assistance from their regional security office, and some receive cooperation from local law enforcement. A consular officer in Accra said that the embassy made three

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<sup>37</sup>Not all cases with fraud indicators are referred to the consular section's fraud prevention unit. In some cases, the applicant is not eligible for the visa for other reasons and the visa is refused; the fraud is therefore not material and the case will not be referred to the section's fraud prevention unit.

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DV fraud ring busts along with the help of local police. In Lagos, the consulate reported that its fraud prevention unit was working with the Nigerian authorities to prosecute several DV applicants who had admitted to marriage fraud.

Several officers said that DV fraud investigations were resource-intensive, and others said that they were restricted by limited resources. A May 2006 cable from the post in Addis Ababa to State headquarters stated that consular officers and fraud investigators had spent thousands of hours trying to sift out real marriages from the many fraudulent ones, and thousands of dollars each year verifying marriage certificates and conducting field investigations. Consular officers in Accra said that the post stopped doing field investigations on suspected DV sham marriages because they were so resource-intensive and not productive; for example, in many cases, when investigators from the embassy went to neighborhoods to check on marriages, they found neighbors complicit and willing to back up the couple's false story. In Lagos, the consular chief said that the section did not have the resources to carry out all the fraud investigations it would like to, although the post had reclassified the fraud prevention manager's position so that it would next be filled by a midlevel officer, instead of an entry-level officer, which is currently the case. An official in the post's regional security office said the office was so short on resources that it did not have the time or budget to help the consular section, and while Lagos had an assistant regional security officer for investigations position, the slot has been vacant since September 2006. Accra does not have an assistant regional security officer for investigations position.

The U.S. embassy in Kiev has an assistant regional security officer for investigations, and the fraud prevention unit at the embassy works with the consular section at the embassy in Warsaw on Ukrainian DV fraud. Officers from the unit reported success with DV field investigations conducted in the past year; 16 of 19 investigations confirmed evidence of fraud. However, those same officials told us they were concerned that they would get less cooperation from local officials in Ukraine in future investigations. The immigrant visa section chief in Warsaw said that increased funding for field investigations would be the best way to improve DV processing. The U.S. embassy in Dhaka also has a busy fraud prevention unit and an assistant regional security officer for investigations whom consular officers said was very helpful with DV fraud investigations. In a March 2007 cable to State headquarters and the KCC, the post said that its fraud prevention efforts would be greatly enhanced if it had more information on visa facilitator patterns; the post wanted lists of duplicate entries that might provide more information to track visa facilitators.

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## State Lacks a Strategy to Address Pervasive Fraud Activity Reported by Some Posts

Despite the efforts made by both KCC and individual DV-processing posts, State does not have a strategy to address the serious DV fraud being reported by posts such as Accra, Addis Ababa, Dhaka, Lagos, and Warsaw. Consular Affairs' Office of Fraud Prevention Programs (FPP) has suggested some ways to address the problems caused by unscrupulous visa agents, but it has not fully developed these initiatives. For example, in order to prevent applicants' notification letters from being stolen, officials from FPP said that they were considering alternate ways of notifying DV applicants in countries such as Ukraine and Bangladesh, but that a strategy had yet to be implemented. Some consular officers we interviewed suggested that KCC should send the notification letter in an unmarked envelope or that KCC send the notification letter directly to post and require applicants to come to the embassy or consulate to pick it up.

Many consular officers we interviewed suggested that DV applicants should not be allowed to add dependents, or "pop-ups," to their applications after being selected in the lottery. Consular Affairs officials said that such a change would require the INA to be amended. At least 15 consular officers we spoke with at posts such as Accra, Addis Ababa, Dhaka, Lagos, and Warsaw advocated for this change. A May 2006 cable from Addis Ababa predicted that this would prevent fraud, more tightly regulate the DV program, and save hundreds of hours of interview time. Although such a policy would inconvenience some legitimate applicants, consular officers said that the principal DV winner in those cases could petition later for dependents, after entering the United States. While the KCC has collected data on DV cases with possible "pop-ups," State has not compiled data on how much time and money posts spend on investigating them and what percentage are proven to be fraudulent. Without these data, State cannot inform policy makers whether amending the INA to this effect would be helpful in combating fraud, and, on balance, how many legitimate couples and families it would inconvenience.

Similarly, the fraud prevention manager at KCC and some consular officers we spoke with suggested that the DV education requirement be raised to require a university degree of applicants. They said that this would help them combat fraud since it would be easier for consular officers to verify university degrees and less easy for applicants to fraudulently claim they had attained this level of education. State amended the DV entry form this year, providing KCC with data on the education level of entrants applying for diversity visas that will be issued in fiscal year 2008. KCC's preliminary analysis of 30,011 entrants selected in the lottery shows that about 35 percent of entrants claimed to have a high

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school diploma and another 39 percent claimed some university education or higher.

The involvement of the visa industry is perhaps the most problematic issue for State, and an area in which it most lacks control. However, despite the cables coming from posts where the visa industry involvement is problematic—such as Accra, Addis Ababa, and Dhaka—State has not attempted to quantify the problem, gauge the extent of its involvement across all posts, or recognize to what extent the electronic DV (e-DV) entry format has facilitated the visa industry’s abuse. Posts such as Dhaka and Warsaw have sent cables to State headquarters reporting that e-DV has facilitated unscrupulous visa agents’ scams. In December 2006, the U.S. embassy in Dhaka reported that, although e-DV had reduced some traditional types of DV fraud, it had facilitated a new type of widespread extortion and identity theft fraud since e-DV effectively had given control of the program to visa facilitators who had internet access and English language skills, unlike many potential applicants in Bangladesh. A June 2006 cable from Warsaw reported that e-DV opened a new avenue for fraud that was previously inhibited by the personal signature requirement on the paper version of the lottery; e-DV allowed visa agents to use “phished” biographic data to enter individuals without their knowledge and then coerce them into sham marriages. Although consular officers said the DV applicants who entered the lottery with the assistance of a visa facilitator are frequently too intimidated or threatened to admit that they did so, State has not attempted to quantify the effect of visa industry involvement. U.S. tax forms, for example, require paid preparers to sign their names and list their addresses, giving a degree of accountability to the preparer. FPP officials said they were considering ways to partner with nongovernmental entities to help DV applicants with the lottery process so they could avoid an unscrupulous visa industry, although this plan also has yet to be implemented.

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## Conclusions

Since its inception, the DV program has facilitated thousands of individuals from countries currently underrepresented in the U.S. immigrant pool to immigrate to the United States. However, consular officers at 5 of the 11 posts we reviewed reported that fraud in the DV program is a major challenge, and these 5 posts all rank in the top 10 countries with the most DV recipients. While fraud is an issue across all immigrant visa categories, there are specific aspects of the DV program—including the ability for applicants to add a “pop-up” spouse after being selected in the lottery and the ability to enter individuals without their knowledge—that make it particularly vulnerable to manipulation from an

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unscrupulous visa industry in some countries. State needs to do more to address this issue, such as by strengthening the application and notification steps of the process. For example, State could move forward with FPP's proposals to partner with nongovernmental entities in countries where applicants need assistance to enter the lottery. In addition, it could require that third parties put their own name and address on the DV entry form to provide a degree of accountability, or consider "certifying" visa agents deemed to be legitimate. It could also take steps to make the notification process less vulnerable to interception by third parties, such as by sending the letter in a less conspicuous envelope, or sending the letter to posts and requiring the applicant to pick it up. State also should consider whether proposing legislative changes would help it address fraud in the program. As has been suggested by consular officers, barring "pop-up" spouses may remove some incentives to fraudulent activity and remove power from the visa industry, and raising the education bar might make it easier for officers to verify applicants' eligibility and to detect fraud. State officials have discussed the potential need for legislative changes, but have not moved forward to formally propose such changes. Further, State has not developed comprehensive data on DV program outcomes, detected or suspected fraud across all DV-issuing posts, and the amount of resources being spent on investigating DV fraud. All of this information would help decision makers consider whether legislative changes are needed.

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## Recommendations

To strengthen its management of the DV program, we recommend that State:

- Compile more comprehensive data on the DV program, including information on (1) detected or suspected fraud, including data on "pop-up" spouses, third party involvement, and identity and document fraud; and (2) the amount of fraud prevention resources being spent on DV investigations.
- Use these data to formulate a strategy to combat fraud in the DV program. This strategy should include: (1) proposals for legislative changes, if deemed necessary to mitigate fraud risks; (2) consideration of appropriate fraud prevention resources at each DV-issuing post; and (3) operational improvements to strengthen the program, including making the notification process less vulnerable to interception by third parties and exploring the feasibility of certifying some visa agents or partnering with nongovernmental entities to assist applicants with entering the lottery.

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## Agency Comments

We provided a draft of this report to the Departments of State and Homeland Security for their comments. The Department of Homeland Security did not comment on the report. In its written comments, State said it was disappointed with the report's findings and did not agree with the recommendations. It said that our report did not give the department enough credit for steps it has taken to combat fraud in the DV program and that our report identified management failures that do not exist. While State's comments acknowledge that the DV program faces fraud challenges, State also said that there are limits to what the department can do. In our report, we give credit to State for making several improvements to its fraud screening for DV applicants, such as implementing an electronic application process and facial recognition software, and flagging DV cases with fraud indicators before they are sent to posts. Moreover, our report does not discuss "management failures" by State. Our report shows that the DV program has significant risks for fraud and that while State has taken steps to address this fraud, it could still do more to mitigate the risk, especially at posts that are reporting significant challenges with DV fraud. This is why we recommend that State collect more comprehensive data on known DV fraud and use this information to develop a strategy to combat fraud in the program. This strategy should include operational improvements to the program and proposals for legislative changes, if deemed necessary to improve State's ability to combat fraud.

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We are sending copies of this report to other interested Members of Congress. We are also sending copies to the Secretary of State and the Secretary of Homeland Security. We will make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

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If you or your staff have any questions about this report, please contact me at (202) 512-4268 or [fordj@gao.gov](mailto:fordj@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in black ink that reads "Jess T. Ford". The signature is written in a cursive style with a large, looping initial "J" and a distinct "T" and "F".

Jess T. Ford  
Director, International Affairs and Trade

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# Appendix I: Objectives, Scope, and Methodology

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We examined the immigrant visa process in terms of its administration across government agencies, the potential vulnerabilities in the process—including security risks—and options for mitigating these risks. In the course of our initial research, we decided to focus on the diversity visa (DV) category of immigrant visas for two reasons. First, in 2003, the Department of State’s (State) Office of the Inspector General (IG) pointed to pervasive fraud at many DV-issuing posts, as well as the risk inherent in allowing aliens from state sponsors of terrorism<sup>1</sup> to apply for and obtain a diversity visa. Second, we spoke with several experts both within and outside of government who raised concerns about fraudulent activity in the DV program. Another GAO study currently underway will focus on the security screening process for nonimmigrants already in the United States who are applying for legal permanent resident status. This report examines (1) the extent to which the DV program is diversifying the U.S. immigrant visa pool, (2) areas of the DV program that are vulnerable to fraud, (3) whether there are security implications associated with these vulnerabilities, and (4) what steps State has taken to address the vulnerabilities in the DV program.

To assess the extent to which the DV program is diversifying the U.S. immigrant pool, we examined key documents regarding the purpose and goals of the DV program. For example, we reviewed the Immigration and Nationality Act, as amended; examined State’s *Foreign Affairs Manual*, and attended consular training courses on the immigrant visa process at State’s Foreign Service Institute. We also collected and analyzed State and Department of Homeland Security data on DV trends and demographics that illustrate the volume of DV applicants and recipients across countries and regions, and compared these data to visa issuance trends in other immigrant visa categories. To assess the reliability of these data, we asked relevant State and Department of Homeland Security officials a series of questions that covered data classification; custody and maintenance of the data, including updates; quality control procedures; and accuracy and

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<sup>1</sup>Countries determined by the Secretary of State to have repeatedly provided support for acts of international terrorism are designated pursuant to three laws: section 6(j) of the Export Administration Act, section 40 of the Arms Export Control Act, and section 620A of the Foreign Assistance Act. Taken together, the four main categories of sanctions resulting from designation under these authorities include restrictions on U.S. foreign assistance; a ban on defense exports and sales; certain controls over exports of dual use items; and miscellaneous financial and other restrictions. Designation under the above-referenced authorities also implicates other sanctions laws that penalize persons and countries engaging in certain trade with state sponsors. Currently there are five countries designated under these authorities: Cuba, Iran, North Korea, Sudan, and Syria.

completeness of the data. We determined that the data were sufficiently reliable for the purposes of this report. We also interviewed officials at State and the Department of Homeland Security on the agencies' efforts to study and track DV recipients.

To assess the areas of the DV program that are vulnerable to fraud, whether there are security implications associated with these vulnerabilities, and the steps State has taken to address these vulnerabilities, we reviewed key documents related to DV fraud and abuse. For example, we examined bulletins on consular fraud issues produced by Consular Affairs' Office of Fraud Prevention Programs and presentations by the Kentucky Consular Center (KCC) on fraud prevention efforts such as facial recognition technology. We also reviewed documents from the posts we visited including standard operating procedures, quarterly fraud reports, and internal cables. In addition, we reviewed State data on results of fraud prevention efforts such as facial recognition technology. In January 2007, we visited the KCC in Williamsburg, Kentucky, where we observed DV operations and interviewed key officials in the DV process. We held many follow-up discussions with KCC's fraud prevention manager after our visit.

Between April and May 2007, we performed fieldwork at the U.S. embassies in Accra, Ghana; Ankara, Turkey; Warsaw, Poland;<sup>2</sup> and the U.S. consulate in Lagos, Nigeria. Between May and June 2007, we also conducted telephone interviews with consular staff at an additional 7 posts: the U.S. embassies in Addis Ababa, Ethiopia; Cairo, Egypt; Dhaka, Bangladesh; Kathmandu, Nepal; Lima, Peru; and the U.S. consulates in Casablanca, Morocco; and Frankfurt, Germany. We selected these 11 posts because they encompassed a range of experiences in DV processing: (1) posts that had reported considerable DV fraud activity, (2) posts representing various DV workload volumes, (3) posts located in different geographic regions, and (4) posts that process applicants from countries designated as state sponsors of terrorism. The selected posts are not intended to be representative of all DV-issuing posts. During our field work in Ghana, Nigeria, Turkey, and Poland, we observed DV operations and interviewed consular officials about visa adjudication policies, procedures, and resources; challenges to administering the DV program;

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<sup>2</sup>We also spoke with officials at the U.S. embassy in Kiev by digital video conference while we were in Poland, as the U.S. embassy in Kiev coordinates with the U.S. embassy in Warsaw on fraud investigations for DV applicants from Ukraine.

and efforts to prevent and investigate cases of fraud and abuse. In our teleconferences with consular staff in Addis Ababa, Cairo, Casablanca, Dhaka, Frankfurt, Kathmandu, and Lima, we conducted interviews using a standard set of questions regarding the posts' challenges with DV processing, fraud prevention, and suggestions for improving the DV program. We developed the interview questions based on our review of the documentation and data listed above. The responses to our interviews are not intended to be representative of all DV-issuing posts.

In the Washington, D.C. area, we interviewed officials from State's Bureaus of Consular Affairs and Diplomatic Security, as well as officials from the Department of Homeland Security's U.S. Citizenship and Immigration Services, Office of Immigration Statistics, U.S. Immigration and Customs Enforcement, and U.S. Customs and Border Patrol. We also interviewed officials and observed DV adjudication interviews at U.S. Citizenship and Immigration Services district offices in Baltimore, Maryland, and Fairfax, Virginia, and spoke with officials by phone at U.S. Citizenship and Immigration Services district offices in Tampa, Florida; Houston, Texas; and Los Angeles, California. We requested a meeting with headquarters officials at the Central Intelligence Agency to discuss whether terrorist groups had expressed an interest in obtaining immigrant visas, particularly diversity visas, but they declined to meet with us.

We conducted our work from November 2006 through August 2007 in accordance with generally accepted government auditing standards.

# Appendix II: Comments from the Department of State



**United States Department of State**

*Assistant Secretary for Resource Management  
and Chief Financial Officer*

*Washington, D.C. 20520*

Ms. Jacquelyn Williams-Bridgers  
Managing Director  
International Affairs and Trade  
Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548-0001

SEP 10 2007

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, "BORDER SECURITY: Fraud Risks Complicate State's Ability to Manage Diversity Visa Program," GAO Job Code 320458.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact June Kunsman, Managing Director, Bureau of Consular Affairs, at (202) 663-1153.

Sincerely,

A handwritten signature in black ink that reads "S. Kaplan".

Sid Kaplan (Acting)

cc: GAO – Kate Brentzel  
CA – Maura Harty  
State/OIG – Mark Duda

Department of State Comments on GAO Draft Report

BORDER SECURITY: Fraud Risks Complicate State's Ability to Manage  
Diversity Visa Program  
(GAO-07-1174, GAO Code 320458)

We appreciate the opportunity to review and comment on the Government Accountability Office draft report entitled, "*BORDER SECURITY: Fraud Risks Complicate State's Ability to Manage the Diversity Visa (DV) Program.*" We are disappointed with the report's findings and do not agree with the recommendations. The Department of State has administered this Congressionally-mandated program with diligence and creativity and believes the report does not reflect this.

This report fails to accurately credit the Department of State with identifying and combating fraud in this Congressionally-mandated program and, by examining the program in isolation, mistakenly identifies management failures that do not exist. In fact the Department of State has designed and implemented robust and sophisticated fraud screening programs in the DV program, starting with implementing an electronic application process and including state-of-the-art facial recognition screening fingerprints and data mining techniques.

Visas for the United States are, in some countries, the most valuable commodity on the market. Many of those same cultures operate on the premise that any government benefit requires the intervention or assistance of someone with special connections and the payment of fees. Over a decade and a half of publicity to the contrary has failed to convince a substantial number of applicants. Success in extorting money from applicants and winners in those same societies bred more scams.

It is a sad reality that **all** visa categories encounter sham marriages, suspect identities, fraudulent documents, use of agents and unlikely stories. Consular officers around the world work hard to identify and combat that fraud and thus ensure as secure an immigration process as possible for the United States. GAO is able to report on these fraud trends because consular officers, working primarily with Diplomatic Security and DHS colleagues, have been successful in reporting it and combating it. The very nature of the Congressionally-mandated DV program, a lottery system which requires no relative or employer sponsorship and therefore serves as a vehicle for huge populations without existing U.S. connections, makes it particularly susceptible to human gullibility and in some cases desperation.

See comment 1.

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There are those who clearly see a “business” opportunity in preying on prospective applicants. In effect, for many, the DV program represents, in some societies, the last hope for those desperate to leave, leading to the exploitation of the very individuals it aims to benefit.

It is worth noting that all of the vulnerabilities to fraud described in the GAO’s report were discovered (and relayed to GAO) by vigilant consular personnel who engage in constant efforts to counter and discourage visa fraud. For the DV program in particular, extensive screening takes place before cases are sent abroad for interview. Careful pre-processing coupled with skillful interviewing unravels the fraud. Applicants who do not meet the basic requirements to apply, who submit fraudulent documents, and who assume the identities of winners in efforts to qualify pay large fees only to be refused in the end. Consequently, that process consumes resources unproductively.

#### Systematic Fraud Analysis

We do not agree that there is no systemic analysis of DV fraud. In fact, as GAO was informed, broader, systemic fraud analysis and reporting is routinely provided to posts worldwide and includes information developed from diversity visa case experiences and post feedback. Over the lifetime of this program, the Bureau of Consular Affairs used post feedback to introduce screening, interviewing and training improvements promptly as trends and technology became available. The Fraud Prevention Programs office expanded in response to the need for systematic study and analysis of fraud and malfeasance concerns of consular officers and managers. These fraud detection tools, in particular for DV, include:

- Screening for and disqualifying duplications;
- Inclusion of photographs to discourage false identities;
- Facial recognition screening and disqualifying of multiple applications before winner notification;
- Improved minimum photo standards for participation;
- Electronic application to improve accuracy, search capacity, duplicate elimination and preprocessing;
- Fraud conferences and fraud prevention management training including DV patterns and issues;
- Requiring photographs for derivative family members to deter fraud;
- Development of fraud tracking software to enhance analysis and begin to provide metrics;

See comment 2.

- Development of additional on-line processing and verification tools to reduce opportunities for visa brokers or middlemen to control winning applications;
- Incorporation of fingerprint checks to detect criminals and impostors.

See comment 3.

Most of the impressive array of fraud-prevention strategies, techniques, and technologies that consular officers employ are useful against multiple kinds of fraud. This applies to interviewing skills, use of biometrics, advanced database searches, field investigations, and other measures. We believe that it is generally more important to develop and deploy what we have learned effectively against fraud as a recurring phenomenon, rather than attempt to develop separate fraud-prevention strategies for each of the dozens of visa categories that we adjudicate.

State Sponsors of Terrorism Eligibility

See comment 4.

We do not see the DV program as uniquely vulnerable and every DV “winner” who pursues his or her case is vetted in a manner identified to all immigrant visa applicants. That process includes two types of biometric checks and name checks. The long lead time involved in an application, the layers of screening, the low probability of selection all complicate exploitation.

Use of Approved Agents

See comment 5.

It is not within the scope of our authority to develop, train and oversee approved agents to assist DV aspirants with their applications. Nor does it seem to us a good use of resources. The program is designed and intended to permit an applicant to manage independently, and given the minimum high school degree requirement, this should not serve as a barrier to applying. With wide availability of translations of the application process and forms, even the language barrier can be easily bridged on line.

Winner packages

Security-related access restrictions and competing priorities from higher priority immigrant and nonimmigrant visa applicant pools argue against handing out winner packets at posts abroad or registering applicants for the lottery at our posts. Such an approach could end up inviting unqualified or unselected applicants to appear at posts seeking assistance. Currently, we are developing more on-line tools to notify winning applicants of the next steps and documents required, as well as providing them access to verify their winner’s status and interview date. The

See comment 6.

DV process is transparent and easily accessible. Even post engages in robust public outreach efforts to ensure that host country prospective applicants have readily available – and free – information on the program. There is a limit to the appropriate involvement of the USG in preventing applicants from engaging the services of unscrupulous local brokers in their home countries.

See comment 7.

Analysis of DV Adjustment and Subsequent Family Petitioning

Researching the outcome of DV immigration exceeds the scope of the authority of the Department of State. Once applicants are admitted to the United States, authority passes to DHS’s Bureau of U.S. Citizenship and Immigration Services. Any such study of this issue would be more appropriate for that agency. While the outcomes might influence decisions of Congress concerning the future of the DV program, they would have no apparent bearing on the visa decisions that State must make on a case-by-case basis.

Now on p. 2.  
See comment 8.

Specific recommended language changes

Page 4 - “*pervasive fraud at DV-issuing posts*” would be more accurately worded “pervasive fraud in DV applications that posts must deal with.”

Page 11 – The first paragraph is confusing and moving the first sentence to the end would resolve that.

Now on p. 10.  
See comment 9.

Page 13 – Rather than “*no more DVs can be issued*” should more accurately read “no more DVs from that lottery pool can be issued.”

See comment 10.

Page 13, para 8 – “*State Department has not compiled data.*” In fact a good deal of data on issuances and refusals, disqualifications and instances of fraud are available. We think it would be more appropriate to note that while extensive data have been compiled, the fraud tracking system that was deployed in late 2006 and currently undergoing additional refinement should provide metrics for more in-depth analysis of fraud specific to visas by category.

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The following are GAO's comments on the State Department's letter dated September 10, 2007.

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## GAO Comments

1. We agree that consular officers are working hard to identify and combat DV fraud. Our report repeatedly mentions that consular officers gave us information on suspected and detected fraud.
2. We agree that State has taken numerous measures to detect and combat DV fraud. Based on State's comments, we have added to the report some additional material on the steps that State has taken. However, we believe that State could do more. For example, State has not compiled comprehensive data from all DV-issuing posts on the outcomes of investigations on "pop-up" spouse cases, or data on how many cases have suspected third party involvement, or data on the amount of resources—time and money—being spent on DV investigations. We believe that such an analysis would help State target its resources to posts with the greatest fraud challenges and also better inform Congress about risks in the program.
3. We agree with State that many fraud-prevention techniques are useful to consular officers against multiple kinds of fraud in several visa categories. However, we think that the nature of the DV program presents some unique fraud challenges that would benefit from additional measures. As State noted in its comments, the DV program is a lottery system which, unlike other immigrant visa programs, requires no family or employer sponsorship and therefore serves as an immigration vehicle for huge populations without existing U.S. connections. This is why we recommend that State develop a specific strategy to combat fraud in the program, particularly for posts experiencing major DV fraud.
4. We maintain that the difficulty in establishing some DV applicants' identity contributes to the vulnerability of allowing individuals from state sponsors of terrorism to be eligible for the program. State's Inspector General expressed similar concerns in its 2003 report on the DV program.
5. In recommending that State make operational improvements to the DV program, we are not advocating for any one specific approach. Instead, we recommend that State explore options for alternative ways of handling the application and notification processes that have led to substantial fraud challenges in some countries.

6. We understand that there are limits to what State can do to protect DV applicants from being victimized by an unscrupulous visa industry. However, we believe that the U.S. government must bear some responsibility for a program that causes, albeit unintentionally, exploitation and abuse of individuals. In addition to its public outreach efforts, State needs to consider ways to modify DV program operations to deter unscrupulous visa agents.
7. We have revised this recommendation in response to State's comments. However, since State is primarily responsible for administering the DV program, we believe that State could benefit from information about DV immigrants after they have entered the United States. For example, information on whom DV immigrants petition for may illuminate fraud patterns and trends. State could take the initiative on discussions within the executive branch on designing such a study, and collect data from the Department of Homeland Security as needed.
8. We have modified the text on page 2.
9. We have modified the text on page 10.
10. We mention State's fraud tracking system in this report and we believe that it will provide useful metrics for the analysis of DV-related fraud when fully operational. However, it is not clear whether this tracking system will provide State with comprehensive data on the outcomes of investigations on "pop-up" spouse cases, or data on how many cases have suspected third party involvement, or data on the amount of resources—time and money—being spent on DV investigations. We believe that these additional data, which we recommend collecting, would help State target its resources to posts with the greatest fraud challenges, and that it would better inform Congress about risks in the program.

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# Appendix III: GAO Contact and Staff Acknowledgments

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## GAO Contact

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## Acknowledgments

In addition to the person named above, John Brummet, Kate Brentzel, Christina Connelly, Joseph Carney, Martin de Alteriis, and Grace Lui made major contributions to this report.

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