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Compliance Follow-Up Review: Targeted Review of Leadership and Management at the National Passport Center

DOMESTIC OPERATIONS

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Summary of Review

OIG conducted a compliance follow-up review (CFR) of the Department of State's (Department) implementation of recommendations made in OIG's 2018 *Targeted Review of Leadership and Management at the National Passport Center* (NPC) in Portsmouth, New Hampshire.¹ The report identified extensive employee concerns regarding inappropriate behavior, including harassment and "bullying," prohibited personnel practices, and selective non-compliance with policies and regulations. OIG found that communication was ineffective at all levels within NPC and that the center's leadership would not or could not engage effectively with employees.

In this review, OIG found that the Bureau of Consular Affairs (CA), and specifically NPC, undertook various initiatives to implement the 12 recommendations in OIG's 2018 report, but some deficiencies OIG previously identified had not been fully addressed. Among the actions undertaken in response to the 2018 report, the bureau referred discrimination and harassment complaints for investigation, instituted coaching and training, conducted an organizational assessment, and enhanced internal communication regarding passport issuance procedures and workplace policies. However, in an example of a recommendation where additional work remains, OIG concluded that the full intent of the recommendation directing CA to implement an effective model for providing human resources services to NPC management and staff was not met. Specifically, OIG found continuing deficiencies in employee relations, as supervisors told OIG that they did not receive timely and comprehensive support from employee relations staff in CA's Executive Office, which, in turn, made it difficult for supervisors to effectively manage employee performance and conduct issues.

At the conclusion of the CFR, six recommendations from the original report remained closed. OIG closed one additional recommendation and issued one new recommendation. Additionally, OIG reissued five recommendations but determined that CA was making progress toward full implementation of these recommendations. In its comments on the draft CFR, CA agreed with five CFR recommendations and neither agreed nor disagreed with one CFR recommendation. OIG considers all six recommendations resolved. The bureau's response to each CFR recommendation and OIG's reply can be found in the Recommendations section of this report. The bureau's formal written response is reprinted in its entirety in Appendix B.

BACKGROUND

In November 2018, OIG published a report on its review of leadership and management at NPC. NPC is the largest of 29 passport-processing agencies within CA and twice the size of the next largest. The center processed 7.1 million passport applications in FY 2019, which accounted for 39 percent of all applications processed by the U.S. Government from October 2018 to

¹ OIG, *Targeted Review of Leadership and Management at the National Passport Center* (ISP-I-19-13, November 2018).

September 2019. Located in Portsmouth, NH, the center was created in 1992, and it grew from a staff of 60 at its founding to a high of approximately 900 following a 2007 surge in passport demand.² At the time of the CFR, of the approximately 800 staff members, nearly half were Department direct-hire employees, and the remainder were contract personnel.

In 2018, OIG's targeted review of NPC found significant and credible evidence of ongoing and systemic deficiencies in leadership and management that required CA's immediate attention. OIG also identified organizational, administrative, and security issues that exacerbated the problems in NPC's work environment. OIG made 12 recommendations to correct these problems and prevent further concerns.

Compliance Overview

Prior to the start of the CFR, six of the original recommendations were closed by OIG for acceptable implementation, and six remained open. During the CFR, OIG assessed actions taken by CA overall and by NPC specifically from November 2018 to January 2020 to comply with the 12 recommendations contained in the 2018 report.³ OIG sought to determine the following: (1) the extent of CA's implementation of the six open recommendations; (2) what further steps CA overall and NPC in particular needed to take to close the recommendations; and (3) whether any of the six closed recommendations should be re-opened because the actions taken by CA and NPC did not fully address the problems underlying the recommendations.

OVERALL CONCLUSION

Overall, OIG found that NPC, as well as those in CA responsible for overseeing NPC, made progress in improving leadership and management at NPC. In March 2019, CA assigned a Washington-based Senior Foreign Service officer as the Senior Advisor for NPC. In January 2020, CA detached NPC from the Northeast Regional Office (NERO), making NPC a separate entity, and designated the Senior Advisor as the regional director with overall leadership and management responsibilities for NPC. Prior to this realignment, staff at NERO coordinated CA's official response to OIG's recommendations.

During the CFR, OIG learned that the Director at the time of the 2018 review no longer led NPC operations.⁴ However, CA had not yet opened a formal vacancy and recruited a new Director.⁵ Instead, since December 2018, CA sent six acting Directors to support the transition process. The five Assistant Directors in place during the 2018 review remain in their positions; the sixth position, which had been vacant since the 2018 review, was recently filled, and a new vacancy was anticipated in spring 2020. The Assistant Directors, along with the Adjudication Managers

² The surge resulted from preparations for the 2009 implementation of the Western Hemisphere Travel Initiative that required all travelers to present a passport upon entering the United States.

³ Appendix A: Objectives, Scope, and Methodology.

⁴ As of the CFR, the Director at the time of the 2018 review still formally encumbered the position.

⁵ The Director has day-to-day responsibility for NPC, its personnel, and its work processes, and the Senior Advisor for NPC provides direction for the center's management and implementation of CA directives.

and Supervisory Passport Specialists on their respective management teams, participated in training and coaching designed by the Department of Health and Human Services' Federal Occupational Health, Organizational Development and Leadership(FOH/ODL)⁶ support services team. Many of them told OIG the training helped them work better collectively and improved their individual leadership skills.⁷

OIG determined that although CA devoted significant attention to a number of leadership and management problems raised in the 2018 report, challenges remained. Personnel reported frustration with the pace of change, including near universal agreement at all levels that a permanent Director was urgently needed to provide new leadership at NPC. OIG found that leadership instituted new meetings and increased communication but, despite these attempts to connect upper management to staff, employees still sought better access to managers through practices such as "management by walking around," an approach that has been modeled by the current acting Director. Employees were appreciative of messages that emphasized "putting people first" but were also skeptical as a result of what they saw as conflicting messages prioritizing production.

Overall, OIG concluded that CA leadership in Washington and NPC management on-the-ground in New Hampshire—working in coordination with the Office of Civil Rights and the Bureau of Global Talent Management (GTM)⁸—took action, or were in the process of taking action, to address all 12 recommendations. However, some deficiencies that OIG previously identified were not fully addressed, and some actions were not fully implemented. Specifically, as described below, CA and NPC took measures to improve management practices and, as a result, achieved compliance with 7 of the 12 recommendations. OIG also found that CA and GTM needed to take additional steps to complete processes underway in order to close the five remaining recommendations. In addition, OIG issued a new recommendation related to the provision of employee relations services for NPC personnel. OIG's full assessment of CA's actions to address the recommendations from the 2018 report is detailed below.

⁶ FOH is a non-appropriated agency within the Program Support Center of the U.S. Department of Health and Human Services. FOH works in partnership with Federal organizations nationally and internationally to design and deliver comprehensive occupational health solutions exclusively to Federal employees.

⁷ The chain of command runs from the six Assistant Directors (GS-14) through 12 Adjudication Managers (GS-13) to 46 Supervisory Passport Specialists (GS-12). Each NPC Assistant Director (AD) is in charge of a "division" consisting of two "companies" with up to 64 employees. Each Adjudication Manager leads one company consisting of four teams with up to 32 employees. A Supervisory Passport Specialist leads a team consisting of seven to eight passport adjudication specialists (GS-11 and below). The companies are also served by customer service managers, fraud program managers, and operations officers under the supervision of an AD.

⁸ GTM was formerly the Bureau of Human Resources. On February 20, 2020, the Department announced the name change.

FINDINGS

Corrective Action Plan Resulted in Coordinated and Systematic Approach to OIG Recommendations

In 2018, OIG found that a sustained failure of leadership at NPC fostered a culture where inappropriate conduct was permitted and employees were not held accountable for that conduct. OIG found many instances in which NPC managers and supervisors did not comply with the Department's leadership and management principles, detailed in 3 Foreign Affairs Manual (FAM) 1214, or with CA's leadership tenets⁹ for establishing and maintaining a respectful work environment and protecting the welfare of all employees. Furthermore, OIG found that senior leaders in CA's Office of Passport Services (CA/PPT) did not sufficiently monitor the situation at NPC. To address the leadership and management deficiencies at NPC, OIG recommended that CA develop a corrective action plan within 60 calendar days of the issuance of the November 2018 report.

In response to OIG's recommendation, CA developed a corrective action plan by the target date and regularly submitted updates to the plan to OIG. CA's last update was submitted in December 2019. Because CA developed the original corrective action plan as required and implementation of the other recommendations was under way, OIG concluded that it was unnecessary to continue to update the corrective action plan after the CFR. As a result, OIG closed Recommendation 1.

Bureau of Consular Affairs Referred Cases of Harassment, Discrimination, and Bullying for Accountability and Took Preventive Actions

In 2018, hundreds of NPC employees told OIG that retaliation, harassment, and "bullying" pervaded the work environment. OIG found that the reported behavior was widespread and was either condoned or perpetrated by nearly all levels of NPC leadership. OIG also received information from various sources recounting allegations that, if true, would constitute evidence of systemic harassment by senior- and mid-level managers against their subordinates, contrary to the Department's leadership and management principles¹⁰ and CA's leadership tenets.¹¹ To take but one example, multiple employees reported to OIG incidents of sexual and gender-based harassment, which in some cases, were ongoing, widely known, and accepted as part of the center's culture. To address these problems, OIG recommended that CA, working with the Department's Office of Civil Rights (S/OCR), investigate these concerns within the NPC workforce.

In response to OIG's recommendation, S/OCR investigated complaints against nine NPC employees. In January 2020 meetings with OIG, S/OCR and GTM officials confirmed that those

⁹ 7 Foreign Affairs Handbook (FAH)-1 H-250, "Building Teams and Contacts."

¹⁰ 3 FAM 1214, "Leadership and Management Principles for Department Employees."

¹¹ 7 FAH-1 H-250.

investigations had been passed to GTM for final determinations as to which disciplinary actions, if any, should be applied. As of February 2020, GTM told OIG that four cases are still pending final decisions.

Furthermore, since the original review, S/OCR conducted two training programs at NPC. In March 2019, an S/OCR team conducted routine mandatory EEO training, and an S/OCR trainer conducted a follow-up session tailored to NPC in August 2019. S/OCR reported to OIG that it will conduct its next routine EEO training at NPC on a regularly scheduled biennial basis, with the next training in February 2021. In June 2019, the Office of the Ombudsman also sent staff to improve awareness of the Department's conflict management resources. Employees told OIG that this training helped them to understand available resources for addressing concerns. OIG also found that NPC was recruiting EEO counselors to enhance availability, especially for the second shift, and had reached agreement with S/OCR on the selection process.

Because final results from S/OCR's investigations were still pending at the time of the CFR, OIG reissued Recommendation 2 (now CFR Recommendation 1).

CFR Recommendation 1: The Bureau of Consular Affairs, in coordination with Office of Civil Rights, should investigate the expressed concerns within the National Passport Center workforce of sexual harassment and discrimination. (Action: CA, in coordination with S/OCR)

While Awaiting Decisions on Disciplinary Actions, Bureau of Consular Affairs Implemented Initial Leadership Changes

In the 2018 report, OIG determined that CA/PPT and NPC leadership, including senior- and mid-level managers, failed to take corrective action to address numerous incidents of inappropriate behavior and potentially prohibited personnel practices, contrary to the Department's leadership and management principles¹² and CA's leadership tenets.¹³ In many cases, employees reported that members of NPC leadership perpetrated inappropriate behavior. OIG found that CA/PPT and NPC senior leaders were aware of the employees' concerns regarding harassment, abuse, and misconduct but, nonetheless, were largely disengaged from any effort to resolve or address those concerns. OIG recommended that CA assess the capabilities and conduct of NPC's senior- and mid-level management staff to determine whether they should remain in their positions.

During the CFR, CA told OIG that it could not complete its assessment of the capabilities and conduct of NPC's senior- and mid-level management staff without GTM's final decisions on certain disciplinary actions initiated in response to the 2018 review. GTM reported that it expected to decide on the four remaining disciplinary action cases in spring 2020, and, once those final determinations occur, CA expected to take actions, including filling any vacancies.

¹² 3 FAM 1214.

¹³ 7 FAH-1 H-250.

Furthermore, OIG found that the partial reorganization of NERO, as noted above, helped improve CA's oversight of the NPC and its monitoring of conduct and performance issues. In January 2020, CA detached NPC from NERO, making NPC a separate "region" with the Senior Advisor filling the duties of a regional director. After CA reassigned the former NPC Director in November 2018, it sent a series of acting Directors drawn primarily from other passport agencies in the United States to fill the responsibilities on a temporary basis. NPC staff told OIG that these acting Directors brought needed energy and talent to managing change at NPC, but their acting status and the constant rotation fostered uncertainty and inhibited progress.

Because GTM and CA had not yet completed the personnel actions and the NPC Director position remained vacant, OIG reissued Recommendation 3 (now CFR Recommendation 2).

CFR Recommendation 2: The Bureau of Consular Affairs should assess the skills, knowledge, abilities, and conduct of the National Passport Center's current senior and mid-level management staff to determine whether they should remain in their positions. (Action: CA)

National Passport Center Introduced Measures to Increase Communication

In the November 2018 report, OIG cited ineffective communication at all levels as a factor exacerbating NPC's problematic workplace environment. Employees reported that the Director did not regularly communicate with the GS-13 Adjudication Managers who had a significant role in managing day-to-day adjudication operations. Many employees also reported that they did not know which GS-14 Assistant Director supervised their divisions and had limited or no engagement with senior leaders. The GS-12 Supervisory Passport Specialists told OIG that, in 2015, the Adjudication Managers decided as a group to stop holding team meetings, preferring that questions be referred individually through the chain of command rather than discussed at widely attended meetings. All of these factors created a workplace that suffered from poor communication, and OIG recommended that CA implement mechanisms to facilitate more frequent communication and feedback from NPC management to staff.

During the CFR, staff at all levels told OIG that there was an "explosion" of communication, primarily through meetings and emails, following the 2018 review. OIG found that, even with a reduction in the frequency of meetings, these channels were still open at the time of the CFR. Additionally, Assistant Directors established regular office hours for employees to voice concerns, provide and receive feedback, or seek redress of complaints. This measure improved accessibility, although employees also described some difficulty in using the option, given time sensitive work processes and the potential loss of anonymity when meeting with an Assistant Director in the NPC Front Office area.

OIG observed, and employees confirmed, that the acting Director at the time of the CFR practiced "management by walking around," an approach that employees welcomed and that the CA Senior Advisor who was filling regional director duties for NPC encouraged among the Assistant Directors. In October 2019, NPC also launched Guiding Coalition, an effort to improve NPC communication and coordination. Guiding Coalition members included both direct-hire employees and contractors from all grades and functions. In February 2020, the Guiding

Coalition finalized a charter detailing its mission and began developing projects to meet its mission.

As a result of the actions taken by NPC, OIG determined that Recommendation 4 should remain closed.

National Passport Center Implemented Adjudication Standard Operating Procedures

In November 2018, OIG reported that NPC's failure to effectively communicate guidance, which was typically in the form of memoranda and notices of revisions to the FAM, was compounded by the way CA/PPT and NPC distributed information to employees. In particular, CA/PPT conveyed this information via email, but neither CA/PPT nor NPC maintained a repository of those emails. As a result, employees reported difficulties discerning which policies and procedures were current. Employees also told OIG that the absence of an authoritative, centralized location for policies and procedures combined with the Adjudication Managers' refusal to meet with employees to clarify policies and procedural updates led to delays and mistakes. Additionally, employees reported that some supervisors had preferred adjudication "styles" that they expected employees to adopt, but those "styles" did not always align with Department procedures or with the FAM, leading to both inconsistency and confusion. To address these problems, OIG recommended that CA develop a consistent method to document, communicate, and retain passport adjudication policy and procedure updates and guidance for reference by NPC employees.

Staff told OIG that work on standard operating procedures for documenting, communicating, and retaining adjudication policies and procedures began soon after the November 2018 report was issued. CA provided OIG with documentation to show compliance with the recommendation, and OIG closed the recommendation in October 2019. OIG confirmed the accessibility of these guidance documents by searching NPC's internal SharePoint site.

As a result of the actions taken by NPC, OIG determined that Recommendation 5 should remain closed.

National Passport Center Implemented an Employee Training Program

In 2018, OIG found that NPC's locally developed and administered annual training program for adjudication, fraud, customer service, and management development had degraded since 2014. For example, a 2014 training matrix showed 1 adjudication course per month, 1 fraud course per month, 6 customer service courses for the year, and 10 management development courses for the year. However, all customer service courses were dropped from the curriculum in 2015, followed by the elimination of all management development courses in 2016. NPC senior- and mid-level managers stated that CA/PPT instructed them to reduce training levels to

prepare for a passport surge in 2017.¹⁴ CA/PPT leadership acknowledged that NPC curtailed training but told OIG that it was done without its approval. To address these issues, OIG recommended that NPC implement a training program to fully equip employees with the skills needed to perform their duties.

During the CFR, OIG found that the NPC had implemented a structured, formal program of mandatory adjudication and fraud prevention training administered through an Executive Training Committee.¹⁵ Adjudication Managers delivered two monthly in-person training sessions on passport adjudication at the company level, and Fraud Prevention Managers delivered two monthly in-person training sessions on fraud prevention at the division level.¹⁶ Adjudication Managers and Supervisory Passport Specialists supplemented training and adjudication guidance in team meetings. Adjudication training consisted of formal presentations focused on FAM changes as well as a review of case studies (what NPC refers to as “calibration training”). NPC staff told OIG that they highly rated the fraud prevention training and found it to be informative, well presented, and actionable. Staff also told OIG that the quality and content of the adjudication training was not as consistent, but most found it to be useful.

NPC also delivered quarterly customer service training and leadership and management training to its staff. NPC’s Professional Development Committee¹⁷ oversaw and administered employee professional development, including facilitating opportunities for staff ranging from entry-level personnel (GS-7) to senior leaders (GS-15) through CA/PPT’s Career Management Division.

OIG noted that training resources, including videos of all training presentations and a training policy, were accessible to all NPC staff through an updated, easily navigated SharePoint site. Furthermore, NPC managers (an Assistant Director, an Adjudication Manager, and a Supervisory Passport Specialist) as well as a Program Management and Support Team¹⁸ monitored and evaluated the effectiveness of training programs through structured analysis of feedback from training participants. OIG found that NPC management at all levels were continuously improving the content and format of training. Finally, NPC University, an online platform housed on NPC’s internal SharePoint site, complemented NPC’s mandated training with a collection of mini courses created, vetted, and updated by NPC staff. At the time of the CFR, NPC University was on hiatus at the March 2019 request of the then-Northeast Regional

¹⁴ Based on a 10-year passport validity, holders of passports issued during the surge of 2007 were expected to request renewals in large volumes in 2017.

¹⁵ NPC’s Executive Training Committee administers functional training related to passport adjudication, fraud prevention, and customer service.

¹⁶ A description of NPC’s organization and chain of command is included on page 2.

¹⁷ NPC’s Professional Development Committee facilitates and coordinates leadership and management training opportunities for NPC staff.

¹⁸ The Program Management and Support Team at NPC consists of Operations Officers, Administrative Assistants, and a GS-12 Training Supervisor working under the oversight of the Assistant Director who manages the training portfolio.

Director, but it was scheduled to be relaunched in spring 2020, pending the NPC Senior Advisor's final approval of changes to the process for assigning NPC staff to work on the program.

As a result of the actions taken by NPC, OIG determined that Recommendation 6 should remain closed.

National Passport Center Had Not Fully Implemented Recommendations From Organizational Assessments

In 2018, OIG found that the rapid and exponential growth of NPC to approximately 900 employees was not matched by a corresponding change to NPC's organizational structure. Rather, as NPC's workload increased, the center expanded its staffing by replicating its original organizational model, one used by all passport agencies regardless of size. OIG noted that this structure did not function effectively at NPC, and OIG found no evidence that CA/PPT considered whether, due to its size, NPC required a different management model that did not simply increase the number of Assistant Directors, managers, and supervisors. OIG recommended that CA, in coordination with GTM, conduct an organizational assessment of NPC's structure and responsibilities, and as appropriate, implement recommendations from the assessment.

During the CFR, OIG found that CA and GTM made significant progress by entering into an interagency agreement with FOH/ODL to conduct an organizational assessment of NPC. In December 2019, the FOH/ODL team's work resulted in an analysis of NPC's strengths, weaknesses, opportunities, and threats and 36 recommendations for NPC's organizational health. That was followed in February 2020 by an organizational and structural assessment that included executive coaching and training for NPC managers at all levels.

In addition, GTM's Office of Organization and Talent Analytics (GTM/OTA), formerly the Office of Resource Management and Organization Analysis, conducted a workload assessment of NPC in November 2019. Both the GTM/OTA workload assessment and the FOH/ODL organizational and structural assessments concluded that Adjudication Managers and Supervisory Passport Specialists spent too much time on administrative duties. Subsequently, in February 2020, NPC hired administrative assistants to perform these duties.

OIG confirmed that NPC management implemented or was in the process of implementing recommendations from the FOH/ODL organizational assessment and GTM/OTA workload analysis; however, FOH/ODL had not yet issued its final report, expected in April 2020. Furthermore, the NPC Senior Advisor stated that restructuring NPC could be considered once NPC institutionalized the multiple changes and ongoing reforms directly resulting from FOH/ODL's work and when a new Director had been appointed.

Because CA and NPC had more work to do to fully implement the recommendations resulting from the FOH/ODL and GTM/OTA organizational assessments, OIG reissued Recommendation 7 (now CFR Recommendation 3).

CFR Recommendation 3: The Bureau of Consular Affairs, in coordination with the Bureau of Global Talent Management, should conduct an organizational assessment of the National Passport Center's structure and responsibilities and implement appropriate recommendations. (Action: CA, in coordination with GTM)

Bureau of Consular Affairs Improved Human Resources Services and Responsiveness, but Employee Relations Services Were Lacking

In its 2018 review, OIG found that CA failed to deliver adequate or efficient human resources (HR) services to NPC. At that time, HR services were delivered to NPC remotely, primarily through the Office of the Executive Director, Human Resources Division (CA/EX/HRD). CA/EX/HRD instructed NPC employees, managers, and supervisors to send questions and requests to one of several general email addresses. Employees and managers reported that this was a lengthy process with little information as to what, if any, action was taking place or who was handling the request; there was, moreover, no mechanism for requestors to monitor the status of a request. To address this problem, OIG recommended that CA implement an effective model for providing HR services to NPC's management and staff.

OIG found that although CA/EX/HRD continued to provide HR services remotely, the division improved the provision of routine HR services. In 2019, CA/EX/HRD conducted three 2-day workshops at NPC to familiarize managers with key HR topics, including merit system principles and prohibited personnel practices; policies on reasonable accommodations, overtime, leave, and the Fair Labor Standards Act; the interview process; and workplace misconduct. In addition, CA/EX/HRD revised its website to create a one-stop source for all HR-related matters, including comprehensive information, tools, and resources. It also provided NPC leadership with an informational flyer to post throughout the common areas of NPC and on SharePoint that listed the appropriate GTM and CA/EX/HRD email addresses for a variety of routine HR issues. Furthermore, NPC staff told OIG that their routine HR requests were assigned to CA/EX/HRD HR Specialists in a timely manner and that staff received periodic updates on the status of their inquiries.

Despite improvements to the delivery of routine HR services, OIG found that CA/EX/HRD's employee relations services were not available for and responsive to supervisors seeking support on performance and conduct issues. CA/EX/HRD has an employee relations services office at NPC, with support provided by a regional HR-Labor and Employee Relations Specialist, who was responsible for NPC and seven other passport agencies.¹⁹ Some employees told OIG they were unaware that an HR-Labor and Employee Relations Specialist was onsite at NPC because the employee relations office was regularly empty during business hours and no one was available to address concerns or questions. NPC managers and employees who were aware

¹⁹ The regional HR-Labor and Employee Relations Specialist was based in Washington, DC. A primary responsibility outlined in the specialist's position description was to "provide day-to-day expert advice and guidance to management officials on handling all types of misconduct and performance-related matters."

of CA/EX/HRD's employee relations services consistently told OIG that the specialist was unresponsive to email requests. Staff with management responsibilities also stated that the lack of timely and efficient HR support for addressing performance and conduct issues prevented them from effectively executing management responsibilities and properly and fully holding employees accountable for both conduct and performance issues. Although CA/EX/HRD was in the process of hiring three new employees to fill HR-Employee Relations Specialist roles and increase support to NPC, the inadequacy of employee relations services at the time of the CFR resulted in protracted conduct issues and perceptions of employee impunity, which continued to harm morale.

Due to the improvement in the delivery of routine HR services to NPC staff, OIG determined that Recommendation 8 should remain closed. However, it issued a new recommendation (CFR Recommendation 4) to address the ineffective delivery of employee relations services to NPC supervisors and staff.

CFR Recommendation 4: The Bureau of Consular Affairs should implement an effective model for providing employee relations services to National Passport Center management and staff. (Action: CA)

National Passport Center Lacked Human Resources Policies Addressing Shift and Core Hours and Flexible Work Schedules

In its 2018 review, OIG found that NPC lacked written policies on a variety of HR issues, including core work hours, awards, flexible work schedules, and leave without pay.²⁰ To address this problem, OIG recommended that NPC develop and publish policies, in compliance with applicable Department standards, that cover shift hours and core hours, flexible work schedules, the awards program, and leave without pay.

During the CFR, OIG found that, although NPC made progress to meet this recommendation, it lacked written policies addressing two HR issues. Although it developed and published (on its internal SharePoint site) policies on the awards program, leave without pay, hiring, and training, NPC did not have written policies on shift and core hours and flexible work schedules. NPC management stated that, at the direction of CA/PPT, it had postponed developing a work schedules policy until the completion of FOH/ODL's organizational assessment. Furthermore, NPC still had not developed a policy on flexible work schedules. Although NPC allows some forms of alternative work schedules, including compressed and flexitour work schedules,²¹

²⁰ Core hours, as described in 3 FAM 2331.3, are the daily hours when employees on a flexible work schedule must be present for work, with a band of core hours of at least 5 consecutive hours that do not begin before 6:00 a.m. or extend past 6:00 p.m.

²¹ In 3 FAM 2335.2, "Types of Flexible and Compressed Work Schedules," the Department defines a compressed work schedule as, "[f]ixed work schedules in which an employee's basic work requirement of 80 hours in a biweekly pay period is scheduled in less than 10 workdays." The Department defines a flexitour schedule as "[a] schedule in which there are established core hours and a basic work requirement of 8 hours each day and 40 hours in each week for a full-time employee (or a predetermined daily and weekly schedule for a part-time employee), and the employee selects arrival and departure times within a bureau/post's established flexible hours."

management currently relies on “past practice and verbal [or] handshake agreements” to determine eligibility. Without standardized HR policies, NPC may not be able to ensure transparency and consistency in decisions regarding work schedules, and it faces a continuing perception of favoritism.

Because NPC still needs to develop and publish needed HR policies, OIG reissued Recommendation 9 (now CFR Recommendation 5).

CFR Recommendation 5: The Bureau of Consular Affairs should require the National Passport Center to develop and publish policies, in compliance with applicable Department standards, that cover shift hours/core hours, flexible work schedules, awards program, and leave without pay. (Action: CA)

Final Review of Second Shift Contingent on Additional Bureau of Consular Affairs Analysis

In 2018, OIG found that, as a result of NPC’s 21-hour per day work schedule, NPC leaders did not consistently and adequately supervise subordinates on the second shift, and, as a result, the cost of premium pay (night differential) increased unnecessarily. Since its creation in 1992, NPC periodically ran two shifts per day for short durations to handle seasonal increases in workload. However, during the passport surge that began in 2007, NPC management created a permanent second shift to handle the increased workload and to have enough desks for newly hired employees. NPC maintained two shifts even after the surge diminished, but it allowed employees, including supervisors and senior managers, flexibility to determine their own start and end times based on their personal preferences. The most significant effect of the 21-hour per day work schedule was diminished supervision of employees, particularly those on the second shift. To address this problem, OIG recommended that CA review NPC’s use of the second shift and institute changes to provide for greater supervision of employees and minimize premium pay costs.

During the CFR, OIG found that CA and NPC made significant progress towards reviewing the use of the second shift. Initially, the FOH/ODL organizational and structural assessment of February 2020 produced no recommendation on the second shift pending data from a cost-benefit analysis. CA’s cost-benefit analysis, completed in January 2020, determined that the second-shift costs constitute a small portion of overall operational costs and that consolidating NPC’s two shifts would produce minimal cost savings but would have a negative effect on operations. For example, NPC would lose the ability to provide nationwide public service across all time zones, it would take longer to process applications, and responses would be delayed on time-sensitive casework. CA noted, however, that the cost-benefit analysis was the first of its two analyses on NPC’s second shift, and it planned to analyze staffing and supervisory oversight of the second shift. OIG confirmed that CA will conduct a second analysis of staffing and supervisory oversight before deciding whether to change NPC’s operating hours.

Because CA and NPC management do not yet have sufficient information to make a final determination on the second shift, OIG reissued Recommendation 10 (now CFR Recommendation 6).

CFR Recommendation 6: The Bureau of Consular Affairs should review the National Passport Center's use of the second shift and institute changes to provide for greater supervision of employees and minimize premium pay costs. (Action: CA)

National Passport Center Facility Access Control Met Department Standards

During the 2018 review, OIG found that the Bureau of Diplomatic Security's (DS) Uniformed Protection Division officers, who stood watch at NPC's employee entrance during the first to second shift change, locked the turnstiles in the open position to allow employees to enter the facility without using their badges and personal identification numbers (PINs) to open the turnstiles. Employees also departed the facility without using their badges to exit. To address this security deficiency, OIG recommended that NPC follow Department standards for facility access control.

During the CFR, OIG observed that staff exited and entered through turnstiles at NPC's main employee entrance at NPC and that they used their badges and PINs to do so. OIG also noted that a uniformed DS officer, who stood approximately 6 feet from the turnstiles, observed the entry and exit of NPC staff. The uniformed DS officer demonstrated to OIG that an alarm sounds when a second person tries to slip through the turnstile behind an employee whose badge just released the turnstile. The DS officer confirmed that the four turnstiles installed in 2019 have the capacity to permit entry and exit of staff without causing bottlenecks. At the time of the 2018 review, NPC had only three turnstiles at entry and exit points. OIG found that NPC management and staff followed Department standards for facility access control and used their badges to enter and exit NPC.

As a result of the actions taken by NPC and DS, OIG determined that Recommendation 11 should remain closed.

National Passport Center Established Information Systems Security Officer Roles and Responsibilities

In 2018, OIG found that CA's Senior Information Management Officer did not delineate the roles and responsibilities of the Regional Information Systems Security Officer (ISSO), whose portfolio included NPC, and the Assistant Director ISSOs at NPC, as outlined in 8 Foreign Affairs Handbook (FAH)-1 H-601.4-6(A)a-c. As a result, OIG found multiple information security deficiencies at NPC in areas such as configuration management of servers and workstations, continuous monitoring, audit of users' files and folders, and universal serial bus port access control. To address these deficiencies, OIG recommended that CA establish roles and responsibilities for the ISSOs with responsibility for NPC.

During the CFR, OIG found that NPC corrected the ISSO deficiencies. For example, an Assistant Director conducted mandatory monthly checks of permissions and users for the passport adjudication program. Additionally, all Assistant Directors had ISSO duties written into their position descriptions and were required to take ISSO training, which took place at NPC and was customized for NPC staff. NPC also provided OIG with a matrix of the regional and local ISSO responsibilities that was implemented in November 2018, as well as a January 2019 memo from CA/PPT delineating the roles and responsibilities of the Regional ISSO and the duties of the Assistant Director ISSOs at NPC.

As a result of the actions taken by CA, OIG determined that Recommendation 12 should remain closed.

RECOMMENDATIONS

OIG provided a draft of this compliance follow-up review to Department stakeholders for their review and comment on the findings and recommendations. OIG issued the following recommendations to the Bureau of Consular Affairs. The bureau's complete response can be found in Appendix B.¹ The bureau also provided technical comments that were incorporated into this report, as appropriate.

CFR Recommendation 1: The Bureau of Consular Affairs, in coordination with Office of Civil Rights, should investigate the expressed concerns within the National Passport Center workforce of sexual harassment and discrimination. (Action: CA, in coordination with S/OCR)

Management Response: In its June 12, 2020, response, the Bureau of Consular Affairs concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Consular Affairs investigated expressed concerns of sexual harassment and discrimination at the National Passport Center.

CFR Recommendation 2: The Bureau of Consular Affairs should assess the skills, knowledge, abilities, and conduct of the National Passport Center's current senior and mid-level management staff to determine whether they should remain in their positions. (Action: CA)

Management Response: In its June 12, 2020, response, the Bureau of Consular Affairs concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Consular Affairs assessed the National Passport Center's current senior and mid-level management staff to determine whether they should remain in their positions.

CFR Recommendation 3: The Bureau of Consular Affairs, in coordination with the Bureau of Global Talent Management, should conduct an organizational assessment of the National Passport Center's structure and responsibilities and implement appropriate recommendations. (Action: CA, in coordination with GTM)

Management Response: In its June 12, 2020, response, the Bureau of Consular Affairs concurred with this recommendation.

¹ OIG faced delays in completing this work because of the COVID-19 pandemic and resulting operational challenges. These challenges included the inability to conduct most in-person meetings, limitations on our presence at the workplace, difficulty accessing certain information, prohibitions on travel, and related difficulties within the agencies we oversee, which also affected their ability to respond to our requests.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Consular Affairs conducted an organizational assessment of the National Passport Center's structure and responsibilities and implementation of the recommendations.

CFR Recommendation 4: The Bureau of Consular Affairs should implement an effective model for providing employee relations services to National Passport Center management and staff. (Action: CA)

Management Response: In its June 12, 2020, response, the Bureau of Consular Affairs concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Consular Affairs implemented an effective model for providing employee relations services to National Passport Center management and staff.

CFR Recommendation 5: The Bureau of Consular Affairs should require the National Passport Center to develop and publish policies, in compliance with applicable Department standards, that cover shift hours/core hours, flexible work schedules, awards program, and leave without pay. (Action: CA)

Management Response: In its June 12, 2020, response, the Bureau of Consular Affairs concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation of the National Passport Center's policies addressing shift hours/core hours, flexible work schedules, awards programs, and leave without pay that comply with applicable Department standards.

CFR Recommendation 6: The Bureau of Consular Affairs should review the National Passport Center's use of the second shift and institute changes to provide for greater supervision of employees and minimize premium pay costs. (Action: CA)

Management Response: In its June 12, 2020, response, the Bureau of Consular Affairs neither agreed nor disagreed with this recommendation. However, the bureau noted it recently completed a detailed analysis regarding supervisory shift overlap and suggestions for changing the National Passport Center's core hours.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Bureau of Consular Affairs reviewed the National Passport Center's use of the second shift and instituted changes to provide for greater supervision of employees and minimize pay costs.

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

This Compliance Follow-Up Review (CFR) was conducted from January 6 to March 25, 2020, in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2012 by the Council of the Inspectors General on Integrity and Efficiency, and the Inspections Handbook, as issued by the Office of Inspector General (OIG) for the Department and the U.S. Agency for Global Media (USAGM).

Objectives and Scope

The Office of Inspections provides the Secretary of State, the Chief Executive Officer of USAGM, and Congress with systematic and independent evaluations of the operations of the Department and USAGM. Consistent with Section 209 of the Foreign Service Act of 1980, CFRs assess the status of inspected entities' compliance with recommendations made in previous OIG reports and verify whether corrective actions taken by inspected entities fully meet the intent of the recommendations.

OIG's specific objective for this CFR was to determine whether the Bureau of Consular Affairs, working with the Bureau of Human Resources (since February 2020, the Bureau of Global Talent Management) and the Department's Office of Civil Rights had fully implemented the recommendations in the November 2018 targeted review (ISP-I-19-13) and, if not, what further steps, including possible additional recommendations, must be taken to fully meet the intent of the recommendations.

Methodology

In conducting this CFR, OIG reviewed the recommendations issued in the original inspection report and the Department's reported corrective actions. Additionally, OIG collected and reviewed pertinent documentation and conducted interviews necessary to substantiate reported corrective actions. Through a questionnaire that used relevant questions from the original inspection, OIG measured changes in employee perceptions of NPC operations and support functions. At the conclusion of the review, OIG reviewed the findings and the recommendations resulting from the CFR with offices, individuals, and activities affected by the review.

Ambassador Mark Asquino (Team Leader), Jeffrey Jamison (Team Manager), Robin Busse, Chelsea Cowan, and Monica Friday conducted this CFR.

Other report contributors include Barbara Keller, Kathryn McMahon, Rebecca Sawyer, and Patricia Stewart.

APPENDIX B: MANAGEMENT RESPONSE

UNCLASSIFIED

June 12, 2020

TO: OIG

FROM: CA/PPT – Rachel M. Arndt

SUBJECT: (U) Response to Compliance Follow-Up Review: Targeted Review of Leadership and Management at the National Passport Center

(U) Consular Affairs has (CA) reviewed the draft compliance follow-up review. CA provides the following comments in response to the recommendations provided by OIG:

CFR Recommendation 1: (U) The Bureau of Consular Affairs, in coordination with Office of Civil Rights, should investigate the expressed concerns within the National Passport Center workforce of sexual harassment and discrimination. (Action: CA, in coordination with S/OCR)

Management Response: (U) CA concurs with this recommendation. S/OCR concluded investigating the expressed concerns, within the NPC workforce, of sexual harassment and discrimination and passed on their findings to GTM for final determination. There is one case currently pending disciplinary action with GTM.

CFR Recommendation 2: (U) The Bureau of Consular Affairs should assess the skills, knowledge, abilities, and conduct of the National Passport Center's current senior and mid-level management staff to determine whether they should remain in their positions. (Action: CA)

Management Response: (U) CA concurs with this recommendation. CA is receiving final determinations from GTM regarding disciplinary actions initiated in response to the 2018 review. As GTM issues the final decisions CA takes the appropriate actions, including filling any vacancies.

CFR Recommendation 3: (U) The Bureau of Consular Affairs, in coordination with the Bureau of Global Talent Management, should conduct an organizational assessment of the National Passport Center's structure and responsibilities and implement appropriate recommendations. (Action: CA, in coordination with GTM)

Management Response: (U) CA concurs with this recommendation. CA continues to work with GTM/OTA on the organizational assessment of NPC and currently awaits FOH/ODL's final report, which is expected in June. CA will reevaluate the need to restructure NPC once a new Director is appointed and the impact of the many changes currently underway can be assessed.

CFR Recommendation 4: (U) The Bureau of Consular Affairs should implement an effective model for providing employee relations services to National Passport Center management and staff. (Action: CA)

Management Response: (U) CA concurs with this recommendation. The Employee Relations (ER) Specialist at NPC has increased visibility and accessibility in a number of ways. The ER Specialist is present as needed at all monthly All-Hands Meetings, either as an attendee or presenter in order to communicate HR resources to employees and answer specific questions; attends weekly Director/Assistant Director meetings as needed to provide performance and/or misconduct case updates and general questions to management. He has ensured that all employees have relevant contact information, which has resulted in a significant increase in direct employee inquiries regarding a variety of HR services. The ER Specialist spent over 80 hours coordinating with NPC management that received proposed discipline from GTM as a result of the OIG Report to coordinate supervised reviews of their proposals and supporting documentation. The ER Specialist will coordinate biweekly meetings with the NPC Senior Advisor to discuss ER topics. In the absence of the ER Specialist at NPC, other ER team members will be available to provide assistance upon request. Additionally, CA/EX/HRD is actively expanding the ER team, and has recently onboarded (as of April) a new ER Specialist (GS-13) and is in the process of recruiting an additional ER Specialist (GS-13) to increase workload capacity and efficiency of ER services as a whole, to include NPC. Lastly, CA/EX/HRD is assigning a current ER Specialist (GS-11) to provide ER services directly to NPC while serving on a Domestic Employee Teleworking Overseas (DETO) agreement slated to begin by at least August. This ER Specialist, due to her overseas schedule, will ensure that an ER Specialist is on call to assist with performance and misconduct issues during second shift at NPC. Therefore, an additional ER Specialist will be providing direct support to NPC, and there will be at least one ER Specialist available to assist NPC at all times.

CFR Recommendation 5: (U) The Bureau of Consular Affairs should require the National Passport Center to develop and publish policies, in compliance with applicable Department standards, that cover shift hours/core hours, flexible work schedules, awards program, and leave without pay. (Action: CA)

Management Response: (U) CA concurs with this recommendation. CA recently completed analysis regarding core hours and NPC is working on finalizing its new Work Schedule Policy.

CFR Recommendation 6: (U) The Bureau of Consular Affairs should review the National Passport Center's use of the second shift and institute changes to provide for greater supervision of employees and minimize premium pay costs. (Action: CA)

Management Response: (U) CA recently completed a detailed analysis regarding supervisory shift overlap and suggestions for changing NPC's operating hours. Attached is an information memo (Tab 1) that describes CA's intent to 1) establish core hours; 2) require at least five hours overlap each day between supervisors and their direct reports; and 3) reduce the operating hours of NPC's second shift. The analysis also found that the new team structure implemented in January provides strong supervisory oversight, including during second shift.

(U) The point of contact for this memorandum is Senior Advisor Don Jacobson.

Attachment:

IM to MD/I - Response to OIG Recommendations 9 and 10 (OIG Note: Because the attachment was marked Sensitive But Unclassified, it was not included in this report.)

APPENDIX C: STATUS OF 2018 TARGETED REVIEW RECOMMENDATIONS

Recommendation 1: The Bureau of Consular Affairs should, within 60 days, develop a corrective action plan to address the leadership and management deficiencies at the National Passport Center. At a minimum, the corrective action plan should address Recommendations 2 through 12 and include milestones and target implementation dates for the resolution of each. In addition, the action plan should be reviewed and approved by the Under Secretary for Management. (Action: CA, in coordination with M)

Pre-CFR Status: Open

CFR Status: Closed

Recommendation 2: The Bureau of Consular Affairs, in coordination with the Office of Civil Rights, should investigate the expressed concerns within the National Passport Center workforce of sexual harassment and discrimination. (Action: CA, in coordination with S/OCR)

Pre-CFR Status: Open

CFR Status: Reissued

Recommendation 3: The Bureau of Consular Affairs should assess the skills, knowledge, abilities, and conduct of the National Passport Center's current senior and mid-level management staff to determine whether they should remain in their positions. (Action: CA)

Pre-CFR Status: Open

CFR Status: Reissued

Recommendation 4: The Bureau of Consular Affairs should implement mechanisms to facilitate more frequent communication and feedback from National Passport Center management to employees. These mechanisms should include means of holding managers accountable for meeting with employees to discuss new passport adjudication guidance in accordance with Department standards. (Action: CA)

Pre-CFR Status: Closed

CFR Status: Closed

Recommendation 5: The Bureau of Consular Affairs should develop a consistent method to document, communicate, and retain passport adjudication policy and procedure updates and guidance for employee reference. (Action: CA)

Pre-CFR Status: Closed

CFR Status: Closed

Recommendation 6: The Bureau of Consular Affairs should require the National Passport Center to implement a local training program that equips employees with the skills needed to perform their duties. (Action: CA)

Pre-CFR Status: Closed

CFR Status: Closed

Recommendation 7: The Bureau of Consular Affairs, in coordination with the Bureau of Human Resources, should conduct an organizational assessment of the National Passport Center's structure and responsibilities and implement appropriate recommendations. (Action: CA, in coordination with DGHR)

Pre-CFR Status: Open

CFR Status: Reissued

Recommendation 8: The Bureau of Consular Affairs should implement an effective model for providing human resource services to National Passport Center management and staff. (Action: CA)

Pre-CFR Status: Closed

CFR Status: Closed

Recommendation 9: The Bureau of Consular Affairs should require the National Passport Center to develop and publish policies, in compliance with applicable Department standards, that cover shift hours/core hours, flexible work schedules, awards program, and leave without pay. (Action: CA)

Pre-CFR Status: Open

CFR Status: Reissued

Recommendation 10: The Bureau of Consular Affairs should review the National Passport Center's use of the second shift and institute changes to provide for greater supervision of employees and minimize premium pay costs. (Action: CA)

Pre-CFR Status: Open

CFR Status: Reissued

Recommendation 11: The Bureau of Consular Affairs should require the National Passport Center management to follow Department standards for facility access control. (Action: CA)

Pre-CFR Status: Closed

CFR Status: Closed

Recommendation 12: The Bureau of Consular Affairs should establish roles and responsibilities for the Regional and Assistant Director Information Systems Security Officers, in accordance with Department standards. (Action: CA)

Pre-CFR Status: Closed

CFR Status: Closed

APPENDIX D: INSPECTION TERMS AND DEFINITIONS

Compliance Response: A written response from the action office to which a recommendation has been assigned for action, informing OIG of agreement or disagreement with the recommendation. Comments indicating agreement shall include planned corrective actions and, where appropriate, the actual or proposed target dates for achieving these actions. The reasons for any disagreement with a recommendation must be explained fully. Where disagreement is based on interpretation of law, regulation, or the authority of officials to take or not take action, the response must include the legal basis.

Final Action: The completion of all actions that the management of an action office, in its management decision, has concluded is necessary to address the findings and recommendations in OIG reports.

Finding: A conclusion drawn from facts and information about the propriety, efficiency, effectiveness, or economy of operation of a post, unit, or activity.

Management Decision: When the management of an action office for an OIG recommendation informs OIG of its intended course of action in response to a recommendation. If OIG accepts the management decision, the recommendation is considered resolved. If OIG does not accept the management decision and the issue cannot be resolved after a reasonable effort to achieve agreement, the Inspector General may choose to take it to impasse.

Open Recommendation: An open recommendation is either resolved or unresolved (see definitions of recommendation status below).

Recommendation: A statement in an OIG report requiring action by the addressee organizations or officials to correct a deficiency or need for change or improvement identified in the report.

Recommendation Status:

- **Resolved:** Resolution of a recommendation occurs when one of the following situations applies:
 - The action office concurs with the recommendation (a management decision has been accepted by OIG), but the action office has not presented satisfactory evidence that it has implemented the recommendation or some alternative course of action acceptable to OIG.
 - The action office informs OIG that it disagrees with all or part of the recommendation, and OIG agrees to accept partial compliance or noncompliance.
 - Impasse procedures have led to a positive or negative final management decision.

- **Unresolved:** An unresolved recommendation occurs when one of the following situations applies:
 - The action office has not responded to OIG.
 - The action office has failed to address the recommendation in a manner satisfactory to OIG.
 - The action office disagrees with the recommendation and did not suggest an alternative acceptable to OIG.
 - The action office requests OIG refer the matter to impasse, and the impasse official has not yet issued a decision.

- **Closed:** A recommendation is closed when one of the following situations applies:
 - OIG formally notifies the action office that satisfactory evidence of final action (i.e., information provided by the action office that confirms or attests to implementation) on an OIG recommendation has been accepted. The closing of a recommendation from an OIG report does not relieve the responsible manager of the obligation to report to OIG any changed circumstances substantially affecting the problem areas addressed in the recommendation or report and the effectiveness of agreed actions to correct these problems.
 - OIG acknowledges to the action office that an alternative course of action to the action proposed in the recommendation will satisfy the intent of the recommendation and satisfactory evidence showing that the alternative action has been completed is provided to OIG.
 - OIG agrees partial implementation is acceptable and has been completed.
 - OIG agrees that noncompliance is acceptable.

ABBREVIATIONS

CA	Bureau of Consular Affairs
CA/EX/HRD	Bureau of Consular Affairs, Office of the Executive Director, Human Resources Division
CA/PPT	Bureau of Consular Affairs, Office of Passport Services
CFR	Compliance Follow-Up Review
DS	Bureau of Diplomatic Security
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FOH/ODL	Federal Occupational Health, Organizational Development and Leadership
GTM	Bureau of Global Talent Management
HR	Human Resources
ISSO	Information Systems Security Officer
NPC	National Passport Center
PIN	Personal Identification Number
S/OCR	Office of Civil Rights



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