



Office of Audits  
Office of Inspector General  
U.S. General Services Administration

# Alert Memorandum: Uncleared Contractors Worked on PBS's San Luis I Land Port of Entry Expansion and Modernization Project in San Luis, Arizona

Memorandum Number A220036-8  
July 18, 2025



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TO: MICHAEL PETERS  
COMMISSIONER  
PUBLIC BUILDINGS SERVICE (P)

FROM: R. NICHOLAS GOCO  
ASSISTANT INSPECTOR GENERAL FOR AUDITING (JA)

SUBJECT: Alert Memorandum: Uncleared Contractors Worked on PBS's San Luis I  
Land Port of Entry Expansion and Modernization Project in San Luis, Arizona  
Memorandum Number A220036-8

The purpose of this memorandum is to notify you of an issue that warrants your immediate attention. According to project records, numerous contractor and subcontractor employees who worked on the San Luis I Land Port of Entry (San Luis I LPOE) expansion and modernization project either failed or did not undergo the required security screening. The presence of uncleared contractors working on-site may jeopardize port facility operations, tenant agency missions, and occupant and visitor safety.

#### **BACKGROUND**

The San Luis I LPOE, located on the U.S. international border with Mexico in San Luis, Arizona, was originally constructed in 1984 as a commercial and noncommercial port.<sup>1</sup> It houses the U.S. Department of Homeland Security's U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement, which provide a mix of safety and security services for travelers and trade.

The San Luis I LPOE also serves as an entry point to the United States for migrant field laborers for Yuma County, Arizona, and processes more than 3 million vehicles and 2.5 million

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<sup>1</sup> In 2010, commercial operations were shifted to the San Luis II LPOE, located approximately 8 miles east of the San Luis I LPOE.

pedestrians each year. Because it contains law enforcement agencies and has a high volume of public traffic, the San Luis I LPOE is considered a Facility Security Level III (FSL III) facility.<sup>2</sup>

In September 2022, GSA's Public Buildings Service (PBS) awarded a \$267.8 million design-build construction contract for the San Luis I LPOE expansion and modernization project. The project was partially funded using \$104.9 million in Infrastructure Investment and Jobs Act (IIJA) funding.<sup>3</sup> The contract was later modified to add \$92 million in Inflation Reduction Act funding, bringing the total construction project cost inclusive of modifications to \$341 million.<sup>4</sup> The project will expand the number of lanes for privately owned vehicles from 8 to 16; increase the number of pedestrian inspection lanes from 10 to 14; and add vehicle inspection canopies, a secondary vehicle processing area, and a new administration facility. Construction began in May 2023 and is projected to finish in 2029.

## RESULTS

According to project records, numerous contractor and subcontractor employees who worked on the San Luis I LPOE expansion and modernization project either failed or did not undergo the required security screening.

Because the San Luis I LPOE is an FSL III facility, contractors and subcontractors must comply with the 2004 Homeland Security Presidential Directive 12: *Policy for a Common Identification Standard for Federal Employees and Contractors* (HSPD-12). HSPD-12 requires all executive departments and agencies to conduct background investigations, adjudicate the results, and issue identity credentials to all federal employees and contractor employees who require routine physical access to federally controlled facilities.<sup>5</sup>

Additionally, a May 11, 2023, memorandum issued by the project's construction management contractor requires all contractor and subcontractor employees to undergo a "CBP Quick

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<sup>2</sup> The U.S. Department of Homeland Security defines Facility Security Level as a categorization based on the analysis of several security-related facility factors. This categorization, which ranges from FSL I (lowest) to FSL V (highest), serves as the basis for the identification of preliminary countermeasures and recurring risk assessments.

<sup>3</sup> The Infrastructure Investment and Jobs Act was signed into law on November 15, 2021, and allocated about \$1.2 trillion in federal funding to more than a dozen federal agencies. Of that funding, GSA received \$3.418 billion for the acquisition, construction, and repair and alteration of LPOEs.

<sup>4</sup> The Inflation Reduction Act of 2022 was signed into law on August 16, 2022, and provided GSA with \$3.375 billion for low-carbon construction materials, for emerging and sustainable technologies, and to convert buildings to high-performance green buildings.

<sup>5</sup> *Homeland Security Presidential Directive-12 Personal Identity Verification and Credentialing Policy, and Background Investigations for Contractor Employees*, March 18, 2020; and Federal Acquisition Regulation 52.204-9, *Personal Identity Verification of Contractor Personnel*.

Check” screening prior to working on-site.<sup>6</sup> The memorandum explicitly states that contractor and subcontractor employees who fail the CBP Quick Check “will NOT be allowed” to work on the project. (emphasis in the original)

However, as described below, we found that 90 contractor and subcontractor employees who either failed or did not undergo a CBP Quick Check worked on the San Luis I LPOE expansion and modernization project. To conduct our analysis, we compared the contractor’s certified payroll records to PBS’s CBP Quick Check records for the period of May 2023 to May 2025. We found the following:

- **Employees Failed a CBP Quick Check** – Of the 421 employees identified in the contractor’s certified payroll records, 28 (7 percent) failed a CBP Quick Check. Eleven of these employees worked on the project as recently as May 2025, including one who failed the CBP Quick Check on February 2, 2025, but continued working on the project site weekly through the end of May 2025.
- **Employees Did Not Undergo a CBP Quick Check** – Of the 421 employees identified in the contractor’s certified payroll records, 62 (15 percent) are not listed in PBS’s CBP Quick Check records and likely did not undergo the required security screening. Two of these employees worked on the project for more than 6 months. An additional 13 of these employees worked on the project as recently as May 2025.

A CBP official told us that CBP Quick Checks are not required for employees who have already received an HSPD-12 clearance. However, we found that: (1) only 3 of the 28 employees who failed the CBP Quick Check had an HSPD-12 clearance, and (2) none of the 62 employees who did not undergo a CBP Quick Check had an HSPD-12 clearance.

Furthermore, an employee’s ability to obtain a clearance may change over time. For example, one employee who obtained an HSPD-12 clearance in 2021 subsequently failed CBP Quick Checks conducted in November 2023 and February 2025. Nonetheless, the employee worked on the San Luis I LPOE project weekly from November 2023 to May 2025.

## **CONCLUSION**

PBS is responsible for providing appropriate oversight to ensure that only properly screened contractor and subcontractor employees are working on the San Luis I LPOE project. However, to date, its oversight is lacking.

Contractor and subcontractor employees who either failed or did not undergo the required security screening to work on the San Luis I LPOE expansion and modernization project are a security vulnerability. Contractor and subcontractor employees who failed CBP Quick Check

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<sup>6</sup> “HSPD-12 (Zone D) Determination and Project Badging Privileges & Restrictions” memorandum from GSA/[Construction Manager] to San Luis I LPOE expansion and modernization team contractors.

screening should not be allowed to work on the San Luis I LPOE project. Further, contractor and subcontractor employees who did not undergo the required security screening should not be allowed on-site unless they pass the CBP Quick Check.

Furthermore, the deficiencies discussed in this alert memorandum are consistent with previous findings reported by our office, indicating that systemic deficiencies exist in PBS's security clearance practices for contractor employees. In March 2023, our office reported that 95 contract employees who did not clear background checks were allowed to work on PBS's Calexico West LPOE expansion and modernization project in Calexico, California.<sup>7</sup> Similarly, in September 2024, we reported that 23 contractor personnel working on an IJIA-funded paving project at LPOEs along New York State's northern border were not properly cleared.<sup>8</sup>

Taken together, these findings demonstrate that additional oversight is needed to ensure that contractors for all active and future LPOE construction projects comply with all security screening requirements prior to working on-site.

### **Compliance Statement**

This alert memorandum complies with the Council of Inspectors General on Integrity and Efficiency's Quality Standards for Federal Offices of Inspector General. The related ongoing audit, when completed, will comply with generally accepted government auditing standards.

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<sup>7</sup> *Audit of the Calexico West Land Port of Entry Expansion and Modernization Project* (Report Number A210070/P/9/R23006, March 2, 2023).

<sup>8</sup> *Oversight of PBS's Projects Funded by the Infrastructure Investment and Jobs Act: Audit of Paving Project at New York State's Northern Border* (Report Number A220036/P/2/R24008, September 24, 2024).

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## ***Attachment – Memorandum Distribution***

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