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February 21st, 2020

Honorable Richard G. Hickson
Attorney-General
Office of the Attorney-General
Government of the Republic of the Marshall Islands
Majuro, MH 96960

Subject: Audit of Passport Program

Dear Attorney-General,

We completed our audit of the passport program that is administered by the Passport Division with the Office of the Attorney-General. The purpose of the audit was to determine whether: (1) A system of internal controls has been instituted to safeguard the RMI Passports; and (2) Passports have been issued in accordance with RMI laws and regulations [a) passports obtained through Naturalized and Registered Citizenship, b) Official Passports, and c) Diplomatic Passports]. Our audit covered the period from October 1, 2014 through September 30, 2017 or from FY2015 thru FY2017.

Based on our audit, we found the Passport Division was ineffective in its management of the passport program. Both internal control and compliance issues were noted in our audit. For each exception noted throughout this report, we provide recommendations to improve internal controls and compliance with RMI laws and policies.

Our review of internal controls structure revealed that there was no legislation in place that governs the existence of the Passport Division and clearly defines its responsibilities and accountability mechanisms. We found that passports booklet (blank passports) were not stored in a secured area and are at risk of being stolen, replicated and worst, sold off illegally. Further, passports were not issued in sequential manner which affects the management's ability to effectively monitor passport stocks and detect missing passport numbers quickly. Other internal control and operational issues we noted include lack of written policies to

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guide the operation of the Passport Division and as a result the process and requirements are often inconsistent. Additionally, passport records were not maintained properly which affect management's ability to perform its function and there is question about the integrity and accuracy of passport data. Finally, we found that Passport Division was not adequately resourced to effectively carry out its duties.

Our audit also found several noncompliance matters as summarized below:

- Five Hundred Seventy Three (573) passports issued to certain non-indigenous Marshallese did not have a corresponding Cabinet Minute or Court Decree or other documentations confirming that lawful citizenship had been granted under the legal process. In the absence of the pertinent records we could not determine the legitimacy of the 573 passports and whether they have met the RMI citizenship criteria. Further, we were unable to determine that those passport holders had obtained their passports through the Passport Investment program in the absence of the pertinent records which generally impeded our review.
- A total of 72 passports issued to non-indigenous Marshallese did not have records of payment of passport fees to the Ministry of Finance or RMI Treasury which is against the RMI policy.
- We determined that the Passport Division should refer nationals from neighboring countries who seek to obtain a Marshallese passport to the High Court, when it is unclear or there is doubt whether or not such persons have land rights or are of Marshallese descent, and it would be the Court's responsibility to declare whether such person have met the criteria to be citizens in accordance with the Constitution.
- We found that the register or registers of persons who had become RMI citizens was not maintained over the years as required by the Citizenship Act of 1984. A register was compiled during our review and provided but was incomplete.
- There are no complete records of non-indigenous Marshallese who had obtained passports through the Passport Investment Scheme¹ which generally impeded our review.

We conclude in our report that the management of the passport program can be effective with the establishment of appropriate policies and operational guidelines. A well-

¹C.M 260 (92) and C.M. 109 (96)

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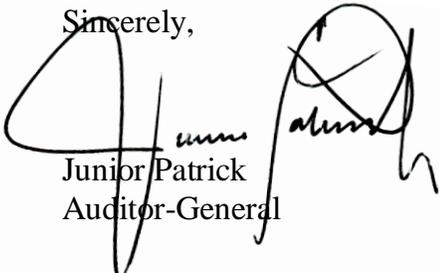
documented policy and operational guideline will set the requirements and expectation for staffs to follow, streamline processes and operation, and safeguard passport resources. Finally, to address the problem where the government does not have records of how and whether or not certain non-indigenous Marshallese have received their citizenship/passport lawfully, it would be prudent for the government to require that passport renewal requests by those passports holders provide proofs that their citizenship and passport were granted under the legal process, as a condition of passport renewals. We believe this is the first step to address this long-standing problem.

Pursuant to the Auditor-General Act of 1986, we provided your Office with a copy of our draft Findings and Recommendations requesting your responses in writing. We also discussed our draft Findings and Recommendations during our exit conference on February 6, 2020. We appreciate your Office's responses which we have included as Appendix I. All responses and additional information were incorporated in this final report as appropriate. Additionally, we have removed draft Finding No. 2.4 (*Administration of Diplomatic Passports Can Improve With an Established Policy*) and Finding No. 2.5 (*Administration of Official Passports Can Improve With an Established Policy*) from this final report as these have been implemented. We would like to commend you and your staff for your continuous efforts to improve the management and administration of the passport program.

The most important outcome of an audit is the correction of past deficiencies and improvement in the internal controls and operations. We believe that the implementation of our recommendations is a step in that direction. This office maintains a 'Follow-Up System' and in order for this report to be closed, we require the actions detailed Appendix III to be implemented.

We wish to express our sincere appreciation to you and your staffs for the cooperation we received during the course of our audit.

Sincerely,



Junior Patrick
Auditor-General

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CC: President
Minister of Justice, Labor and Immigration
Director of Passport and Citizenship Division
OAG File

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Introduction

The audit was conducted in response to a series of concerns that were registered with the Office of the Auditor-General regarding issuance of RMI passports. The concerns included (1) Court decrees were being forged and fabricated by foreign nationals to obtain RMI passports; (2) RMI passports were advertised and sold off in certain Asian countries illegally (3) RMI passport stocks (blank passport booklets) were stolen and sold (4) legitimacy and increasing number of non-indigenous Marshallese who are crossing the US borders carrying RMI passports; and (5) an incident that a passenger boarding an United Airlines flight out of Majuro accidentally dropped a box of blank passports identical to ones at the Passport Division. The audit focused on safeguards around passport management and compliance with applicable laws and regulations on citizenship.

Background

Passport Administration

Passport administration was a responsibility of the then-Ministry of Foreign Affairs' Passport and Citizenship Division (Passport Division). In 2002, the Cabinet transferred the management of passport program to the Office of the Attorney-General within the Ministry of Justice, Immigration and Labor. Under the Office of the Attorney-General's organizational structure, the Passport Division is under the Civil Division. The Passport Division is responsible for the issuance and renewal of the Republic of the Marshall Islands (RMI) passports. Passport Division is headed by a Director and assisted by two Administrative Clerks and work collaboratively with a Passport Panel Committee².

The Passport Division inputs and stores all passport information onto a database system which has been in place since 1999. The passport database system is a Microsoft Access application and that is also readable by Microsoft words, excel and adobe.

²C.M. 198 (2014) - Duties of the Passport Panel includes (1) screen new passport applications for all non-indigenous Marshallese citizens; (2) screen applications for citizenship; (3) review the procedures for citizenship and passport applications; (4) make recommendations to the Attorney-General on all passport and citizenship matters; (5) provide an updated database for naturalized and registered citizens; (6) review the issuance of visas and applications for change of visas status; (7) advise the Attorney-General on the issuance of removal orders, the appeal against removal orders and the cancellation of removal orders; and (8) review the Visa provisions under the Immigration Act 2006 and to propose possible improvements for Cabinet's consideration.

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Types of Passport Booklets RMI Issues

RMI issues three types of passport booklets³ (1) *regular passports* are issued to citizens of the Republic of the Marshall Islands and have no special connotations; (2) *official passports* are issued to employees of the RMI Government traveling on official duties; and (3) *diplomatic passports* issued for diplomats and diplomatic representatives. The processing of the three RMI passports varies and is further illustrated in Exhibit 1 attached to this report. In 2003, the RMI upgraded its passport booklets to the current standard of machine-readable passports (MRPs) as set by the International Civil Aviation Organization (ICAO). The MRP provides increased security through the use of watermarks and encoded biographic data in optical character recognition format. This enables border controllers and law enforcement agents to process passport booklets quickly, without having to input the information manually into a database system.

Who May Receive RMI Passport

Generally, all persons who are citizens of the Republic may apply and receive a regular passport. This includes all non-indigenous Marshallese who have been granted lawful citizenship through the legal process.

Legal Framework Governing Citizenship

RMI Constitution and Citizenship Act of 1984 prescribe the criteria how one may become, register, and naturalize as citizen of the Republic. Citizenship Regulation 2002 supplements and gives effect to the Citizenship Act and provides additional guidelines and requirements on citizenship matters.

Constitution

Article XI (Citizenship), Section 1 (Persons Becoming Citizen) states:

- (1) A person who, immediately before the effective date of this Constitution, was a citizen of the Trust Territory shall on that date become a citizen of the Republic of the Marshall Islands, if he or either of his parents has land rights.
- (2) A person born on or after the effective date of this Constitution shall be a citizen of the Republic if:

³A passport booklet is a travel document issued by the RMI that certifies the identity and nationality of its holder and requests that the bearer is permitted to enter and pass through other countries. Passport booklets contain the bearer's name, photograph, place of birth, date of birth, nationality, date of issue, date of expiry, and passport number.

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- (a) at the date of his birth, either of his parents is a citizen of the Republic; or
 - (b) he is born in the Republic and is not at his birth entitled to be or become a citizen of any other country.
- (3) In case of doubt, an application for a declaration that any person is, pursuant to this Section, a citizen of the Republic may be made to and ruled on by the High Court.

Section 2 (Persons Who May Be Registered as Citizens) states:

- 1) Unless disqualified pursuant to paragraph (3) of this Section, any person who is not a citizen of the Republic of the Marshall Islands shall become a citizen by registration if, upon application, the High Court is satisfied either:
 - (a) that he has land rights; or
 - (b) that he has been resident in the Republic for not less than 3 years, and is the parent of a child who is a citizen of the Republic; or
 - (c) that he is of Marshallese descent, and that in the interests of justice his application should be granted.
- 2) A person who has attained the age of 18 years shall not be registered pursuant to this Section as a citizen of the Republic, until he has taken an oath or made an affirmation of allegiance to the Republic.
- 3) In the interests of national security or policy with respect to dual citizenship, the Nitijela may by Act provide for the disqualification of any class of persons who would otherwise be entitled to be registered as citizens pursuant to this Section, but who have not already been so registered.

Citizenship Act of 1984

The Citizenship Act was enacted in 1984 to give effects to the Constitution Article XI, Section (3) “to make provision for acquisition of citizenship of the Republic, for the loss and renunciation of that citizenship, for citizenship by registration, and for matters relating thereto”. Part II of the Act (Citizenship by Naturalization), Sections 403 and 404 authorizes the Cabinet to grant citizenship to non-indigenous Marshallese who seek to become Marshallese citizens upon satisfaction of certain requirements. Further Section 413 of the Act states “the Cabinet may make regulations, not inconsistent with this Chapter, prescribing all matters that are required or permitted by this Chapter to be prescribed, or that are necessary or convenient to be prescribed, for carrying out or giving effect to this Chapter.”

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Citizenship Regulations

In 2002, the Ministry of Justice developed a Citizenship Regulation 2002 which supplements the Act and giving effect to it. The regulations prescribe additional procedures in which persons who seek to become Marshallese citizens must follow, application criteria, and other related matters.

Passport Investment Program

In the 1992 the Cabinet authorized sales of passports in an investment and revenue generation scheme.

Operational Budget

Funds appropriated to the Office of the Attorney-General, including the Passport Division, for the periods under review are listed in Table 1 below: As may be noted, the Office experienced a reduction in its overall budget in fiscal years 2016 and 2017 (7% and 5%) respectively.

Table1: Annual Operational Budget

Periods	Approved Budget	Adjusted Budget	Percentage (-/+)
FY 2015	\$ 650,641	\$ 672,126	3%
FY 2016	614,073	572,775	(-7%)
FY 2017	706,479	674,131	(-5%)

Source: Appropriation Acts & MOF Financial Budget Reports (DILOG 240-P)

Objective

The objectives of this audit were to determine whether:

1. A system of internal controls has been instituted to safeguard the RMI Passports?
2. Passports have been issued in accordance with RMI laws and regulations?
 - A. Passport obtained through Naturalized and Registered Citizenship;
 - B. Official Passport; and
 - C. Diplomatic Passport

Scope and Methodology

The audit looked at the internal controls surrounding passport management and whether issuance of passports granted to non-indigenous Marshallese complied with RMI laws and

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regulations. We also looked at whether or not the issuance of Official and Diplomatic Passports were in compliance with applicable laws, policies and procedures. The audit did not focus on passports issued to the natural born RMI citizens. The audit scope covered the period from October 1, 2014 through September 30, 2017 or FY2015 thru FY2017.

To identify whether a system of internal controls has been instituted to safeguard RMI passport, we performed the following activities:

- ✓ Reviewed the organizational and resource structure of the Office of the Attorney-General and Passport Division;
- ✓ Performed reviews to determine whether laws, policies and guidelines have been instituted to guide passport administration and management;
- ✓ Performed physical observation to assess security of passport stocks;
- ✓ Performed tests to determine whether passport were issued in sequential manner;
- ✓ Interviewed passport management to gain a better understanding of the current passport processes; and
- ✓ Reviewed passport stored in the passport system to determine their accuracy and reliability.

To determine whether passports have been issued in accordance with RMI laws and regulations (naturalized and registered citizenship, official, and diplomatic passport), we performed the following activities:

- ✓ Reviewed RMI laws and regulations pertaining to citizenship;
- ✓ Reviewed the passport applications by non-indigenous Marshallese along with all the accompanying supporting documentations to determine accuracy and compliance with applicable requirements;
- ✓ Obtained passport data and further filtered to arrive with a list of non-indigenous Marshallese who had received passports;
- ✓ Obtained the list of naturalized citizens from the Cabinet and the list of registered citizens from the Court;
- ✓ Compared the list of naturalized and registered citizens with those who have been granted a passport (regular) per the Passport Division records;
- ✓ Obtained and reviewed the list of Diplomatic and Official passports;

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- ✓ Interviewed former passport administrator (MOFA) in an attempt to obtain a list of non-indigenous Marshallese who had obtained their passport under the passport investment scheme; and
- ✓ We performed other audit procedures that were necessary under the circumstances.

Our review was conducted in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Prior Year Audit Coverage

This is the second audit conducted on the Passport Program. The first audit was conducted in 1995 which focused on revenues generated from the RMI Passport Investment program.

Limitation of the Audit

The OAG faced challenges, particularly, in its efforts to collect the required data for our audit. The data requested from the Passport Division took longer than anticipated to receive. This is because the responsible staffs were not able to retrieve passport information and data from the database system. The only staff with the knowledge of the passport system was not employed by the Passport Division and we had to reschedule our meeting multiple times. In addition, the passport database system has its limitations and did not have the capability to produce certain passport information. For example, Passport Division could not produce a list of passport holders who receive their passport because they have been either naturalized or registered as citizens and there were questions about integrity of passport data in general. Accordingly, we had to perform additional procedures and spent a large amount of time trying to come up with a list of non-indigenous Marshallese who had received passport.

Furthermore, our review to determine whether passports issued to non-indigenous Marshallese complied with RMI requirements were further complicated by poor records keeping and maintenance at the Passport Division. Accordingly, we sought assistance of the

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Cabinet, the authority responsible for maintenance of citizenship registry, to furnish to us a registry of all naturalized and registered citizens. Unfortunately, the needed records were incomplete, and in some instances were not available as well. As a result, the team had to perform additional field works compiling all Cabinet Minutes approving citizenships through the Naturalization process dating back to 1981. Our compliance review was also impeded by the lack of a listing of all non-indigenous Marshallese who had obtained their passports under the Passport Investment Program.

Finally, our attempts to calculate the number of blank passports (passport stocks) on hand and to determine whether passports were missing were unsuccessful because there were no records of passports purchased during the period from 2003⁴ through 2007.

Conclusion

We conclude in our report that the management of the passport program can be effective with the establishment of appropriate policies and operational guidelines. A well-documented policy and operational guideline will set the requirements and expectation for staffs to follow, streamline processes and operation, and safeguard passport resources. Finally, to address the problem where the government does not have records of how and whether or not certain non-indigenous Marshallese have received their citizenship/passport lawfully, it would be prudent for the government to require that passport renewal requests by those passports holders provide proofs that their citizenship and passport were granted under the legal process, as a condition of passport renewals. We believe this is the first step to address this long-standing problem.

Our findings and recommendations, based on our audit, along with our recommendations are discussed in the accompanying pages.

⁴ In 2003 RMI adopted a new passport book that is Machine Readable Passport

Findings and Recommendations

Finding No. 1 Opportunities Are Present to Improve Passport Division's Internal Controls and Operation:

1.1 Passport Administration Can Be Effective With an Established Legislation.

Legislation should be in place to govern the existence of the Passport Division and clearly define its responsibilities and accountability mechanisms. In addition, written standard operating procedures should be instituted to guide processing of RMI passports.

Our audit found that Passport Division does not have a legislation that defines its existence, responsibility and resource structure. The only legislation or regulation that guide the works of the Passport Division is the *Citizenship Act 1984 (P.L. 1984-4)* and the *Citizenship Regulation of 2002*. However, the Management indicated that the legislation and regulation are fairly broad that there is a need to have legislation in place to address the shortcomings and deficiencies currently encountered by the Passport Division. Further, we noted a draft passport legislation that aims to address the current shortcomings including defining clear responsibilities for the Passport Division, however, such is yet to be enacted. In the current setup, staffs rely on the Director of Passport Division whenever they have questions in relation to processing of passport applications.

In the absence of clear guidelines, processing of passports is not streamlined and often inconsistent and is open for manipulation and abuse.

Recommendation:

We recommend that:

1. Legislation is enacted to govern establishment of the Passport Division and its responsibilities and accountability mechanisms.
2. Standards operating procedures should be developed to guide staffs in processing passports and streamline operation.

1.2 Security of the Passport Booklets (Blank Passports) Can Be Improved

Passport Booklets (Blank Passports) should be stored in a secured place at all times. In addition, policies should be instituted to govern and safeguard Blank Passport inventories.

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Our audit discovered that the Blank Passports were not stored in a safe area. There are no policies currently in place that address safeguarding of Blank Passports. During our fieldworks, we noted that Blank Passports were stored inside boxes in an open area where passport applicants and visitors to Office are served as shown in figure 1 below.

Figure 1: Blank Passport Books



Photos showing Blank Passport Booklet in box cases in the open area in the Office of the Attorney-General. Photos taken by Auditors during fieldworks.

As a consequence, the Passport Booklets are at great risk of being stolen, replicated and worst, sold off illegally. It would be easy for someone to fabricate RMI Passports once they get their hands on the Blank Passports. If such were to occur it would have negative consequences to the integrity of the RMI Passport.

The cause of the above condition is due to lack of written policies and procedures in place to safeguard Blank Passports stocks. In addition, the management indicated that Passport Division lacks space to store Blank Passports and other office files.

Recommendation:

We recommend that:

3. Management institutes a policy to address physical security of Blank Passport Booklets against theft and other procedures to safeguard Passport Booklet inventories.
4. Management stores the Blank Passport Booklets in a secured place with limited access.

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1.3 Proper Accountability of Passport Stocks Can Be Achieved By Issuing Passports Sequentially

Better accountability and monitoring of Passport Stocks can be achieved by issuing passports in a sequential manner. This process will ensure passports are accounted for and can quickly detect missing numbers and safeguard against theft.

Our review found that passports (Regular, Official and Diplomat passports) were not issued in sequential order. We noted that larger numbers were used before smaller number and vice versa. For example, in FY2015 Regular Passport Number C103507 was issued on August 2015 which is smaller than passport numbers C105211, C105290, and C105390 that were issued October 2014. Other out of sequences were noted for Official and Diplomat passports throughout the three years we reviewed as shown in Table 1 below.

Table 1: Passports Were Not Issued in Sequential Manner during FY2015, FY2016 and FY2017

Fiscal Year 2015			Fiscal Year 2016			Fiscal Year 2017		
Regular Passport								
No.	Date	Passport No	No.	Date	Passport No	No.	Date	Passport No
1	Feb-17-15	C10771	1	Oct-21-15	C113050	1	Mar-19-17	C83888
2	Aug-21-15	C103507	2	Oct-01-15	C113676	2	May-02-17	C104126
3	Oct-06-14	C104910	3	Oct-01-15	C113697	3	May-06-16	C117456
4	Oct-02-14	C104954	4	Oct-01-15	C113698	4	Nov-30-16	C118566
5	Nov-21-14	C105203	5	Oct-01-15	C113700	5	Oct-06-16	C121316
6	Oct-01-14	C105211	6	Oct-08-15	C113892	6	Oct-07-16	C121640
7	Oct-22-14	C105290	7	Oct-09-15	C113893	7	Oct-03-16	C121662
8	Oct-21-14	C105390	8	Oct-08-15	C113894	8	Oct-03-16	C121663
9	Oct-01-14	C105425	9	Oct-08-15	C113901	9	Oct-03-16	C121664
10	Feb-16-15	C122512	10	Oct-14-15	C113903	10	Oct-10-16	C121809
11	May-20-15	C132274	11	Oct-23-15	C113904	11	Oct-11-16	C121810
Official Passports								
No.	Date	Passport No	No.	Date	Passport No	No.	Date	Passport No
1	Feb-06-15	G1827	1	May-23-16	G2004	1	Oct-19-16	G2003
2	Feb-04-15	G1829	2	Mar-30-16	G2009	2	Oct-20-16	G2005
3	Jan-23-15	G1830	3	Aug-12-16	G2022	3	Oct-25-16	G2008
Diplomatic Passports								
No.	Date	Passport No	No.	Date	Passport No	No.	Date	Passport No
1	Mar-27-15	D1375	1	Aug-11-16	D1540	1	Jan-12-17	D1548
2	Feb-05-15	D1376	2	Apr-06-16	D1541	2	Dec-07-16	D1549
3	May-15-15	D1387	3	Aug-19-16	D1542	3	Jan-12-17	D1550

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Additionally, we noted the following out of sequences:

- Lowest number for Regular Passport used was C10771 and highest number was C137301, which implies that total passport numbers used was 126,531. However, actual Regular Passport processed and recorded in the Passport System was 24,108, hence a variance of 102,423 passports.
- Lowest number for Official Passport used was G1808 and highest number was G2092, which implies that total passport used was 284. However, actual Official Passport processed and recorded in the Passport System was 233, hence a variance of 51.
- Lowest number for Diplomatic Passport used was D1361 and highest number was D1579, which implies that total passport numbers used was 218. However, actual Diplomatic Passport processed and recorded in the Passport System was 97, hence a variance of 121.

The cause of the above is not known. One explanation provided by the management is that the out of sequence numberings are attributable to an internal practice where passport applications are inputted and designated book number are locked by the system. Issues may arise later which may affect the issuance of the passport such as incomplete supporting documents, delay in payment and so on. In these circumstances where incomplete passports are on hold, the next passport numbers issued would be higher in the sequencing but are issued before. We determined, however, that the explanation does not justify or explain out of sequence numbers and dates apart.

In the current setup, management will not be able to properly monitor passport stocks effectively and risk that passport stocks may be stolen without being detected in a timely manner.

Recommendation:

We recommend that:

5. The management issue passport in a sequential manner and cease the practice of reserving passport numbers for later use.

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1.4 A Standardized Passport Application Form Can Streamline Operation

A standardized passport application form can ensure that services provided by the Division to the RMI citizens are consistent, fair and equitable.

Our audit discovered two different passport application forms currently being utilized in the Ebeye and Majuro passport offices. The passport application form that Ebeye uses is different from the application form Majuro office uses. These two forms have different number of fields requiring different level of details that passport applicants must supply when applying for RMI passport as shown in Figure 2 below. For example, the application form Majuro is using requires applicants to provide information such as *Identification for Mother and Father in addition to their names, most recent passport information, and emergency contact*, among others. Such level of details is not required when applicants apply in Ebeye. Discussion with management revealed that these different forms have been used on Ebeye and Majuro throughout these years.

Figure 2: Different Passport Application Forms used by Majuro and Ebeye Passport Office.

The image displays two passport application forms side-by-side. The left form is titled "PASSPORT APPLICATION" and is issued by the Republic of the Marshall Islands, Office of the Attorney General, Ebeye. The right form is titled "Office of the Attorney General, RMI APPLICATION FOR RMI PASSPORT" and is issued by the Republic of the Marshall Islands, Office of the Attorney General, Majuro. Both forms contain various fields for personal information, marital status, and identification details.

Source: Passport Applications were obtained from the Passport Division in main Office in Majuro

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In the current practice, the services and requirements and treatment provided to citizens are not consistent and equitable.

Recommendation:

We recommend that:

6. Management implements a standardized passport application form to be used across the country.

1.5 Passport Division Lacks Resources to Effectively Carry Out Its Functions

Passport Division should be adequately resourced in order to carry out its function effectively.

Our audit found that the Passport Division is not adequately resourced. Upon examination of the organizational structure for the Office of the Attorney-General (AGO), the Passport Division has only one staff member – the Director of Passport and Citizenship. The Director is assisted by two support staffs that are under Administration Division within the AGO. In addition, management indicated to us that passport processing machine has its limitations and can produce a maximum of 50 passport booklets per day. Whenever the passport processing machine is malfunctioned and not working, a backlog of passport applications grows. As a result, staff members are often required to work after-hours, during the weekends and holidays, to process and clear the passport application backlogs. Further, as we indicated in Finding 1.2 above the Passport Division does not have adequate office space to store its Passport Booklets in a secured location. Finally, our audit discovered that during fiscal years 2016 and 2017, the operational budget of the AGO was reduced by 7% and 5% from the prior year budget allocations which does not bode well in its efforts to deliver quality services to the citizenry.

The cause of the above conditions is due to lack of attention towards operational needs of the Passport Division to effectively provide quality passport services.

Recommendation:

We recommend that:

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7. Management lobbies for more budget allocations to meet the operational needs of the Passport Division.
8. Management considers converting current staffs who review and process passport applications to become permanent members of the Passport Division.

1.6 There Are No Proper Checks and Balances in Processing Passports

Best practices required that duties be clearly delineated and segregated to ensure there are checks and balances.

We noted the following internal control weaknesses in the current practice being followed when processing passport applications:

- As indicated in Finding No. 1.1, the officials processing passports would turn to passport Director for guidance whenever they have questions about passport application and Director will give instructions. As we reported in Finding 2.1 we found several instances where passport applications were processed without the required documents. Accordingly, we determined that there is an internal control weakness because if the passport staffs or Director are not acting in good faith and proceed to process passports and forward to Attorney-General⁵ for approval, the system will not detect it.
- We determined an internal control weakness in the current practice of processing passport applications as it relates to the role of the Passport Panel. In the current setup, the officials that review and print passports are expected also to make the determination whether or not an application requires the attention of the Passport Panel for further screening and reviewing. This presents a risk in the internal control structure because if an official is not acting in good faith and does not want certain passport applications to go through Passport Panel for scrutiny, he or she could unilaterally decide not to refer those for review by Passport Panel. Therefore, the system will not detect it.
- We determined also that the presence and active participation of the Director as member of the Passport Panel presents a conflict of interest. The Director is essentially responsible for the overall management and administration of the tasks

⁵ In the current practice, as expected, Attorney-General relies on staff to perform detail reviews of all passport applications.

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carried out by the Division. Therefore, by serving as a member of the Panel entails making recommendations on decisions affecting his own work.

The cause of the above condition is due to lack of written policy and procedures to define clearly the roles of staff and ensure there are proper checks and balances. As a result, this puts RMI passports at risk of being granted to those who have not met RMI requirements. In addition, the current practice defeats the purpose for which Passport Panel was established.

Recommendation:

We recommend that:

9. Management establishes policy to clearly define the role of the Passport Division and its personnel and clear accountability mechanisms.
10. Management develops written procedures (SOP) to guide the operation of Passport Division.

1.7 Passport Administration Can Be Improved with Full Knowledge of the Passport Processing Machine

Passport personnel should have the full knowledge and application of the passport processing machine.

Our audit found that the Passport Division personnel have the ability to input passport application information into the Passport System and print books. However, staff members are not able to retrieve data and information and produce reports out of the Passport System. In addition, staff lacked the technical capabilities to quickly troubleshoot problems when the system is malfunctioned. Furthermore, the staff lacked the knowledge in customizing additional field or filter information and retrieve certain passport data out of the system to meet specific needs – such as data for audit. The management indicated to us that the Passport System is limited because certain information were not considered during the initial design phase. As a result, it is difficult to generate and extract certain passport data and report out of the system. For example, it is difficult to generate a report on how many passports were issued based on Citizenship by Registration or Naturalization at a given point in time. Lastly, the person who received the trainings on the use of Passport System and its application is not working at the Passport Division.

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The cause of the above condition appears to point at lack of proper planning during the design and implementation of the Passport System to consider user-needs and staff never received proper training on the use of the Passport System and its application. As a consequence, the Passport Division operation is, at times, unsustainable. Requested data take a long time for staff to provide and often relies on external experts to assist resulting in unnecessary costs for the Division.

Recommendation:

We recommend that:

11. Management, for the interim, identifies technical expertise to provide training to current staff on how to properly run the existing system and understand its application.
12. Management considers investing in a new Passport Database Systems that will address all its operational needs and has the capability to generate a wide range of passport report and data.

1.8 Official and Diplomatic Passports Records Are Not Consistent

Proper records keeping dictate that the number of physical records (actual passport applications) processed should agree to the number of passport inputted and maintained in the Passport database system (Passport System).

Our audit discovered that the actual passport applications processed were not matched with the numbers recorded in the Passport system during the three years under review as indicated in Table 2 below.

Table 2: Official and Diplomatic Passport processed vs Passport System Records

RMI Passports						
Fiscal Years	Official Passports			Diplomatic Passports		
	2015	2016	2017	2015	2016	2017
Actual Passport Applications Processed	69	83	81	32	37	34
Records per Passport System	64	87	82	27	36	34
Variance	5	4	1	5	1	0

Comparison of Actual Passport Applications Processed and Records per Passport System

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The cause of the above is management does not have written policies and procedures to govern data management and safe-keeping of important passport information and data. This is poor records keeping which impact management's ability to properly monitor passport stocks and execute other management functions.

Recommendations:

We recommend that:

13. Management develops policy to address proper passport data management and records keeping.

Finding No. 2 Noncompliance Matters And Opportunities To Improve Issuance of Passports In Accordance with Laws and Regulations

2.1 Certain Non-Indigenous Marshallese Passport Holders Did Not Have Court Decrees and Cabinet Instruments on File

Article XI, Section 1 (Persons Becoming Citizens) states:

- (4) A person who, immediately before the effective date of this Constitution, was a citizen of the Trust Territory shall on that date become a citizen of the Republic of the Marshall Islands, if he or either of his parents has land rights.
- (5) A person born on or after the effective date of this Constitution shall be a citizen of the Republic if:
 - (a) at the date of his birth, either of his parents is a citizen of the Republic; or
 - (b) he is born in the Republic and is not at his birth entitled to be or become a citizen of any other country.
- (6) In case of doubt, an application for a declaration that any person is, pursuant to this Section, a citizen of the Republic may be made to and ruled on by the High Court.

Article XI Section 2 (Persons Who May Be Registered as Citizens) States:

- 4) Unless disqualified pursuant to paragraph (3) of this Section, any person who is not a citizen of the Republic of the Marshall Islands shall become a citizen by registration if, upon application, the High Court is satisfied either:
 - (d) that he has land rights; or
 - (e) that he has been resident in the Republic for not less than 3 years, and is the parent of a child who is a citizen of the Republic; or

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(f) that he is of Marshallese descent, and that in the interests of justice his application should be granted.

Citizenship Act 1984 [P.L. 1984-4], Section 403 & 404 authorizes the Cabinet to grant citizenship by naturalization to non-indigenous Marshallese who seek to become Marshallese citizens. Section 414 states in part that the Cabinet shall maintain a register or registers of (a) any person who becomes a citizen pursuant to Article XI, Section 2 of the Constitution (b) any person who becomes a citizen pursuant to the Act.

Our review of passport database system discovered that certain non-indigenous Marshallese passport-holders appeared to have had obtained citizenships either through the registration or naturalized processes, however, when comparing these records to approved Cabinet Minutes and Court decrees we noted the following discrepancies. Specifically, we reviewed a total of 823 passports issued to non-indigenous Marshallese and found 104 were accompanied by Cabinet Minutes and 139 were accompanied by Court decrees and additional 7 were confirmed that citizenship was granted through the legal process. For the remaining 573 passports issued we could not find the corresponding Cabinet Minutes or Court Decrees or other documentations indicating that lawful citizenships were granted. Accordingly, we questioned the legitimacy of the 573 passports issued to non-indigenous Marshallese in the absence of the corresponding Court decree or Cabinet instrument. We present the list of 573 passports granted to those non-indigenous Marshallese in Exhibit 2 attached to this report.

The following conditions were also noted:

- Passport Division personnel explained to us that certain passports issued to non-indigenous Marshallese from neighboring countries will not have Court decrees because determination has already been made to grant passport upon satisfaction of certain requirements. Specifically, it was indicated to us that individuals from neighboring countries who seek to obtain RMI passport are accorded a “courtesy” and Passport Division would require that they supply “3 generation genealogy chart” and indicate who their family members are in RMI. Passport Division personnel would then “call” the relatives to obtain confirmation whether those individuals seeking to obtain passports are actually family members. Upon satisfaction, Passport Division would proceed to grant passport to those individuals from neighboring countries. We determined, however, that the Passport Division should refer all persons who seek to

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become citizens when there is doubt about the persons' citizenship request and it would be the High Court to declare whether or not such person have met the requirements to become RMI citizens. In addition, we recognized a risk in the current practice because if the persons seeking to obtain passport are not acting in good faith and collude with others for sole purpose of obtaining a passport, the current setup will not detect it.

- Passport Division personnel indicated also that some of the passports granted to non-indigenous Marshallese were actually passport renewals. However, we could not determine if citizenship, and therefore passport, was granted initially under the legal process in the absence of the relevant documentations.
- We found that the register or registers of persons who had become RMI citizens were not maintained by the Cabinet over the years as required by the Citizenship Act of 1984. A register was compiled during our review and provided but was not complete.
- There are no complete records of non-indigenous Marshallese that had obtained passports through Passport Investment Scheme⁶ which generally impeded our review.
- The database maintained at Passport Division has its own limitation and contain inconsistent records (also reported in Finding No. 1.7). In addition, it was difficult to retrieve information related to Naturalized and Registered Citizens and we had to perform additional audit procedures to evaluate reliability of passport data.

The cause of the above conditions is due to lack of proper maintenance of records for citizenships and passports granted to non-indigenous Marshallese. In addition, there is lack of policy and procedures to guide the operation of the Passport Division.

The effect of the above condition is the potential noncompliance with the Constitution, Citizenship Act of 1984 and its regulations, and the possibility that passports may have been granted to non-indigenous Marshallese who have not met RMI citizenship criteria.

Recommendation:

We recommended that:

⁶C.M 260 (92) and C.M. 109 (96)

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14. Passport Division requires all applications for passport by non-indigenous Marshallese be accompanied by authenticated Court Decrees or Cabinet Minutes as proof of citizenship approvals and compliance with requirements under the Constitution, Citizenship Act and its regulations.
15. Passport Division should refer all persons who seek to become citizens to the High Court when there is doubt about the persons' citizenship request.
16. Written policy and procedures should be in place to guide the operation of the Passport Division.

2.2 Certain Passport Holders Appeared to Have No Payment Records

It is the policy of RMI that all person applying for a regular RMI Passport to pay a passport fee to the Ministry of Finance or RMI Treasury.

Our review of 967 Passport issued during the period from fiscal year 2015 through 2017 revealed that a total of 72 passport holders do not have records of payments at RMI Treasury as shown in Table 3 below.

Table 3: Number of Passports with no record of payments at Ministry of Finance.

Fiscal Years	Passport Issued	No. of Passport-holders with No Payment Record
2015	347	13
2016	285	20
2017	335	39
Total	967	72

Comparison of passport fees per Treasury Records and Passport and Passport System

The cause of the above condition is unknown and no one seems to have an explanation of the discrepancies. During fieldwork, however, we found one incident where one passport application that had an envelope with it and inside the envelope were dollar bills that appeared to indicate it was for passport fee. Passport staff confirmed the dollar bills inside the envelope were payment or passport fee for a passport that had already been processed but fee was never remitted to the RMI Treasury. Accordingly, this incident appeared to represent an administrative oversight.

The effect of the above condition is non-collection of passport revenues and violation of RMI policy.

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Recommendation:

We recommended that:

17. Passport Division complies with the RMI policy and requires all passport applicants to pay a passport fee at RMI Treasury and bring receipts as proofs of payment with the application.

2.3 The Process of RMI Regular Passports of Naturalized and Registered Citizens Were Not Consistent.

Passport Panel is responsible to screen passport applications, accompanying documentations and reviewing recommendations submitted by the Director, in consultation with the Director of Immigrations, and make final recommendations to the Attorney-General. Additionally, the Panel is required to have written records of its meetings.

Our audit noted the following conditions:

- Review of 680 passports issued to non-indigenous Marshallese revealed inconsistencies in the way passport applications and requirements are enforced. As an example, we present 19 instances in Table 4 to summarize the inconsistencies and different information provided by the passport applicants. Discussion with Passport Division personnel indicated that sometimes the staff would put on hold certain incomplete passport applications and require the applicants to supply missing information but are often instructed by higher ups in the organization to proceed and process those passport applications even without all required information.

Table 4: Inconsistency in the Processing of RMI Regular Passports

Fiscal Years	No	Passport No.	Issue Date	Comment
2015	1	C108946	3/13/2015	Application used by this person is different and does not contain the checklist. The following documents were attached- copy of old passport and certificate of passport renewal.
	2	C112961	8/14/2015	No passport application. The following documents were attached - a copy of old passport, certificate of citizenship, oath allegiance, and renunciation, and a certificate of passport renewal, and receipt.
	3	C105760	10/24/2014	Application used by this person is different and does not contain the checklist. The following documents were attached – copy of old passport, certificate of citizenship, oath of renunciation and allegiance, court decree, receipt, and his sons' RMI's birth certificate.
	4	C106747	12/31/2014	No passport application. The following documents were attached - copy of old passport and a payment receipt.

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	5	C111587	6/19/2015	No passport application. The following documents were attached – copy of old passport, certificate of passport renewal and receipt.
	6	C111129	6/2/2015	No passport application. The following documents were attached – copy of old passport and an email communication.
	7	C106746	12/31/2014	No passport application. The following documents were attached – copy of old passport, citizenship petition from MOJ and certificate of passport renewal.
	8	C112856	8/10/2015	Application form used by this person is different and does not contain the checklist. Also noted these following documents were attached as supporting documentations; a copy of old passport, certificate of passport renewal and receipt.
	9	C112579	7/29/2015	No passport application. The following documents were attached – copy of old passport, certificate of passport renewal and receipt.
	10	C106888	1/14/2015	No passport application. The following documents were attached a copy of old passport, certificate of passport renewal and receipt.
	11	C105773	10/30/2014	No passport application. The following documents were attached – kiribati passport, court decree, oath of renunciation, oath of allegiance, and a certificate of citizenship.
	12	C112578	7/29/2015	No passport application. The following documents were attached - copy of old passport, certificate of naturalization and certificate of passport renewal.
2016	1	C121326	9/9/2016	No passport application. The following were attached – receipt, certificate of passport renewal, copy of old passport and photograph.
	2	C121325	9/9/2016	No passport application. The following were attached – receipt, certificate of passport panel renewal, copy of old passport and photograph.
	3	C115862	2/3/2016	No passport application.
	4	C116610	4/7/2016	No passport application. The following were attached - receipt, certificate of passport renewal, copy of old passport and photograph.
	5	C116611	4/7/2016	No passport application. The following were attached - receipt, certificate of passport renewal, copy of old passport and photograph.
2017	1	C128248	5/22/2017	No passport application. The following were attached - copy of old passport and photograph.
	2	C122834	12/7/2016	No passport application. The following were attached - birth certificate, copy of mother passport and birth certificate, family tree, certificate of passport renewal and receipt

Information obtained from the Passport applications

- We also found that 661 passport files were not checked and *official use checklist* section was not completed by the reviewers as stipulated in the passport application form.
- We further noted that the official meeting minutes of the Passport Panel were not documented and maintained on file.

The inconsistencies occurred because there are no policies and procedures to guide processing of passports and independent review of passport application. In the current setup the passport personnel have the ability to override the systems requirements. This poses a risk as passports may be processed outside the legal process and open for manipulation and abuse which may not be detected and prevented in a timely manner. In addition, we could not determine the legitimacy of the passports in the absence of the required documentations.

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Recommendation:

We recommend that:

18. Management ensures passport applications submitted are carefully reviewed and screened to ensure requirements listed are completed and satisfied as stipulated under the passport application;
19. Management complies with the requirements of the Citizenship Act and Regulation.
20. The Passport Panel complies with its terms of reference and also keeps minutes of its meetings.

Other Matter

We found certain other matters that are related to our audit objective but outside the years covered by our audit, as discussed below.

1. In 2018, the Cabinet of RepMar suspended⁷ renewal of passport by those naturalized citizens who have no records or proof of citizenship from the Cabinet pending review by the Office of the Attorney-General. Subsequently, the suspension was lifted and 18 passport renewal requests were approved. The request to Cabinet to grant exemptions was accompanied by certifications by the Passport Office confirming such passports were obtained under the passport investment program sometimes during the 1994-1996 periods. Review of other documentations accompanying the requests to the Cabinet did acknowledge that there was no absolute assurance and guarantee that those individuals had obtained their passport under the passport investment program in the absence of the pertinent records. We noted also in our report that data and information pertaining to the passport investment program, passport records in general, were incomplete which impeded our audit.

We determined that the effort by the government to suspend the passport renewals and require proofs that passport or citizenship was obtained under the legal process was a first step to correct this long-standing problem. In the absence of the pertinent records, it would be prudent for the government to impose a requirement on all passport renewal requests by non-indigenous Marshallese to provide proofs that their

⁷ C.M. 227 (2018)

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citizenship/passport were approved under the legal process initially, as a condition on passport renewals.

2. We noted from a previous audit⁸ of revenues from passport investment program that a group of family members applied for and received passports under the passport investment program. This audit highlighted that this family made payment for the passports through a personal check that was bounced due to insufficient funds in the corresponding checking account. Accordingly, we question the legitimacy of those passports due lack of payments for those passport sales as required under the passport investment program. Upon further examination, we discovered that one of the family members had renewed his passport in July 2011.

It appeared therefore that the audit recommendation in the 1995 audit to collect the outstanding passport fees has not been acted on. We have communicated the matter to the Passport Office with our recommendation to require those passport recipients to pay the outstanding passport sale amount as a condition of passport renewals.

⁸Audit number 019/94-6151 (dated 01st February 1995)

Exhibits

Exhibit 1: Processes of RMI Passports

(1) Regular Passport:

a) New Passport

- Natural Born

- i. If an applicant is of full age (18 years of age or older), the Division requires the applicant to fill up and complete a passport application, to be accompanied by an official and signed birth certification, a copy of an original receipt of payment from the Ministry of Finance, Banking and Postal Services (FBPS) and a clear photo of the applicant.
- ii. If the applicant is a minor (under 18 years old), the Division requires the parents or legal guardians to fill up and complete a passport application to be accompanied by the child's official and signed birth certificate, a copy of either parents' birth certificate, a copy of an original receipt of payment from the Ministry of FBPS and a clear photo of the applicant.

b) Granted Citizen through Naturalization – The Division requires the applicant to submit a copy of granted citizenship (Cabinet Minute) to be accompanied by a completed and signed passport application, an original receipt of payment from the Ministry of FBPS, and a clear photo copy of the applicant.

c) Granted citizen through Court – The Division requires a copy of an original, sealed and authenticated decree issued from Court (Court decree) to be accompanied by a completely filled out and signed passport application, an original copy of receipt from the Ministry of FBPS, and a clear photo copy of the applicant.

d) Renewal

- Natural Born – The Division requires a photo copy of an applicant, copy of the passport submitted for renewal, an original copy of receipt made to Ministry of FBPS and application to be filled.

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- Granted citizen through Naturalization – The Division requires a photo copy of an applicant, copy of the passport submitted for renewal, original copy of receipt made to Ministry of FBPS, certificate of reviewed by Passport Panel.
 - Granted citizen through Court – The Division requires a photo copy of an applicant, copy of the passport submitted for renewal, copy of receipt made to Ministry of FBPS, certificate of reviewed by Passport Panel.
- (2) Official Passport: The Division requires an official memo from the Head of the requesting Ministry or Government Agency, to be accompanied with a completely filled up and signed application, and a copy of the applicant’s unexpired regular passport.
- (3) Diplomatic Passport: The Division requires an official memo from the Secretary of Foreign Affairs requesting for a Diplomatic passport to be issued.

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Exhibit 2: List of RMI Passport Holders with no confirmation of Citizenship.

No	Passport No	Issue Date	T/ M	No	Passport No	Issue Date	T/ M	No	Passport No	Issue Date	T/ M
1	C105701	Oct-23-14	{a}	192	C122834	Dec-01-16	{a}	383	C118191	May-20-16	{a}
2	C105902	Nov-05-14	{a}	193	C122842	Dec-01-16	{a}	384	C118207	May-20-16	{a}
3	C105954	Nov-07-14	{a}	194	C122846	Dec-01-16	{a}	385	C118201	May-20-16	{a}
4	C105966	Nov-10-14	{a}	195	C122839	Dec-01-16	{a}	386	C118196	May-20-16	{a}
5	C105968	Nov-10-14	{a}	196	C122840	Dec-01-16	{a}	387	C118656	May-20-16	{a}
6	C106084	Nov-19-14	{a}	197	C122838	Dec-01-16	{a}	388	C118198	May-20-16	{a}
7	C106144	Nov-21-14	{a}	198	C122950	Dec-07-16	{a}	389	C118524	May-20-16	{a}
8	C106147	Nov-21-14	{a}	199	C122949	Dec-07-16	{a}	390	C118659	May-20-16	{a}
9	C106148	Nov-21-14	{a}	200	C122951	Dec-07-16	{a}	391	C120511	May-20-16	{a}
10	C106283	Dec-01-14	{a}	201	C122967	Dec-12-16	{a}	392	C118657	May-20-16	{a}
11	C106340	Dec-03-14	{a}	202	C123600	Jan-19-17	{a}	393	C118190	May-20-16	{a}
12	C106464	Dec-10-14	{a}	203	C123644	Jan-25-17	{a}	394	C118658	May-20-16	{a}
13	C106454	Dec-10-14	{a}	204	C123643	Jan-25-17	{a}	395	C118200	May-20-16	{a}
14	C106463	Dec-10-14	{a}	205	C123698	Jan-26-17	{a}	396	C118660	May-20-16	{a}
15	C106478	Dec-12-14	{a}	206	C123791	Jan-27-17	{a}	397	C118199	May-20-16	{a}
16	C106575	Dec-17-14	{a}	207	C123768	Jan-27-17	{a}	398	C118255	May-23-16	{e}
17	C106572	Dec-17-14	{a}	208	C123770	Jan-27-17	{a}	399	C118300	May-24-16	{a}
18	C106570	Dec-17-14	{a}	209	C123999	Feb-07-17	{a}	400	C118341	May-26-16	{a}
19	C106574	Dec-17-14	{a}	210	C124166	Feb-10-17	{a}	401	C118482	May-27-16	{a}
20	C106573	Dec-17-14	{a}	211	C125842	Mar-16-17	{a}	402	C118494	May-29-16	{a}
21	C106583	Dec-19-14	{a}	212	C125983	Mar-17-17	{a}	403	C118498	May-29-16	{a}
22	C106747	Dec-31-14	{a}	213	C126046	Mar-21-17	{a}	404	C118495	May-29-16	{a}
23	C106772	Jan-05-15	{a}	214	C126292	Mar-23-17	{a}	405	C118739	Jun-02-16	{a}
24	C106801	Jan-07-15	{a}	215	C126347	Mar-23-17	{a}	406	C118737	Jun-02-16	{a}
25	C106888	Jan-14-15	{a}	216	C126290	Mar-23-17	{a}	407	C118720	Jun-02-16	{a}
26	C106943	Jan-14-15	{a}	217	C126237	Mar-23-17	{a}	408	C118835	Jun-08-16	{a}
27	C106942	Jan-14-15	{a}	218	C126288	Mar-23-17	{a}	409	C118991	Jun-09-16	{a}
28	C106952	Jan-15-15	{a}	219	C126289	Mar-23-17	{a}	410	C119095	Jun-10-16	{a}
29	C106953	Jan-15-15	{a}	220	C126291	Mar-23-17	{a}	411	C119127	Jun-13-16	{a}
30	C111384	Jan-16-15	{a}	221	C126515	Mar-27-17	{a}	412	C119057	Jun-13-16	{a}
31	C106969	Jan-16-15	{a}	222	C126942	Apr-06-17	{a}	413	C119195	Jun-14-16	{a}
32	C107002	Jan-21-15	{a}	223	C127857	May-11-17	{a}	414	C119252	Jun-15-16	{a}
33	C107028	Jan-22-15	{a}	224	C128085	May-17-17	{a}	415	C119321	Jun-16-16	{a}
34	C107083	Jan-23-15	{a}	225	C128156	May-18-17	{a}	416	C119364	Jun-16-16	{a}
35	C107112	Jan-26-15	{a}	226	C128155	May-18-17	{a}	417	C119422	Jun-17-16	{a}
36	C107090	Jan-26-15	{a}	227	C128242	May-22-17	{a}	418	C119638	Jun-23-16	{a}
37	C107091	Jan-26-15	{a}	228	C128429	May-30-17	{a}	419	C119634	Jun-23-16	{a}

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38	C107232	Feb-02-15	{a}	229	C128488	Jun-01-17	{a}	420	C119597	Jun-23-16	{a}
39	C107313	Feb-05-15	{a}	230	C128561	Jun-02-17	{a}	421	C119599	Jun-23-16	{a}
40	C107451	Feb-11-15	{a}	231	C128562	Jun-02-17	{a}	422	C119770	Jun-27-16	{a}
41	C107450	Feb-11-15	{a}	232	C128558	Jun-02-17	{a}	423	C119772	Jun-28-16	{a}
42	C107453	Feb-11-15	{d}	233	C128563	Jun-02-17	{a}	424	C119862	Jun-29-16	{a}
43	C107526	Feb-12-15	{a}	234	C128589	Jun-05-17	{a}	425	C120223	Jul-29-16	{a}
44	c107467	Feb-12-15	{a}	235	C128599	Jun-06-17	{a}	426	C120224	Jul-29-16	{a}
45	C107525	Feb-12-15	{a}	236	C128647	Jun-08-17	{a}	427	C120225	Jul-29-16	{a}
46	C107639	Feb-13-15	{a}	237	C128489	Jun-09-17	{a}	428	C120227	Jul-29-16	{a}
47	C107656	Feb-13-15	{a}	238	C128943	Jun-16-17	{a}	429	C120226	Jul-29-16	{a}
48	C107649	Feb-13-15	{a}	239	C129088	Jun-22-17	{a}	430	C120817	Aug-16-16	{a}
49	C107971	Feb-20-15	{a}	240	C129359	Jun-30-17	{a}	431	C120818	Aug-16-16	{a}
50	C108014	Feb-24-15	{a}	241	C129358	Jun-30-17	{a}	432	C120819	Aug-16-16	{a}
51	C108013	Feb-24-15	{a}	242	C129356	Jun-30-17	{a}	433	C121010	Aug-25-16	{a}
52	C108012	Feb-24-15	{a}	243	C129510	Jul-05-17	{a}	434	C121058	Aug-29-16	{a}
53	C108390	Mar-04-15	{a}	244	C129514	Jul-05-17	{a}	435	C121086	Aug-30-16	{a}
54	C108468	Mar-05-15	{a}	245	C129511	Jul-05-17	{a}	436	C121120	Aug-31-16	{a}
55	C108467	Mar-05-15	{a}	246	C129512	Jul-05-17	{a}	437	C121154	Aug-31-16	{a}
56	C108041	Mar-05-15	{a}	247	C129591	Jul-10-17	{a}	438	C121172	Sep-01-16	{a}
57	C108657	Mar-06-15	{a}	248	C129589	Jul-10-17	{a}	439	C121164	Sep-01-16	{a}
58	C108656	Mar-06-15	{a}	249	C129590	Jul-10-17	{a}	440	C121167	Sep-01-16	{a}
59	C108800	Mar-12-15	{a}	250	C129596	Jul-11-17	{a}	441	C121169	Sep-01-16	{a}
60	C108821	Mar-12-15	{a}	251	C129645	Jul-12-17	{a}	442	C121175	Sep-01-16	{a}
61	C108833	Mar-12-15	{a}	252	C129647	Jul-12-17	{a}	443	C121174	Sep-01-16	{a}
62	C108801	Mar-12-15	{a}	253	C129810	Jul-14-17	{a}	444	C121176	Sep-01-16	{a}
63	C108943	Mar-13-15	{a}	254	C129813	Jul-14-17	{a}	445	C121160	Sep-01-16	{a}
64	C108950	Mar-13-15	{b}	255	C129807	Jul-14-17	{a}	446	C121170	Sep-01-16	{a}
65	C108942	Mar-13-15	{a}	256	C130248	Jul-31-17	{a}	447	C121171	Sep-01-16	{a}
66	C108985	Mar-17-15	{a}	257	C130247	Jul-31-17	{a}	448	C121163	Sep-01-16	{a}
67	C108986	Mar-17-15	{a}	258	C130245	Jul-31-17	{a}	449	C121173	Sep-01-16	{a}
68	C108981	Mar-17-15	{a}	259	C130246	Jul-31-17	{a}	450	C121183	Sep-01-16	{a}
69	C108987	Mar-17-15	{a}	260	C130409	Aug-03-17	{a}	451	C121168	Sep-01-16	{a}
70	C108988	Mar-17-15	{a}	261	C130491	Aug-07-17	{a}	452	C121192	Sep-05-16	{a}
71	C108976	Mar-17-15	{a}	262	C130492	Aug-07-17	{a}	453	C121212	Sep-06-16	{a}
72	C108977	Mar-17-15	{a}	263	C130595	Aug-09-17	{a}	454	C121213	Sep-06-16	{a}
73	C109187	Mar-25-15	{a}	264	C130610	Aug-09-17	{a}	455	C121216	Sep-06-16	{a}
74	C109181	Mar-25-15	{a}	265	C130594	Aug-09-17	{a}	456	C121214	Sep-06-16	{a}
75	C109184	Mar-25-15	{a}	266	C130573	Aug-09-17	{a}	457	C121244	Sep-07-16	{a}
76	C109188	Mar-25-15	{a}	267	C130903	Aug-29-17	{a}	458	C121259	Sep-07-16	{a}
77	C109189	Mar-25-15	{a}	268	C130339	Aug-29-17	{a}	459	C121249	Sep-07-16	{a}

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78	C109180	Mar-25-15	{a}	269	C130949	Aug-30-17	{a}	460	C121257	Sep-07-16	{a}
79	C109185	Mar-25-15	{a}	270	C131040	Aug-31-17	{a}	461	C121274	Sep-08-16	{a}
80	C109280	Mar-27-15	{a}	271	C131098	Sep-06-17	{a}	462	C121315	Sep-09-16	{a}
81	C109503	Mar-31-15	{a}	272	C131177	Sep-07-17	{a}	463	C119194	Sep-09-16	{a}
82	c109558	Apr-01-15	{a}	273	C131148	Sep-07-17	{a}	464	C121319	Sep-09-16	{a}
83	C109652	Apr-07-15	{a}	274	C131188	Sep-08-17	{a}	465	C121320	Sep-09-16	{a}
84	C109650	Apr-07-15	{a}	275	C131191	Sep-08-17	{a}	466	C121322	Sep-09-16	{a}
85	C109880	Apr-15-15	{a}	276	C131187	Sep-08-17	{a}	467	C121321	Sep-09-16	{a}
86	C109882	Apr-15-15	{a}	277	C131219	Sep-14-17	{a}	468	C121403	Sep-14-16	{a}
87	C109883	Apr-15-15	{a}	278	C131261	Sep-14-17	{a}	469	C121409	Sep-14-16	{a}
88	C110235	Apr-23-15	{a}	279	C131218	Sep-14-17	{a}	470	C121407	Sep-14-16	{a}
89	C110237	Apr-24-15	{a}	280	C131263	Sep-14-17	{a}	471	C121404	Sep-14-16	{a}
90	C110252	Apr-24-15	{a}	281	C131570	Sep-27-17	{a}	472	C121498	Sep-20-16	{a}
91	C110248	Apr-24-15	{a}	282	C131567	Sep-27-17	{a}	473	C122819	Nov-30-16	{a}
92	C110251	Apr-24-15	{a}	283	C131578	Sep-28-17	{a}	474	C122841	Dec-01-16	{a}
93	C110239	Apr-24-15	{a}	284	C107015	Jan-21-15	{a}	475	C122825	Dec-01-16	{a}
94	C110258	Apr-27-15	{a}	285	C107000	Jan-21-15	{a}	476	C122826	Dec-01-16	{a}
95	C110385	Apr-30-15	{a}	286	C108953	Mar-13-15	{a}	477	C122824	Dec-01-16	{a}
96	C110763	May-04-15	{a}	287	C109495	Mar-31-15	{a}	478	C122837	Dec-01-16	{a}
97	C110582	May-12-15	{a}	288	C109493	Mar-31-15	{a}	479	C122857	Dec-05-16	{a}
98	C110584	May-12-15	{c}	289	C109642	Apr-07-15	{a}	480	C122942	Dec-07-16	{a}
99	C110583	May-12-15	{a}	290	C109881	Apr-15-15	{a}	481	C122943	Dec-07-16	{a}
100	C110769	May-19-15	{a}	291	C110250	Apr-24-15	{a}	482	C122941	Dec-07-16	{a}
101	C110766	May-19-15	{a}	292	C110255	Apr-27-15	{a}	483	C122952	Dec-07-16	{a}
102	C111167	May-19-15	{a}	293	C110254	May-08-15	{a}	484	C122945	Dec-07-16	{a}
103	C110770	May-19-15	{a}	294	C110768	May-19-15	{a}	485	C122962	Dec-09-16	{a}
104	C110776	May-19-15	{a}	295	C110791	May-20-15	{a}	486	C123397	Jan-09-17	{a}
105	C110772	May-19-15	{a}	296	C110793	May-20-15	{a}	487	C123413	Jan-10-17	{a}
106	C110777	May-19-15	{a}	297	C111135	Jun-03-15	{a}	488	C123412	Jan-10-17	{a}
107	C110792	May-20-15	{a}	298	C111869	Jul-06-15	{a}	489	C123572	Jan-18-17	{a}
108	C110828	May-21-15	{a}	299	C112584	Jul-29-15	{a}	490	C123599	Jan-19-17	{a}
109	C110757	May-22-15	{a}	300	C112578	Jul-29-15	{a}	491	C123926	Feb-02-17	{a}
110	C111070	May-29-15	{a}	301	C113739	Oct-01-15	{a}	492	C123963	Feb-03-17	{a}
111	C111071	May-29-15	{a}	302	C113795	Oct-01-15	{a}	493	C123964	Feb-03-17	{a}
112	C111069	May-29-15	{a}	303	C113805	Oct-05-15	{a}	494	C123998	Feb-07-17	{a}
113	C111068	May-29-15	{a}	304	C113802	Oct-05-15	{a}	495	C124491	Feb-20-17	{a}
114	C111072	May-29-15	{a}	305	C113804	Oct-05-15	{a}	496	C124577	Feb-22-17	{a}
115	C111073	May-29-15	{a}	306	C113808	Oct-05-15	{a}	497	C124600	Feb-23-17	{a}
116	C111095	Jun-01-15	{a}	307	C113809	Oct-05-15	{a}	498	C125841	Mar-16-17	{a}
117	C111129	Jun-02-15	{a}	308	C113810	Oct-05-15	{a}	499	C126020	Mar-19-17	{a}

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118	C111128	Jun-02-15	{a}	309	C113806	Oct-05-15	{a}	500	C126045	Mar-21-17	{a}
119	C111212	Jun-05-15	{a}	310	C113803	Oct-05-15	{a}	501	C126348	Mar-23-17	{a}
120	C111218	Jun-05-15	{a}	311	C113807	Oct-05-15	{a}	502	C126285	Mar-23-17	{a}
121	C111217	Jun-05-15	{a}	312	C113834	Oct-08-15	{a}	503	C126458	Mar-24-17	{a}
122	C111230	Jun-05-15	{a}	313	C113938	Oct-13-15	{a}	504	C126823	Apr-04-17	{a}
123	C111362	Jun-11-15	{a}	314	C114139	Oct-22-15	{a}	505	C126941	Apr-06-17	{a}
124	C111359	Jun-11-15	{a}	315	C114322	Nov-02-15	{a}	506	C126939	Apr-06-17	{a}
125	C111363	Jun-11-15	{a}	316	C114435	Nov-10-15	{a}	507	C127143	Apr-11-17	{a}
126	C111360	Jun-11-15	{a}	317	C114436	Nov-10-15	{a}	508	C127167	Apr-12-17	{a}
127	C111361	Jun-11-15	{a}	318	C114513	Nov-12-15	{a}	509	C127168	Apr-12-17	{a}
128	C111382	Jun-12-15	{a}	319	C114549	Nov-18-15	{a}	510	C127447	Apr-27-17	{a}
129	C111383	Jun-12-15	{a}	320	C114551	Nov-18-15	{a}	511	C127853	May-11-17	{a}
130	C111379	Jun-12-15	{a}	321	C114552	Nov-18-15	{a}	512	C127876	May-11-17	{a}
131	C111381	Jun-12-15	{a}	322	C114554	Nov-18-15	{a}	513	C128004	May-13-17	{a}
132	C111370	Jun-12-15	{a}	323	C114546	Nov-18-15	{a}	514	C128084	May-17-17	{a}
133	C111380	Jun-12-15	{a}	324	C114547	Nov-18-15	{a}	515	C128086	May-17-17	{a}
134	C111411	Jun-16-15	{a}	325	C114865	Nov-18-15	{a}	516	C128432	May-30-17	{a}
135	C111415	Jun-16-15	{a}	326	C114555	Nov-18-15	{a}	517	C128468	May-31-17	{a}
136	C111413	Jun-16-15	{a}	327	C114558	Nov-18-15	{f}	518	C128560	Jun-02-17	{a}
137	C111423	Jun-16-15	{a}	328	C114550	Nov-18-15	{a}	519	C126622	Jun-05-17	{a}
138	C111409	Jun-16-15	{a}	329	C114548	Nov-18-15	{a}	520	C128597	Jun-06-17	{a}
139	C111412	Jun-16-15	{a}	330	C114607	Nov-19-15	{a}	521	C128594	Jun-06-17	{a}
140	C111410	Jun-16-15	{a}	331	C114559	Nov-19-15	{a}	522	C128646	Jun-08-17	{a}
141	C111414	Jun-16-15	{a}	332	C114560	Nov-19-15	{f}	523	C128942	Jun-16-17	{a}
142	C111590	Jun-19-15	{a}	333	C114561	Nov-19-15	{a}	524	C128944	Jun-16-17	{a}
143	C111599	Jun-22-15	{a}	334	C114620	Nov-20-15	{a}	525	C129357	Jun-30-17	{a}
144	C111598	Jun-22-15	{a}	335	C114735	Nov-26-15	{a}	526	C129355	Jun-30-17	{a}
145	C111597	Jun-22-15	{a}	336	C114826	Dec-02-15	{a}	527	C129420	Jul-04-17	{a}
146	C111596	Jun-22-15	{a}	337	C113801	Dec-02-15	{a}	528	C129419	Jul-04-17	{a}
147	C111689	Jun-26-15	{a}	338	C115113	Dec-23-15	{a}	529	C129509	Jul-05-17	{a}
148	C111690	Jun-26-15	{a}	339	C115120	Dec-28-15	{a}	530	C129574	Jul-10-17	{a}
149	C111770	Jul-02-15	{a}	340	C115401	Jan-11-16	{a}	531	C129572	Jul-10-17	{a}
150	C111862	Jul-06-15	{a}	341	C115453	Jan-13-16	{a}	532	C129573	Jul-10-17	{a}
151	C111861	Jul-06-15	{a}	342	C115530	Jan-18-16	{a}	533	C129814	Jul-14-17	{a}
152	C111854	Jul-06-15	{a}	343	C115547	Jan-18-16	{a}	534	C129811	Jul-14-17	{a}
153	C111853	Jul-06-15	{a}	344	C115533	Jan-18-16	{a}	535	C129812	Jul-14-17	{a}
154	C111866	Jul-06-15	{a}	345	C115864	Feb-03-16	{a}	536	C129809	Jul-14-17	{a}
155	C111873	Jul-06-15	{a}	346	C115868	Feb-03-16	{a}	537	C129806	Jul-14-17	{a}
156	C111867	Jul-06-15	{a}	347	C115867	Feb-03-16	{a}	538	C129917	Jul-20-17	{a}
157	C111998	Jul-09-15	{a}	348	C115865	Feb-03-16	{a}	539	C130077	Jul-25-17	{a}

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158	C112004	Jul-09-15	{a}	349	C115866	Feb-03-16	{a}	540	C130076	Jul-25-17	{a}
159	C111989	Jul-09-15	{a}	350	C115869	Feb-03-16	{a}	541	C130361	Aug-03-17	{a}
160	C112008	Jul-10-15	{a}	351	C115862	Feb-03-16	{a}	542	C130495	Aug-07-17	{a}
161	C112196	Jul-15-15	{a}	352	C115863	Feb-03-16	{a}	543	C130490	Aug-07-17	{a}
162	C112228	Jul-17-15	{a}	353	C115915	Feb-04-16	{a}	544	C130493	Aug-07-17	{a}
163	C112248	Jul-17-15	{a}	354	C115870	Feb-04-16	{a}	545	C130494	Aug-07-17	{a}
164	C112247	Jul-17-15	{a}	355	C115871	Feb-04-16	{a}	546	C130514	Aug-08-17	{a}
165	C112456	Jul-24-15	{a}	356	C115929	Feb-04-16	{a}	547	C130609	Aug-09-17	{a}
166	C112455	Jul-24-15	{a}	357	C115888	Feb-04-16	{a}	548	C130571	Aug-09-17	{a}
167	C112464	Jul-27-15	{a}	358	C115982	Feb-08-16	{a}	549	C130596	Aug-09-17	{a}
168	C112539	Jul-28-15	{a}	359	C116523	Apr-02-16	{a}	550	C130616	Aug-11-17	{a}
169	C112583	Jul-29-15	{a}	360	C116610	Apr-07-16	{a}	551	C130988	Aug-14-17	{a}
170	C112585	Jul-29-15	{a}	361	C116607	Apr-07-16	{a}	552	C130688	Aug-15-17	{a}
171	C112582	Jul-29-15	{a}	362	C116608	Apr-07-16	{a}	553	C128023	Aug-29-17	{g}
172	C112579	Jul-29-15	{a}	363	C116609	Apr-07-16	{a}	554	C131080	Sep-05-17	{a}
173	C112580	Jul-29-15	{a}	364	C116611	Apr-07-16	{a}	555	C131097	Sep-06-17	{a}
174	C112581	Jul-29-15	{a}	365	C116612	Apr-08-16	{a}	556	C131176	Sep-07-17	{a}
175	C112723	Aug-04-15	{a}	366	C116615	Apr-08-16	{a}	557	C131190	Sep-08-17	{a}
176	C112840	Aug-07-15	{a}	367	C116613	Apr-08-16	{a}	558	C131194	Sep-08-17	{a}
177	C112856	Aug-10-15	{a}	368	C116616	Apr-08-16	{a}	559	C131192	Sep-08-17	{a}
178	C112854	Aug-10-15	{a}	369	C116617	Apr-08-16	{a}	560	C131186	Sep-08-17	{a}
179	C112963	Aug-14-15	{a}	370	C116614	Apr-08-16	{a}	561	C131195	Sep-08-17	{a}
180	C113216	Aug-28-15	{a}	371	C117001	Apr-21-16	{a}	562	C131189	Sep-08-17	{a}
181	C113215	Aug-28-15	{a}	372	C117031	Apr-22-16	{a}	563	C131193	Sep-08-17	{a}
182	C113218	Aug-28-15	{a}	373	C117032	Apr-22-16	{a}	564	C131211	Sep-13-17	{a}
183	C113214	Aug-28-15	{a}	374	C117148	Apr-22-16	{a}	565	C131262	Sep-14-17	{a}
184	C113614	Sep-22-15	{a}	375	C117030	Apr-22-16	{a}	566	C131264	Sep-14-17	{a}
185	C113611	Sep-22-15	{a}	376	C117034	Apr-22-16	{a}	567	C131220	Sep-14-17	{a}
186	C113669	Sep-28-15	{a}	377	C117033	Apr-22-16	{a}	568	C131348	Sep-18-17	{a}
187	C113681	Sep-29-15	{a}	378	C117179	Apr-28-16	{a}	569	C131349	Sep-18-17	{a}
188	C113680	Sep-29-15	{a}	379	C117312	Apr-29-16	{a}	570	C131347	Sep-18-17	{a}
189	C122046	Oct-20-16	{a}	380	C117425	May-05-16	{a}	571	C131571	Sep-27-17	{a}
190	C122769	Nov-29-16	{a}	381	C120510	May-20-16	{a}	572	C131568	Sep-27-17	{a}
191	C122827	Dec-01-16	{a}	382	C118655	May-20-16	{a}	573	C132705	Sep-27-17	{a}

Source: OAG Analysis

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Tick-marks:

- a) Individuals that we could not find their names evidence on the Cabinet or Court's records.
- b) Case dismissed due to Petitioner #1 failed to appear in Court. Therefore, Court did not issue a decree for him and his minor children.
- c) Case dismissed due to Petitioner #2 failed to appear in court. Therefore, Court did not issue a decree.
- d) Case dismissed due to Petitioner #3 failed to appear in court. Therefore, Court did not issue a decree.
- e) Noted that Petitioner #4 does not have Cabinet or Court's records. We also noted Petitioner #4 was born outside RMI. In addition, we noted that her father was denied RMI citizenship as he has been illegally residing in the Republic. Moreover, we noted that her mother does not have Cabinet or Court's records.
- f) Noted that the Court dismissed Petitioner #5 and his two children citizenship case due to that the Petitioner #5 failed to file the amended petition by the given due date.
- g) Noted that citizenship case was dismissed by the Court as the father of the Petitioner #6 failed to presence at the court.

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Appendices: Agency Responses

Appendix I: Responses from the Passport Division



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February 21, 2020

Junior Patrick
Auditor General
Office of the Auditor General
Government of the Republic of the Marshall Islands
Majuro, MH 96960



Dear Auditor General Patrick,

At the outset allow me to thank you for the final Draft Findings and Recommendations report submitted on the audit of fiscal years FY2015 thru FY2017.

We have attached herewith our written response to your Draft Findings and Recommendations.

Please do not hesitate to contact our Office should you have any questions or require further clarification.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Hickson'.

Richard Hickson
Attorney General

cc: File

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**Response to Performance Audit of the Passport and Citizenship Division,
Attorney General's Office – Fiscal Years 2015-2017**

**Finding No. 1 Opportunities are present to improve Passport Division's
internal controls and operation**

1.1 Passport Administration can be effective with an established legislation

Findings:

We agree in part with the findings. Our only comment is that in relation to processes being open to manipulation and abuse, we had taken prior steps in implementing measures to eliminate such possibilities. The Passport Panel was first created for that sole purpose. Since, we have also drafted legislation for Passports to further strengthen the Passport Division and to provide clear roles and processes. Lastly, an Internal Policy (see attached), which will be a living document, has recently been implemented to address possible gaps in the processes involved.

Recommendations:

We agree with the recommendations. As noted, there is a draft *Passport Act* (see attached) that aims to better govern the Passport Division and clearly define its roles and responsibilities. Prior to the drafting of the said Bill, there was an internal review of the role of the Passport Panel, the role of the Director, and the processes involved with the processing of passports. We are hoping to have this Bill put forth before the Nitijela as soon as possible. Further, there will be accountability measures in place as well to allow the Passport Division to function effectively and efficiently. Lastly, an Internal Policy has recently been drafted for the interim and it will continue to be fine-tuned and tailored to guide staff in processing of passports.

1.2 Security of Passport Booklets (blank passports) can be improved

Findings:

We agree with the findings. We would just like to note that this is in large part, due to lack of proper office space as our current setup is not viable to securely house Blank Passports. In the meantime, we have identified a more secure area to store them and implement policies and procedures to further safeguard them as well.

Recommendations:

We agree with the recommendations. We are now developing a policy to better safeguard the blank passport inventory. Given our limited space here at the office, for the time being the blank passport will be removed from the visibility of the general public and will be stored and locked in a room identified in our Administration Division. Access to the room will also be closely monitored. It is also worth noting that a move to a new location (G&L building in Uliga) is imminent. The initial blueprint of the building includes a vault designated specifically for passport storage. Strong consideration is being given to install security cameras in the same area for added security.

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In the long run, a purpose built facility for all Ministry of Justice agencies has been approved to be funded by the government of Japan on the Sea Patrol building site and plans include a stand-alone office for passports and secured storage facilities.

1.3 Proper accountability of passports stocks can be achieved by issuing passports sequentially

Findings:

We agree in part with the findings. Perhaps the use of the word 'reserve' is improper. To better explain this, once applicant information is entered into the system, the system locks in a designated book number for the applicant. Once information is entered it cannot be deleted from system. Issues may arise later which may then cause a disruption in issuing of passport book and could be due to incomplete supporting documents with application, delay in payment and so on. Thus, this is the primary cause of irregularities that have been identified in this finding. The broad number range referred to in Table 1, was a result of a typographical error which broadens the number sequence identified.

Recommendations:

We agree with the recommendations. We recognize the importance of proper accountability and the need to issue passports sequentially. It has been practice to enter applicant details upon receipt of application into passport system, which in turn locks in a designated book number. Thus, it may appear that there is a practice of reserving passport numbers for later use, but this is unavoidable once applicant details are entered into system. Often times, due to delays on the part of applicant or other reasons, we are unable to proceed with timely issuance. As a result, this causes a disruption in sequencing of passport numbers. Nonetheless, we have incorporated this recommendation into our Internal Policy and will not enter applicant details into system unless all documents are in order to avoid this problem again.

1.4 Standardized passport application form can streamline operation

Findings:

We agree with the findings. We are and have been aware of this and the Ebeye office has been told to stop and we will continue to contact them to cease the issuance of the old passport application.

Recommendations:

We agree with the recommendations. This is not a new issue to us, it is one which we have been trying to correct for some time now. Ebeye office has been contacted and instructed to cease issuance of old application and to only issue the same application as Majuro. This is also included our Internal Policy.

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At the request of the Arkansas Consulate, the application form will be translated into a Marshallese version as well.

1.5 Passport Division lacks resources to effectively carry out its functions

Findings:

We partially agree with the findings. We would only dispute the cause being due to 'lack of attention'. We are and have been aware of this. With our current staff structure, literally one person alone, we do realize that we need to bolster the Passport and Citizenship Division. The lion-share of passports issue is carried out by staffs of the Attorney General whom have additional responsibilities. Moreover, we are also aware of the need to look into purchasing another passport processing machine to meet the demand. The recurring issue in achieving this is the lack of financial resources due to budget cuts and other restraints on our budget. As noted, given the lack of adequate office space, storage of passport booklets in a secured location is an issue. However, with the possible re-location of our office, this particular issue can be resolved.

Recommendations:

We agree with the recommendations. The Attorney General together with the Director of Passports & Citizenship will push for more budget allocation in the upcoming budget hearings for next fiscal year. This includes allocation for staff and much needed resources to carry out its functions and duties. At the moment, AG Office staff is doing most of the work, not designated Passport Division staff, with the exception of the Director. There has been a strain given there is only one (1) current staff with support given by AG staff. Further, the only provision in the budget allocated for the Division is for the purchase of passport books. When the Division was transferred from Ministry of Foreign Affairs, it was given to this office without any staff and insufficient funding.

The Attorney General is considering an entire review of the Passport Division to improve efficiency and recognize the existing staffs are over burdened and more resources are required. This should aid our ability to lobby for additional funding and resources.

1.6 There are no proper checks and balances in processing passports

Findings:

We agree in part with the findings. We disagree that there are no proper checks and balances in processing passports. In the past, we cannot say if the same holds true. Thus, with the establishment of the Passport Panel, it provided for a means internal controls and processes. There would be two such instances where questions would be posed to the Director of Passports. One upon receipt of application in determining whether applications would need to be processed through panel and two upon review by the Passport Panel should there be any question. With regards to Finding 2.1 where it was found that several instances involving passport

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applications being processed without required documents, a majority of applications involved those who secured passports through the Passport Investment Scheme and their issue. In Civil Action No. 1998-326, it was determined by the Court that such individuals were entitled to passports, as either parent(s) were RMI citizens. Secondly, regarding potential internal control weakness relating to Passport Panel, it is important to note that all passport applicants, whether new or renewals, secured through Registration or Naturalization are all subject to Passport Panel review. Lastly, with regards to the Director of Passports being a Passport Panel member, we agree and the Director will be removed from Passport Panel and will carry out his usual responsibilities.

We disagree that stating that there are no proper checks and balances in place, because there are certain mechanisms in place. Given we are only a few years into implementing this system, there will be possible gaps as identified and there will always be room for improvement. We also agree that a written policy and procedures defining role of staff will strengthen the checks and balance in place at the moment. This will also be included in the *Passport Act*. Lastly, the Passport Panel was initially created to target new passport applications that may need to be referred to Court. However, more attention is being paid to passport renewals, which were not intended for in the Terms of Reference of the Passport Panel.

Recommendations:

We partially agree with the recommendations. We acknowledge that there may be challenges in the current process, but there is to some extent proper checks and balances. We further agree that we lack established policy addressing this. Thus, there is an SOP in place now, with the aim of addressing the proper operation of the Passport Division. We acknowledge that given the limited resources and time to effectively carry out the Divisions functions, there may be weaknesses in the processes involved. This reiterates the need of the Division for a full-time staff with resources as the processes involved are tedious and require dedicated staff. This in turn should alleviate related issues and allow the Division to function effectively with clear accountability.

1.7 Passport Administration can be improved with full knowledge of the Passport processing machine

Findings:

We agree with the findings. We would like to note that these findings are the results of the decision makers then, when the passport processing machine was purchased. Why was there only one person who received training and could retrieve data and produce reports? We cannot say. As far as the planning went, we have no knowledge and cannot answer how or why. As proven in this finding, we face the same difficulties and suffer from related costs in troubleshooting the passport processing machine.

Recommendations:

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We agree with the recommendations. There is an obvious need for us to identify possible experts on the existing system to conduct training for current staff. We have contacted Supplier and have engaged in discussions about possible training. Moreover, we are considering opening a position for an Information Technology (IT) post, which was previously done twice before but could not be filled. Currently there is only one (1) individual who is able to fully operate and at times, troubleshoot the system which we have to contract from time to time. With that, it is apparent that given our limitations with the passport processing machine, we need to re-evaluate and find a viable solution going forward.

1.8 Official and Diplomatic passport records are not consistent

Findings:

We partially agree with the findings. In some instances where there is a printing error or mistake in inputting information, the system will store two different records under the same applicant history. Once modified, the application is inaccessible in the system. Another passport will need to be processed, but the system will store two different records under same applicant history. Thus, the above are likely the cause of the inconsistencies in records. Lastly, due to malfunctions in the passport processing machine, it often causes data or records to be deleted or inaccessible.

Recommendations:

We agree with the recommendations. There is a Diplomatic and Official Passport Policy, which has been given to Cabinet for approval and is listed to be determined on 02/21/20. As previously mentioned, we have an Internal Policy that aims to address proper passport management data and record keeping. We are looking further into this finding. However, as previously stated, we aren't so sure that the Passport System Records accurately produced the correct data. Nonetheless, we will take necessary steps to address this issue.

2.1 Noncompliance matters and opportunities to improve issuance of Passports in accordance with laws and regulations

Findings:

We agree in part with the findings. To begin with, we will address the 823 passports issued to non-indigenous Marshallese which Cabinet Minutes accompanied 104 and 139 by Court Decrees. For the remaining 580 passports, the 15 days to respond is not adequate time for us to go through each one and provide justification. Generally, a vast majority are renewals through the Passport Investment Scheme. As stated in findings, such persons were not issued Cabinet Minutes or a Court Decree; instead they were issued a Certificate of Citizenship/Naturalization.

Next, with regards to the conditions observed:

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- We agree that the *official use checklist* section may have not been used as it will need to be amended if we are going to add additional required documents. Again, a policy or SOP should aid in this, as well as a streamlined passport application. As for the passport files not being checked, we dispute as they would have had to go through the usual screening process as well. As earlier noted, the 15 days allotted to sort through the files is insufficient for us to adequately provide a response.
- We agree with this.

Recommendations: We agree with the recommendations. Management will ensure requirements listed are completed and satisfied and that requirements are in line with the Citizenship Act and Regulations. Lastly, Passport Panel will ensure minutes of its meeting are kept.

2.4 Administration of Diplomatic Passport can improve with an established policy

Findings:

We agree with the findings. As previously mentioned, there is a Diplomatic and Official Passport Policy that has been given to Cabinet for approval and is being considered on 2/21/20.

Recommendations:

We agree with the recommendations.

2.5 Administration of Official Passports can improve with an established policy

Findings:

We agree in part with the findings. As previously mentioned, there is a Diplomatic and Official Passport Policy that has been given to Cabinet for approval and is being considered on 2/21/20. We were unable to sort out the breakdown of the 233 files reviewed and address the related issues given the short time frame for us to do so as we were focused on the other findings.

Recommendations:

We agree with the recommendations.

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Appendix II: Auditor's Response to the Comments from the Passport Division

Finding 1.3 - Proper Accountability of Passports Stocks Can Be Achieved By Issuing Passports Sequentially

We acknowledge the comments from management and have amended the finding wordings accordingly.

Finding 1.5 - Passport Division Lacks Resources to Effectively Carry Out Its Functions

We acknowledge the comments from the management, however, "the lack of attention" we identified as cause of the condition includes commitment by the management and financial resources towards the operational needs of the Passport Division. Accordingly, we consider that it is the responsibility of management to actively pursue our recommendations to ensure Passport Division is adequately resourced.

Finding 1.6 - There Are No Proper Checks and Balances in Processing Passports

We acknowledge the comments by management. We commend management for all efforts to improve internal controls, which included the creation of the Passport Panel to scrutinize passport applications and renewals by non-indigenous Marshallese. However, as we highlighted in this finding the Passport Panel may not be able to scrutinize certain passport matters because a determination has been made not to refer them to the Passport Panel. Accordingly, we reiterate our recommendation that appropriate policies and SOPs should be instituted to guide the operation of the Passport Division and clear accountability mechanism.

Finding 1.8 - Official and Diplomatic Passport Records Are Not Consistent

We acknowledge the comments by management and commend them for their recent efforts to address proper passport data management and records keeping. We consider that it is the responsibility of the management to actively pursue our recommendations to develop policy to address proper passport data management and records keeping.

Finding 2.1 - Certain Non-Indigenous Marshallese Passport Holders Did Not Have Court Decrees and Cabinet Instruments on File

Auditors' response to comment regarding the 580 passports without Court Decree or Cabinet Instrument

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We acknowledge the comments by management and the additional information and have updated information in Exhibit 2 in our report accordingly. Further, management asserted that 15 days to response was not adequate time to go through the listing and provide justification. We believe that we have accorded management ample time to furnish the required information during the course of the audit and an additional 15 days from the date draft report was issued. During fieldwork we provided the listing for management to provide the pertinent records and twice we followed up on the information.

In addition, management indicated that a vast majority of passport are renewals through the passport investment scheme. In addition, it was indicated that such persons without a cabinet minute or court decree were issued either a Certificate of Citizenship or Naturalization. In the absence of the required documentations, we could not determine the legitimacy of those passports. As we noted throughout our audit, records related to the passport investment program were incomplete and passport records in general were not properly maintained which impeded our review.

Auditors' Response to comment regarding determination of Citizenship by Passport Office

We acknowledge the comment by the management and have amended our finding wordings accordingly. We agree that it is perfectly within the Passport Division's authority to make determination if upon satisfaction, and where there is no doubt, may grant a passport. We determined, however, that in the current practice where Passport Division requires "three generation genealogy chart" and "call supposedly family members" to confirm whether the passport applicants are family members, this in itself implies that there is doubt whether or not such passport applicants have met the citizenship requirements and are of Marshallese descents. In those circumstances, we believe it would be appropriate for the Passport Division to require such persons to make an application to the Court for citizenship determination.

In addition, as this is an internal control review as well, we highlight the risk associated with the current practice once again that if persons seeking to obtain passport are not acting in good faith and collude with others for the sole purpose of obtaining a passport, the current setup will not detect it.

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Finding 2.2 - Certain Passport Holders Appeared to Have No Payment Records

We acknowledge the comments by management and the additional information and have updated Table 3 in our report accordingly. We believe that we have accorded management sufficient time to furnish the payment records during our fieldwork and additional 15 days from the date draft report was issued. We reiterate our recommendation that all passport applicants must pay a passport fee in accordance with RMI policy. In addition, we commend the initiative by the Attorney-General to introduce a payment system by credit card for RMI citizens abroad.

Finding 2.3 - The Process of RMI Regular Passports of Naturalized and Registered Citizens Were Not Consistent

Management asserts that the overriding of the passport requirements was an isolated incident. However, the facts gathered during our audit revealed that there were multiple instances where passports were processed without the required documentation at the instruction of those higher ups in the organization. Accordingly, we reiterate our recommendations that passport applications are reviewed to ensure all requirements have been satisfied before issuance of the passport book.

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Appendix III: OAG Follow-Up System

No	Finding	Action To Be Taken
1. Opportunities Are Present to Improve Passport Division's Internal Controls and Operation:		
1.1	Passport Administration Can Be Effective With an Established Legislation	Provide a copy of new Passport Act and SOP.
1.2	Security of the Passport Booklets (Blank Passports) Can Be Improved	Provide a copy of policy that address the security of passport booklet and written assurance of management action to store blank passport booklets in a secured place.
1.3	Proper Accountability of Passports Stocks Can Be Achieved By Issuing Passports Sequentially	Provide a copy of policy requiring passport are issued in sequential manner and implemented.
1.4	A Standardized Passport Application Form Can Streamline Operation	Provide written assurance that a standardize passport application have been implemented.
1.5	Passport Division Lacks Resources To Effectively Carry Out Its Functions	Provide written assurance that actions have been taken to implement our recommendations.
1.6	There Are No Proper Checks And Balances in Processing Passports	Provide copy of SOP that address checks and balances in passport processing.
1.7	Passport Administration Can Be Improved with Full Knowledge of the Passport Processing Machine	Provide written assurance that actions have been taken to implement our recommendations.
1.8	Official and Diplomatic Passport Records Are Not Consistent	Provide a copy of policy that governs data management records keeping.
2. Noncompliance Matters And Opportunities To Improve Issuance of Passports In Accordance with Laws and Regulations		
2.1	Certain Non-Indigenous Marshallese Passport Holders Did Not Have Court Decrees and Cabinet Instruments on File	Provide confirmation that 573 passport holders have lawful citizenship and provide copy of new policies and procedures that guide the operation of the Passport Division.
2.2	Certain Passport Holders Appeared to Have No Payment Records	Provide confirmation that payments were received for those passports issued.
2.3	The Process of RMI Regular Passports of Naturalized and Registered Citizens Were Not Consistent.	Provide written assurance that actions have been taken to implement our recommendations.
2.4	Administration of Diplomatic Passport Can Improve With an Established Policy	No further action is required as management has taken action to address the finding.
2.5	Administration of Official Passports Can Improve With an Established Policy	No further action is required as management has taken action to address the finding.

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Contact and Acknowledgement

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Acknowledgement

The following auditors made key contributions to this report.

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