

United States General Accounting Office

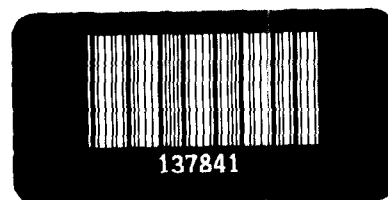
GAO

Report to the Chairman, Committee on
Government Operations, House of
Representatives

January 1989

EMBASSY SECURITY

Background Investigations of Foreign Employees



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National Security and
International Affairs Division

B-231229

January 5, 1989

The Honorable John Conyers
Chairman, Committee on
Government Operations
House of Representatives

Dear Mr. Chairman:

To reduce the vulnerability of U.S. overseas posts to espionage and terrorist attacks, the State Department uses a variety of physical and procedural measures, including the program to perform background investigations on foreign nationals working at the posts and periodically updating these investigations. In response to Congressman Jack Brooks' September 22, 1987, request, we reviewed the State Department's procedures for conducting such investigations and reinvestigations.

Results in Brief

Our review at U.S. diplomatic posts in nine countries showed that State had not routinely investigated or reinvestigated the backgrounds of many foreign nationals with regular access to U.S. facilities and officials overseas, as required. In particular, local guards and foreign nationals working for commercial firms that provide routine services, such as equipment maintenance and janitorial work, had not been adequately investigated at some posts.

These shortcomings represent not only non compliance with State regulations but more importantly, a gap in the U.S. efforts to reduce the risk of espionage and terrorism at overseas posts.

Background

State and other foreign affairs agencies hire thousands of foreign nationals to serve in a variety of capacities such as clerks, secretaries, maintenance workers, drivers, security guards, accountants, and personnel specialists. State officials believe that employing foreign nationals serves an important function in that it helps the United States to establish closer relations, openness, and mutual respect with the host country. Moreover, employing them is considerably less expensive than using U.S. citizens overseas. However, State recognizes that employing foreign nationals may pose a security risk.

To deal with that risk, State regulations require that each overseas post conduct background investigations and periodic reinvestigations of foreign national employees to ensure that they are trustworthy and are not likely candidates to compromise U.S. interests abroad. Although such investigations and reinvestigations do not guarantee that problem job applicants or employees will always be identified, an active program increases the likelihood that State will uncover serious problems that compromise U.S. security interests.

Foreign nationals are generally not allowed access to national security classified material. However, they often hold jobs that are considered sensitive or can pose a significant security threat, given the close proximity or access to American personnel and facilities.

State regulations call for full investigations of foreign nationals in the host country and should parallel the background investigations of U.S. employees. The investigations are to include interviews with the individuals, police and credit checks, and interviews with neighbors and past employers. The employment of each foreign national is contingent upon a favorable security determination and certification by the post regional security officer. State regulations also require that foreign national employees be reinvestigated every 5 years.

State also requires that background investigations and reinvestigations be conducted on foreign contractors and contractor employees when they provide services similar to or under the same working conditions as those of foreign national employees. Under State regulations the post regional security officer is to conduct such investigations/reinvestigations or spot-check investigations/reinvestigations performed by the contractor.

State regulations also require that each overseas post maintain information on the security clearances of each American employee assigned to the post. To ascertain how well these requirements were being carried out, we reviewed the security investigative practices employed by State officials in Algeria, Argentina, Chile, Egypt, India, Morocco, the Philippines, Thailand, and Uruguay.

Post Investigative Practices of Foreign National Employees Varied

During our review, we found that when the posts conducted full background investigations and reinvestigations they generally did so in accordance with State regulations. In essence, this means they generally covered the required elements, such as checks on education, previous employers, credit history and neighborhood interviews. However, we found four principal problems in the posts' investigative practices. In five countries we visited, investigations had not been done on all current employees. In six of the countries we visited, regional security officers did not conduct background investigations for all contract employees, although many had direct access to U.S. officials, buildings, and facilities. Also, six of nine posts did not follow established procedures when investigating local guards. As for reinvestigations of long-term employees, backlogs of varying degrees existed in six of the countries we visited.¹

Our concerns about the manner in which State has carried out its overseas investigative responsibilities are illustrated in the following examples:

- In Egypt, 310 of the 1,117 local employees were never investigated, or investigations were not yet completed. The post had not investigated and could not confirm the identities of most commercial contract employees; 169 direct hire and personal service contract employees had not been reinvestigated as required.
- In Algeria, 52 of the 229 employees have been investigated. The post work force included 94 security guards who had not been investigated. The post had not confirmed the number or identities of the employees of six commercial contract firms that had routinely performed work for the post.
- In India, over 400 of its long-term employees had not been reinvestigated.
- In Thailand, over 350 employees had not been reinvestigated.

Our review indicated that these conditions were principally caused by (1) the inconsistent application of State's regulations by overseas posts, (2) the low priority generally assigned to background investigations relative to other security concerns, (3) the lack of monitoring by State's headquarters to see that posts perform background investigations or reinvestigations of foreign nationals, and (4) inadequate tracking systems to determine who needed background investigations.

¹The shortcomings we identified were not limited to six countries; we found some deficiencies in eight of the nine countries visited. These are detailed in appendix I.

The greatest disparity in post practices was in the way that contractor employees have been investigated. Although the regulations require full investigations, officials at the posts we visited interpreted the requirement differently. As a consequence, large numbers of contractor employees were not fully investigated, yet they worked in close proximity to American personnel and had access to post equipment and facilities. Some posts had checked local police records, and embassy checks² were generally being made for contract employees. Yet other elements of a background investigation, such as interviews with neighbors and previous employers and credit checks, were not performed. We also found that three posts did not confirm the number or identities of all contractor personnel. In four countries, other U.S. agencies at posts employed short-term contractors but did not notify the regional security officer so that the required security investigations could be performed.

Some of the posts did not have tracking systems in place to readily identify who should be investigated and when the investigation should be conducted. State officials told us they did not monitor post performance on conducting investigations of foreign nationals because these investigations are considered a decentralized function.

We also noted that the posts we visited did not keep records of the clearances held by assigned American personnel, as required by State regulations.

Security Risks Associated With Employing Foreign Nationals

Although local personnel are regarded by State as playing a critical role in helping to run an overseas post, employing foreign nationals may entail some security risks. Over time, State has investigated numerous allegations of espionage by foreign national employees and foreign service officers. While conducting full background investigations and reinvestigations cannot guarantee the elimination of such security risks, it should increase the likelihood that serious problems that could compromise U.S. security interests will be uncovered.

U.S. officials at the overseas posts we visited expressed differing views concerning the nature and extent of the security threat posed by foreign nationals. Some U.S. officials were concerned about possible terrorism and other criminal activities. Other U.S. officials were primarily concerned with the threat of espionage.

²Embassy checks usually entail reviews of files within the post consular affairs section, Drug Enforcement Administration, or other internal units that have knowledge about local nationals.

Conclusions and Recommendations

Our review indicated a lack of (1) consistent application of State guidance by the posts as to who should be investigated and reinvestigated, (2) priority assigned to background investigations, (3) routine monitoring of post investigative practices by State's headquarters staff, and (4) a tracking system to identify those foreign nationals that require investigations or reinvestigation at some posts. As a result, post investigation practices varied, all foreign nationals were not investigated, and some reinvestigation backlogs developed. To address these problems, we recommend that the Secretary of State

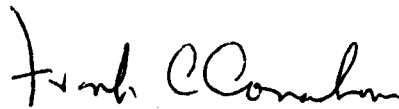
- ensure that the overseas posts consistently implement the requirements for investigating foreign national employees and foreign contractor personnel,
- assign a specific headquarters unit or staff within the Bureau of Diplomatic Security the responsibility for monitoring post performance in conducting foreign national investigations,
- develop a pro forma tracking system that all posts can use for routinely identifying foreign nationals who need to be investigated or reinvestigated and ensure that any reinvestigation backlogs be promptly identified and resolved, and
- ensure that each post maintain a record of security clearances for all assigned U.S. personnel.

Our evaluation of State's embassy security practices is discussed in more detail in appendix I. Appendix II discusses the nature and extent of security threats as posed by foreign national employees along with the views of various post officials. Appendix III sets forth the objectives, scope, and methodology for our review. As requested, we did not obtain agency comments on a draft of this report.

Unless you publicly announce its content earlier, we plan no further distribution of this report until 30 days from the date of issuance. At that time we will send copies to the appropriate congressional committees; the Secretary of State; the Director, Office of Management and Budget;

and other interested parties. This report was prepared under the direction of Joseph E. Kelley, Senior Associate Director. Other major contributors are listed in appendix IV.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Frank C. Conahan".

Frank C. Conahan
Assistant Comptroller General

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Abbreviations

DS	Bureau of Diplomatic Security
FAM	Foreign Affairs Manual

Security Investigative Practices Related to Foreign Service Nationals

Our review of State's overseas security investigative practices regarding foreign national employees showed that eight of the nine posts we visited had not fully conformed to the security requirements for investigating foreign national and foreign contractor personnel. In addition, posts did not maintain records of security clearances of American personnel, and regional security officers were not always informed of individuals who were hired by various U.S. agencies attached to the posts.

Introduction

State and other agencies operating overseas, such as the U.S. Agency for International Development and the U.S. Information Agency, employ many foreign nationals to help run overseas posts.

State's Bureau of Diplomatic Security (DS) is responsible for protecting U.S. diplomatic personnel and property and ensuring that no U.S. diplomatic post is vulnerable to terrorist bombs or open to foreign espionage. To accomplish this, DS employs a variety of physical and procedural security measures, including a program to screen foreign national employees at overseas posts, much the same as it does for American employees. The investigative program is intended to reduce the likelihood that untrustworthy individuals will have routine access to U.S. facilities and personnel.

The regional security officer at each overseas post is responsible for conducting background investigations of foreign national applicants before they are hired and for reinvestigating them at least once every 5 years. State regulations (Instructions and Procedures Manual, vol. II) state that these background investigations should be conducted, to the extent possible, in the same way as background investigations for U.S. employees.

The employment of each foreign national is contingent upon a favorable security determination and certification by the post regional security officer. State regulations also state that non-U.S. citizen contractors and their employees will be subject to the same investigative and certification procedures as foreign national employees when the services provided are similar or are performed under similar working conditions. According to the regulations, investigations of contractors are also warranted when the services provided require unsupervised regular and emergency maintenance services to office machines or elevators.

At many posts around the world the Department contracts for guard services to enhance internal security, control access into the compound,

guard residences, inspect vehicles and packages, and perform other duties. DS guidelines established in February 1987 (Local Guard Manual) require a background investigation of each candidate for employment as a contract guard to determine his or her suitability, including inquiries of previous employers and neighbors and determinations of police records, financial solvency, and reliability. The regulation allows the local contractor to perform the background investigations, provided the regional security officer conducts spot checks to determine the veracity of the contractor's investigations.

Extent of Post Compliance With Regulations Varied

Our review showed that the posts in nine countries differed in the extent of their compliance with State regulations concerning investigations and reinvestigations of foreign nationals. Overall, we found shortcomings in eight of the nine countries we visited.

In five countries, background investigations on all current direct hire foreign national employees had not been done. In six countries, the regional security officers had not performed required investigations of all contract employees. Six posts did not follow established procedures when investigating local guards.¹ Reinvestigation backlogs of varying degrees existed in six countries. These shortcomings were due to systemic problems resulting from (1) differing interpretations by post officials as to who should be investigated and reinvestigated, (2) the low priority generally assigned to security investigations, (3) the lack of routine monitoring of post performance of investigations, and (4) the lack of a tracking system at some posts to identify foreign nationals who required reinvestigations.

When the posts conducted investigations and reinvestigations, they generally complied with State criteria. Our review of 25 or more cases at each post we visited indicated that the required investigative elements were covered and were supported through adequate documentation. However, the posts were inconsistent in conducting investigations and reinvestigations.

Officials in DS advised us that they did not monitor whether post regional security officers were carrying out the required background investigations and reinvestigations of foreign nationals. They said that

¹The principal problems were that the posts did not always investigate the guards, or contractors did not document investigations of the guards. Contractors at two posts were completing investigative reports of guard applicants, but the post security personnel were not spot-checking the investigations to ensure the veracity of the investigations.

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Security Investigative Practices Related to
Foreign Service Nationals**

they did not have any information on the extent of any backlog of unperformed investigations/reinvestigations of foreign nationals. According to DS officials, the investigations/ reinvestigations of foreign nationals were considered a decentralized function, and they do not attempt to oversee how well or whether they were being performed.

A rudimentary step in developing an effective investigative system for foreign nationals is ascertaining who should be investigated and when they should be investigated. However, at five posts we visited, the regional security officer had no mechanism to routinely identify who needed to be investigated or reinvestigated, and at three of the five posts the regional security officer did not know the identities or the number of contractor employees with routine access to U.S. facilities.

Following are country-by-country summaries of our findings:

Algeria

Of the 229 foreign nationals employed in Algeria, only 52 had been investigated and security certified. The post also had a local guard force of 94, and none of them had been investigated and certified.

The U.S. mission contracts with three general contractors and three firms that repair and maintain embassy equipment such as typewriters and photocopy machines. Post officials did not know how many employees from these firms have access to embassy grounds. However, according to the regional security officer, the post restricted the number of foreign nationals working in controlled areas such as the offices of the Ambassador, Deputy Chief of Mission, and Defense Attache. We also found that two foreign national employees were handling "Limited Official Use" documents without the appropriate authorization.

The post's difficulties in completing investigations were due to a variety of factors, including higher priority work.

Argentina

In Argentina, 7 of the 182 direct-hire foreign national and personal service contract employees had not been initially investigated and certified, and there was no backlog of reinvestigations.

The post conducted only a police check on commercial service contractor personnel, who perform such tasks as gardening and janitorial work and are allowed to move throughout most of the compound. However, the post required police checks, embassy record checks, and an interview

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with the security office's local investigator on employees who do not work on the embassy grounds--such as employees of the Foreign Agricultural Service and the maids at the residence of the U.S. Marine security guards. (The regional security officer believed this group needed a more thorough background investigation because of its closer, more frequent contact with Americans.) The post did not spot-check the results of investigations that were performed by a contractor on the 71 local guards.

Chile

At the U.S. Embassy in Santiago, all direct-hire foreign national and all local contract guards had been investigated and certified. The post conducts background investigations of all employees, with the exception of short-term and emergency contractor personnel, who receive only a police check and are placed under surveillance when inside the Embassy. The post did not use long-term commercial service contract personnel. All certification and recertification investigations were current.

Egypt

Of the 1,117 direct-hire and personal service contractor foreign nationals employed at diplomatic posts in Egypt, 310 had not been investigated, although some had worked for the Department for up to 5 years. There was a backlog of 169 reinvestigation cases. The Embassy in Cairo has not investigated, maintained files on, and does not know the number of commercial contract personnel involved in providing maintenance, food, and other services. Contract employees were generally required to provide only a police certificate (documentation describing individuals' police records) and an Egyptian identification card to meet the post's security requirements. The post also employed over 200 local nationals who worked on a day-to-day basis (referred to as "daily hires"), who perform maintenance and guard services similar to the services performed by other foreign national employees. Many of the daily hires have worked for the embassy for many years but have never been investigated.

There were 328 guards and at least 204 were not investigated. According to the regional security officer, the post began conducting background investigations of the local guards who had not yet been investigated in the spring of 1988. However, there were no plans to investigate 48 commercial contract guards.

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The officer also told us the backlog of investigations was due to several factors, including the increase in new hires, high turnover, and greater priority work.

India

There were 3,468 direct-hire foreign national and contractor personnel working at U.S. facilities in India. This total included about 1,700 direct-hire and personal service contractor employees; the remainder were employees of 20 commercial contractors. All employees received background investigations and were certified. We found, however, that there was a backlog of reinvestigations for 431 employees. The security officer and chief foreign national investigator attributed the backlog to a heavy work load in other areas—such as police liaison for visiting dignitaries—and a temporary shortage of investigative staff.

Morocco

In Morocco, 108 of the 821 foreign nationals had not been investigated. The regional security officer did not have a tracking system to identify those needing reinvestigation, but he estimated the backlog at about 80.

The post employed few commercial contractors. Those who entered the embassy compound were under surveillance during the course of their visit. The regional security officer did not maintain security investigation records on each direct-hire and personal service contract employee as required by State regulations. For example, background security investigation files were missing for 112 employees, and the regional security officer told us 108 of them were probably never investigated. In addition, two employees were handling “Limited Official Use” documents without the appropriate authorization.

The Philippines

Of the 1,384 direct-hire and personal service contractors and contract guards in the Philippines, 127 had not been investigated, but the regional security officer said that the required investigations were in process. There was a backlog of 140 reinvestigations.

About 516 commercial service contract personnel in the Philippines serve as guards, laborers, drivers, maintenance workers, and janitors. With the exception of contract guards (who are subject to a full background investigation), the post requires only an interview and a police check as a security precaution for these employees. We found that 64 of these limited background checks had not been completed. However,

many of these employees require frequent access to the compound grounds and come in close contact with U.S. personnel.

In addition, the regional security officer had not established a system to readily identify when foreign national employees needed to be reinvestigated, and as a result the post had not always completed 5-year reinvestigations. Recently, the post investigators went through the files and manually identified 140 employees who had not been reinvestigated in over 5 years. The senior foreign national investigator said that the backlog had resulted because he recently had to train two new personnel, which took time away from his investigative duties.

Thailand

All of the 1,117 direct-hire foreign nationals and contract personnel with access to chancery facilities had been fully investigated, but we determined there was a backlog of 359 reinvestigations. The regional security officer had not investigated the 183 local guards, and the guard contractor was permitted to independently determine which guards to investigate. The regional security officer had not spot-checked the results of the contractor's investigations. The post did not have a system for determining which foreign national employees of 25 commercial contractors required investigation, and the post had no system to determine which employees required recertification investigations. The regional security officer told us that he could not readily identify the employees that needed to be reinvestigated at any given time.

According to the regional security officer, the reinvestigation backlog was due to a shortage of investigative staff and a heavy workload. We were told that contract personnel with access to the chancery had been certified by the regional security officer and that building and grounds personnel who had not been investigated and certified were allowed escorted access to the restricted floors of the chancery to perform repair work. According to the general services officer, however, the escorts did not necessarily remain with the contract personnel for the entire time the work was being performed.

Uruguay

All of the 121 full-time foreign national employees at the U.S. embassy in Montevideo had been initially investigated. There was a backlog of 14 reinvestigations. In addition, about 100 were to be reinvestigated during 1988. The 84 contract guards and bodyguards—who also served as Uruguayan federal police officers—were not investigated. We were told that the guards had not been investigated because they were police

officers and had probably been cleared by the federal police. Only local police checks were required on some part-time employees, such as the embassy cashier and customs dispatcher. The regional security officer had performed background investigations for some part-time employees, such as the post travel agent, because they had greater access to post information than other part-time employees. The security officer told us that some employees—including janitors, commissary and cafeteria workers, and domestic staff—had not been investigated in the past because the post did not have a full-time regional security officer. These employees are now investigated.

Other Security-Related Problems

During our in-country reviews of State's investigation practices, two related problems came to our attention that indicated a breakdown in internal security controls: (1) other agencies at overseas posts had not always informed State officials that they had hired foreign nationals who had not been investigated, and (2) the overseas posts did not have information on the security clearances of assigned American personnel as required.

Other U.S. Agencies Do Not Always Inform State Officials About New Hires

According to State regulations, the regional security officer for each post is responsible for investigating foreign nationals hired by U.S. agencies in the host country, including the U.S. Information Agency, U.S. Agency for International Development, and the Peace Corps. Occasionally, the other agencies—with their own programs and separate budgets and facilities frequently located outside the embassy compound—hire foreign nationals for short periods of time without notifying the post personnel officer, who would in turn notify the security officer at post so that a background investigation could be conducted. However, since these procedures have not always been followed, some background investigations have not been conducted. Failure to inform the post security officer could pose a security risk to U.S. personnel and facilities.

Regional security officers in Argentina, Chile, Egypt, and Uruguay indicated that in several cases other agencies had hired contract personnel but had not informed the personnel officer or security officer. Two examples in Argentina highlight this concern. In one case, the regional security officer learned inadvertently that the U.S. Information Service had hired seven foreign nationals to work at the embassy and the library and binational center located near the embassy. These centers have been targeted by terrorists worldwide. In a second case, the U.S.

Ambassador used his own funds to employ two foreign nationals—a nanny and a chauffeur—without informing the regional security officer. When the officer subsequently learned of the nanny's employment, he initiated an investigation and found that the nanny had a police record in both the United States and Argentina. The uninvestigated chauffeur was subsequently fired when he participated in the theft of the Ambassador's car.

When we discussed this issue with other agencies' officials overseas, we found that they either did not believe that the personnel needed to be investigated—particularly if they worked outside the embassy compound—or were unaware that the regional security officers required investigations of such employees.

**Posts Did Not Have
Required Security
Clearance Information on
American Personnel**

State regulations (3 FAM 090) provide that each overseas post is to maintain personnel records for each American employee attached to the U.S. mission, including information on each individual's security clearances. However, in the countries we visited, none of the posts had employee security clearance information available.

According to a DS official, the Department is concerned that such information is not available for either State employees or employees of attached U.S. agencies. Currently, security clearance information is maintained by the various agencies at their respective headquarters in Washington. We were also told that it was particularly important for clearance information to be readily available at the posts because personnel require special access clearances to use some of the classified communication and word processing systems that are being installed at overseas posts.

The Security Threat Posed by the Employment of Foreign Nationals

According to State, local personnel play critical and unique roles in providing facilitative services, and certain functions are most efficiently performed by personnel who are thoroughly familiar with the local environment. Although American employees with the requisite language skills could perform many of these functions, because of the frequent turnover that is common to almost all American positions overseas, State favors the retention of permanent local employees to maintain efficiency and continuity. In addition, replacing foreign nationals with American employees would substantially increase the cost of operating diplomatic posts overseas.¹ The State Department indicated that the benefits outweigh the risks in employing foreign nationals except for those employees from certain Eastern bloc countries.

Nevertheless, disclosures in recent months about the involvement of foreign national employees in espionage at the U.S. embassy in Moscow and other posts have heightened security concerns. State has reported that its personnel and facilities are being aggressively targeted by hostile intelligence services worldwide. Foreign nationals with access to U.S. facilities, processes and procedures, information, and U.S. employees could be very useful to intelligence services dedicated to countering U.S. foreign policy objectives or intercepting vital data. An active program of conducting investigations and reinvestigations of foreign nationals reduces the potential for security risks because serious problems that could compromise U.S. security interests are more likely to be uncovered.

State's counterintelligence staff told us they had investigated numerous allegations of foreign service officers' and foreign employees' involvement in espionage. However, the threat to national security is not limited to espionage. U.S. officials also expressed some concerns that knowledge gained by foreign nationals at U.S. facilities could also be valuable in planning terrorist acts. Such acts could include bombings, kidnappings, or other violence.

The Department considers the principal security threat at overseas posts to be the disclosure of national security information. Foreign national employees have the opportunity to observe the American staff on a daily basis and can develop close personal relationships. As a result, foreign nationals can develop information on personal habits and

¹State's fiscal year 1989 budget request included \$7.7 million to replace foreign national employees in sensitive positions with cleared Americans at certain Eastern European posts and to provide separate facilities for certain operations to which foreign nationals would not be allowed access.

interests, work habits, and job assignments. Host governments can pressure foreign national employees to provide information about U.S. embassy activities in ways that American personnel cannot be pressured. For example, foreign governments can withhold work permits, pressure foreign national employees' families, or place employees under arrest.

Department officials also raised the issue of where foreign nationals' loyalty lies. Although the United States pays their salaries, most foreign employees are loyal to their own country and not to the United States. Therefore, foreign intelligence services could persuade foreign nationals to provide information on U.S. embassy staff or describe the details of physical or technical security countermeasures being taken by the embassy.

In four of the nine countries we visited, U.S. officials indicated that the host government has routinely interviewed local employees concerning their duties and responsibilities at U.S. facilities to obtain information on embassy activities. In Argentina and Uruguay, the regional security officers told us that the Soviet bloc was very active and that foreign intelligence services had probably attempted to obtain sensitive or classified information from foreign national employees.

In each country we visited, the posts restricted foreign national employees' access to classified information. However, some local employees were authorized access to "Limited Official Use" information. To obtain authorization for such access, the American supervisor submits a written request to the regional security officer explaining why the local national needs access. The regional security officer reviews the employee's security file and makes a recommendation either to grant or deny the clearance. The Ambassador makes the final determination. Employees are required to have "Limited Official Use" clearances to carry out duties such as typing sensitive correspondence, maintaining personnel files, making travel arrangements for U.S. officials, screening visa applicants, or translating official documents. In Algeria and Morocco, two employees in each country were given access to "Limited Official Use" documents without the proper authorization.

In several countries we visited, U.S. officials considered terrorism the principal security threat and expressed concern that foreign national employees may facilitate acts of violence. In three countries, for example, the regional security officers emphasized that certain foreign national positions—particularly bodyguards, chauffeurs, and other

**Appendix II
The Security Threat Posed by the
Employment of Foreign Nationals**

positions that involve regular contact with the ambassador and other post officials—are sensitive from a physical security standpoint. These employees are familiar with the itineraries and daily activities of U.S. personnel.

In several countries there was concern that foreign employees could be involved in criminal activity. For example, in one country U.S. officials noted that visa clerks and procurement officer positions were sensitive because they were susceptible to bribery; cashiers were in sensitive positions because of the large amount of cash they handled.

In the Philippines, where the post issues about 15 percent of all immigration visas issued worldwide each year, post officials were concerned about visa fraud. Two major cases were recently uncovered involving foreign national employees.

Objectives, Scope, and Methodology

Our objectives were to (1) review State Department procedures for investigating foreign national employees at overseas facilities, (2) determine whether overseas diplomatic posts were complying with State's requirements concerning security investigations, and (3) ascertain the views and perspectives of U.S. officials overseas concerning the potential security risks posed by foreign nationals at the overseas posts.

We conducted our review in Washington, D.C., at the State Department's Bureau of Diplomatic Security and at nine overseas embassies: Algiers, Algeria; Bangkok, Thailand; Buenos Aires, Argentina; Cairo, Egypt; Manila, The Philippines; Montevideo, Uruguay; New Delhi, India; Rabat, Morocco; and Santiago, Chile.

We selected posts from differing geographic locations and with differing numbers of foreign national employees, where host governments were generally cooperative in allowing background investigations of foreign national employees. We did not select posts in countries where the host government was not cooperative or where State officials assumed all foreign national employees were reporting to foreign intelligence services (i.e., Soviet bloc countries). In such countries, background investigations cannot be performed in accordance with Department guidelines.

Our review was conducted between October 1987 and August 1988 in accordance with generally accepted government auditing standards. As requested, we did not obtain agency comments on this report, but during the course of our work we discussed the facts with the appropriate agency officials and considered their comments in preparing the report.

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