



STATEMENT

April 6, 2000

KPMG's Report on H-1B Processing

Federal law imposes a ceiling or "cap" on the number of aliens who may be issued visas or otherwise provided H-1B status in a particular fiscal year. In the summer of 1999, the Immigration and Naturalization Service (INS) discovered that there were discrepancies in the number of petitions recorded against the Fiscal Year (FY) 1999 H-1B cap, which was set at 115,000 by the American Competitiveness and Workforce Improvement Act. Upon further analysis, it was determined that INS may have exceeded the statutory cap for FY 1999. Last fall, INS contracted with the consulting firm of KPMG to review the counting methodology and H-1B petition process. This review was to complement preliminary agency efforts to determine the amount of the H-1B discrepancy in FY 1999, identify the systems problems that led to this discrepancy, and recommend corrective actions.

KPMG has delivered the results of its initial review on the extent of the H-1B discrepancy. Based on analysis of INS data, business rules and a random sampling of petitions, KPMG reported that INS approved between 136,888 and 138,385 H-1B cap petitions in FY 99. This means that INS approved between 21,888 and 23,385 petitions in excess of the FY 1999 cap of 115,000.

Based on a careful review of the KPMG report, INS determined that it approved 21,888 H-1B petitions in excess of the FY 1999 cap. INS will be consulting closely with Congress before making a final determination on how to treat the excess.

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