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BACKGROUND

The Legat, Riyadh, inspection was conducted under the direction of Inspector-in-Charge Henry E. Ragle, III, from 12/05/1999 through 12/10/1999. Investigative and administrative operations that have occurred since the Legat was opened on 02/27/1997 were reviewed. Additionally, an audit of the FSA was conducted for the same period. This was the first inspection of Legat, Riyadh.

Legat, Riyadh, was originally established as a result of two significant terrorism bombing investigations in Riyadh and Dhahran, Saudi Arabia. When the bombings occurred in November 1995 and June 1996, Legat, Rome, had territorial responsibilities for Saudi Arabia and the Persian Gulf region. The increase in FBI investigative activity precipitated a permanent presence in the region. Initially, Saudi Arabia was the only country within Legat, Riyadh's, territorial responsibility. However, the proximity to other countries in the Persian Gulf and their connectivity prompted a realignment of territorial responsibilities. Legat, Riyadh, assumed operational, training, and liaison responsibilities for Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE and Yemen.

The countries covered by Legat, Riyadh, were culturally diverse but united by language, religion, and economic prosperity from massive crude oil reserves. Legat, Riyadh, encompassed an area of approximately 2.8 million square kilometers with a population of approximately 47 million people. Many of the countries in the region had long standing border disputes, and the territory had experienced terrorist activity connected to Hizballah, Hamas, Abu Nidal, Al-Qaeda, and Usama Bin Laden.

The Kingdom of Saudi Arabia occupied an area larger than one-fifth the size of the United States. A vast majority of the country was uninhabited and the terrain was desert. Saudi Arabia encompassed nearly 1.9 million square kilometers and had a population of approximately 21.5 million people. The primary language of the monarchy government was Arabic and virtually the entire population were Muslim. Saudi petroleum reserves were the largest in the world, which supported a robust oil-based economy.

Kuwait was slightly smaller than the state of New Jersey, but enjoyed a strategic location in the oil-rich Persian Gulf. Kuwait, primarily desert plain, had a land area of approximately 18,000 square kilometers and a population of two million. Bahrain had a population of 629,000 and a land area of 620 square kilometers, approximately three times the size of Washington, D.C. Oman was approximately 212,460 square kilometers or slightly smaller than the state of Kansas, with a population of approximately 2.5 million. Oman was located at

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the base of the Musandam Peninsula and adjacent to the Strait of Hormuz which was a vital transit point for crude oil. Qatar is primarily a barren dessert, smaller than the size of Connecticut, with a land area of 11,437 square miles and a population of approximately 723,000. United Arab Emirates was slightly smaller than the state of Maine, at 82,880 square kilometers, with a population of 2.3 million. Yemen was slightly larger than twice the size of the state of Wyoming at 527,970 square kilometers and a population of approximately 17 million.

The FY 2000 Agent FSL was two. The Legat and ALAT were on board at the time of the inspection. The support FSL was one OA, who was also on board at the time of inspection. Legat Youssef was fluent in Arabic and both ALAT Wilfred Rattigan and OA Jannet H. Hardee possessed limited knowledge of the Arabic language. Despite the staff's limited ability to speak in the language native to the region, the general knowledge of English in the region permitted the Legat's office to communicate effectively.

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EXECUTIVE MANAGEMENT

Legat Youssef opened Legat, Riyadh, on 02/28/1997, and served as the Legat throughout the inspection period. He was initially responsible only for Saudi Arabia, but soon recognized the need for continuity in Legat coverage for the contiguous Gulf States, including the UAE, Kuwait, Oman, Yemen, Bahrain, and Qatar. As a result of his insights and initiative, these countries were reassigned from Legat, Rome, to Legat, Riyadh. Prior to his assignment in Riyadh, Legat Youssef served as an SA in the St. Louis and Los Angeles Divisions, where he specialized in terrorism matters. He served in a TDY capacity in Rome, Brussels, and Paris, which assisted in preparing him for this assignment. Legat Youssef directly supervised an ALAT and an OA, and was responsible for the development of liaison with government, intelligence, and law enforcement entities within the Legat territory. He was successful in establishing an excellent relationship with the Mabathith, the Saudi Arabian counterpart of the FBI. Of particular significance, was the unprecedented visit to the U.S. Embassy by the Director of Liaison for the Mabathith, at the invitation of Legat Youssef. This was accomplished within three months of assuming his post. His efforts led to the establishment of direct communications with senior officials of the Mabathith, which had previously been unavailable to any U.S. Embassy personnel. He developed an organizational structure for the office, established administrative and operational controls and procedures, and provided adequate administrative oversight and direction to the other assigned personnel. He provided guidance and training to the numerous TDY SAs assigned to the office, as well as to the newly assigned ALAT. He was a member of the Emergency Action Committee and the Counterintelligence Working Group, and also attended weekly staff meetings and Country Team meetings. The Legat or ALAT attended bi-monthly Force Protection meetings to discuss issues concerning the security of armed forces personnel. His Arabic language ability greatly enhanced his effectiveness in dealing with officials of host countries in the Legat territory. Ambassador Wyche Fowler called Legat Youssef a superior representative for the FBI, and noted that he was "just the right man" for this position. The Deputy Chief of Mission in Riyadh, Albert Thibault, Jr., stated that Legat Youssef had done a great job, possessed excellent interpersonal skills, and was very reasonable. His subordinates described him as having an open-door policy, and as a responsive and hands-on manager.

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STAFFING

ALAT Rattigan was assigned to Legat, Riyadh, on 02/03/1999. He was previously assigned to the New York Division from 03/10/1988 through 02/02/1999. ALAT Rattigan routinely interacted with other embassy personnel and was universally commended for his helpfulness and responsiveness. The inspection determined that ALAT Rattigan began studying the Arabic language and had impressed local law enforcement officials with his knowledge of the Arabic culture and language. The Legat described the ALAT as a capable individual and noted his positive attitude and work ethic. The OA enjoyed working with the ALAT and commended his professionalism and his open and positive demeanor. ALAT Rattigan consistently contributed to the successful operation of the Legat's office.

Former ALAT Mark Sofia was assigned to the Legat, Riyadh, from 02/14/1997 through 01/24/1999. Former ALAT Sofia's participation in a significant public corruption investigation while assigned to the Chicago Division, required his intermittent return for pretrial preparation and testimony. The inspection determined that although former ALAT Sofia made positive contributions, his absence from Riyadh for approximately eleven months of his two year assignment had a negative impact upon the Legat's investigative efforts.

The following SAs were assigned TDY to Legat, Riyadh: Michael L. O'Leary, 11/14/1997 through 03/21/1998; Joseph Manarang, 08/29/1998 through 10/27/1998; and Beth Dawn Babyak, 09/20/1999 through 12/12/1999.

Diane S. Edge served as the OA from 08/03/1997 through 08/08/1999. She was previously assigned to the Atlanta Division. During her tenure as OA, she was assisted by three TDY support personnel.

OA Hardee assumed the OA responsibilities in Riyadh on 07/28/1999. She previously served as an OA in Paris and Rome. As an experienced OA, she was assigned clerical, secretarial, and financial duties as well as the automation support and Communications Security (COMSEC) responsibilities. Since women were not permitted to drive in Saudi Arabia, the OA coordinated transportation for the Legat's family as well as transportation for TDY personnel.

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ADMINISTRATION

The Legat Office operated in a potentially hostile environment which required appropriate concern for the physical safety of all embassy employees. Awareness of security concerns was especially evident as a result of the Khobar Towers bombing in 1996 and the earlier bombing of the Office of Personnel Management, Saudi Arabian National Guard, both of which resulted in deaths of American servicemen. Security precautions had been instituted by the Legat, Riyadh, which included the procurement of two armored vehicles assigned to the Legat and ALAT. The Regional Security Officer (RSO) provided regular briefings to all embassy personnel regarding security, and the Legat or ALAT attended bi-monthly Force Protection meetings at the embassy to discuss the threat assessment to U.S. military personnel in the region. The Legat was also a member of the Emergency Action Committee.

Legat Youssef was responsible for establishing and organizing the operation of the newly opened Legat office. He ensured the effectiveness of administrative operations through direct supervision and proper delegation of administrative responsibilities to his subordinates. Throughout the inspection period, he supervised a number of TDY personnel and coordinated the travel of personnel who participated in the Khobar Towers bombing case. His supervision of the Legat office was enhanced by his language ability and knowledge of regional culture. The small size of the office permitted him to regularly discuss administrative, operational, and program issues with all Legat personnel. He reviewed and assigned leads and covered the ALAT's responsibilities during lengthy periods of absence. Legat Youssef was obliged to personally address numerous requests for assistance from field offices and FBIHQ due to the heavy workload and significance of the Khobar Towers investigation. The inspection determined that the Legat had established and provided appropriate administrative supervision of COMSEC, mail handling, records maintenance, and security matters.

When Riyadh was initially opened, it was only responsible for the country of Saudi Arabia. Legat Youssef recommended that responsibility for six other Gulf States contiguous to Saudi Arabia be added to the responsibilities of the Legat, Riyadh. These countries included the UAE, Kuwait, Oman, Bahrain, Yemen, and Qatar. These countries shared a commonality of language, culture, and geographic connectivity which suggested that placing these countries under the same Legat would be beneficial to investigative efforts in the region. Early on in his assignment, Legat Youssef established relationships with members of the Mabahith, the Saudi equivalent of the FBI, which was unprecedented. Even more noteworthy was the visit of the Director of Liaison and Sensitive Operations of the Mabahith and his deputy to the Legat office. No members of the Mabahith had ever visited the embassy prior to this occasion. Legat Youssef also established a favorable relationship with the Director of the Naif

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Arab Academy for Security Sciences (NAASS). As a result, the Legat was invited to present a seminar on money laundering at the Academy to high-level banking officials of the Al-Rajehi Bank, the largest bank in Saudi Arabia.

In addition to the liaison contacts in Saudi Arabia, Legat Youssef developed an impressive liaison base of prominent law enforcement officials in the Legat territory. These included the Director of the Abu Dhabi Police, the Commandant General of the Dubai Police Force, and the Director of State Security in the UAE; the Director of Kuwait State Security and the Director of the Criminal Investigative Directorate of Kuwait; and the Director General of the Bahraini Criminal Investigative Directorate.

Legat Youssef voiced strong support for the EEO Program and EAP during his meetings with employees, as well as, in informal settings. At the time of the inspection, the Legat, who was himself of Middle Eastern heritage, supervised a minority ALAT and a female OA. Throughout the inspection period, he supervised a number of TDY personnel of various racial and ethnic backgrounds. The Legat devoted time to educating each employee regarding the characteristics and sensitivities of the culture of the region. Legat Youssef encouraged two employees to seek assistance from the EAP, FBIHQ.

The inspection determined that the FSA account had not been properly reconciled for over a year at the time of the inspection. The Inspector issued an instruction to correct this deficiency.

The inspection determined that file reviews, Performance Summary Assessments (PSAs) and progress reviews were not conducted by the Legat throughout the inspection period. The Inspector issued instructions to the Legat to establish procedures and ensure file reviews were conducted, as well as, PSAs and progress reviews. In addition, the Legat had not conducted a required property inventory as directed by FBIHQ, property listed on the Master Property List was not accounted for, and property was found in inventory which was not included on the list. The Inspector issued instructions to the Legat and FD-HQ to correct these deficiencies.

The inspection determined that Legat, Riyadh, had not established reasonable and measurable goals and objectives. The Inspector recommended that Legat, Riyadh, formulate and document such goals and objectives.

Legat Youssef had not conducted regular visits to the six countries, which were included in the Legat territory. This resulted in the lack of coordination and liaison with embassy personnel, as well as, limited liaison contacts with law enforcement agencies in those

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countries. In particular, relations with embassy personnel in Yemen were found to be strained and ineffective as the result of the lack of a presence by Legat personnel. The inspection further noted that operations would have benefited from a division of responsibilities between the Legat and ALAT. The inspection noted some difficulties experienced by the Legat were the result of overextension of geographic responsibilities, and operations would have benefitted by reassignment of certain countries to other Legats. The inspection noted operations would have benefitted from visits to the embassies in the Legat territory by FBIHQ personnel. While FBIHQ personnel had visited Riyadh, Saudi Arabia, these visits were related to specific case matters, including the KHOBOMB investigation, and were not related to a review of Legat operations. The Inspector made recommendations regarding these matters to the Legat, Riyadh, and Investigative Support Division (ISD-HQ).

The inspection found that the efficiency of the Legat operations was adversely affected by inadequate office space which was not located in a Controlled Access Area (CAA). Plans were underway to move to new space, but these efforts had taken an inordinate amount of time, and no date for relocation was scheduled at the time of the inspection. The Inspector recommended that the Legat and ISD-HQ aggressively pursue efforts to secure suitable office space for the Legat.

The inspection noted that a Technical Security Countermeasures (TSCM) inspection had not been conducted for over two years. One of the reasons cited for the delay was the anticipated move to new office space in a CAA. A TSCM inspection had been conducted in May 1999. The Inspector provided the Legat with a routing slip setting forth the need for annual TSCM inspections.

LIAISON

The Legat established and maintained effective liaison with law enforcement entities for the purpose of supporting its investigative mission. Liaison contacts with each of the host countries were viewed as excellent. Liaison contacts within the local police and security forces were noteworthy in Saudi Arabia. By agreement with the U.S. Ambassador and [REDACTED] (s) A the Legat, Riyadh, [REDACTED] (s) in host countries during the inspection period.

The liaison contacts were extensive and well documented. The Legat, Riyadh, maintained contact with law enforcement and security representatives within each of his assigned countries. Those contacts consisted of representatives from the Mabathith, Saudi Arabia; [REDACTED] C

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[REDACTED]
[REDACTED] The Legat's primary liaison contact was with the Mabahith and the NASS in Riyadh, Saudi Arabia. The Legat, Riyadh, had limited contact with the [REDACTED] (S)

[REDACTED] This was determined to be the [REDACTED]

[REDACTED] The Legat, Riyadh, offered training to each of the police and security organizations within its territory. Law enforcement officials from Bahrain, Kuwait, Oman, and Saudi Arabia received training from the Legat office, consisting of counterterrorism, WCC, money laundering, major case management, and interview and interrogation.

Representatives from various police forces confirmed that a positive working relationship existed with Legat, Riyadh. The Mabahith cited several instances in which investigative assistance had been rendered by Legat, Riyadh. Major General Adul Aziz Al-Huwairini, Director of Liaison, Mabahith, indicated that the FBI was the only western law enforcement agency having direct liaison with his office, and characterized the relationship with the FBI as exceptional. As a result of the Khobar Towers bombing, the relationship between the FBI and Mabahith improved tremendously. General Al-Huwairini commented that the Minister of the Interior had instructed him to cooperate fully with the Legat office.

The Director of Liaison for the Government of Oman stated that the level of cooperation between Legat, Riyadh, and his government was excellent, and that his government would like to establish direct contact with the Legat, rather than having to interface with the RSO. The Undersecretary of the Ministry of Interior, UAE, also expressed a preference to have direct contact with the FBI. He commented that the FBI did a very good job in the region.

Sheikh Mashal Al-Jarrah Al Sabbaah, Director of the KSS, characterized his relationship with the FBI as "strong" and "built on mutual trust." The Sheikh referred to the Legat as one of his trusted advisors, which he defined as a cadre of people that he felt comfortable to consult with on numerous matters. The Sheikh considered the FBI to be partners with the KSS. He prominently displayed a photograph of himself, the Minister of the Interior Mohammed Al-Sabaah and Director Freeh.

Lieutenant Colonel Saad Mohannini of the Qatari SSI described the relationship between the SSI and the Legat, Riyadh, as excellent. He noted that Legat, Riyadh, had arranged for two officers from the SSI to attend the NA, but they were unable to pass the physical

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requirements. Efforts were pending to identify other officers to replace these candidates. Lieutenant Colonel Mohannini expressed a strong desire for the FBI to establish a separate Legat office in Qatar.

During the inspection, a total of 32 individuals were contacted to include key staff members at each American Embassy within the Legat's territory to assess the efforts of the Legat, Riyadh. Legat Youssef was well respected and was considered an integral member of the country team in Riyadh. Ambassador Fowler characterized Legat Youssef as a superb representative of the FBI and indicated that the Legat had been highly successful in the Khobar Towers bombing investigation. The Ambassador commented that [REDACTED] and Legat Youssef worked very well together. Ambassador Fowler characterized the Legat as the right person for the Legat position. The Deputy Chief of Mission, Al Thibault, Jr., characterized the Legat as an individual with excellent skills, very reasonable, and especially outstanding in his ability to deal with people. The RSO characterized his relationship with the Legat office as excellent. A

Favorable comments were expressed by other Ambassadors and staff members within the Legat's territory. Ambassador John Craig, U.S. Embassy, Muscat, Oman, advised that he enjoyed an excellent relationship with Legat Youssef. Ambassador Craig advised that the Legat's point of contact within the embassy was RSO Edwin Guard. RSO Guard advised that he had a meaningful and productive relationship with Legat, Riyadh, and that Legat Youssef had an excellent relationship with local law enforcement in Oman.

The U.S. Ambassador to Bahrain, Johnny Young, advised that his office enjoyed a fine relationship with the Legat, Riyadh. He noted that interaction between the Legat and embassy personnel was conducted freely and without restrictions. [REDACTED] described his relationship with Legat, Riyadh, as being very good, and stated that Legat Youssef responded to matters in a timely manner. [REDACTED] advised that the relationship could be enhanced if Legat Youssef visited the territory on a more frequent basis. A

The U.S. Ambassador to Yemen, Barbara Bodine, characterized her relationship with the FBI as very good. The Ambassador explained that she dealt directly with the Washington Field Office (WFO), following their involvement in a kidnapping matter in Yemen in 1998. She had limited contacts with the Legat, Riyadh, and considered her contacts with the WFO preeminent to her relationship with the Legat. She viewed the Legat, Riyadh, as a "facilitator" and opted to deal with the FBI through WFO. She welcomed the Legat to Yemen for investigative purposes, but enjoyed a close relationship with WFO, based on their continued efforts to assist in several kidnapping matters.

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The U.S. Ambassador to Kuwait, James Larocco, described the relationship between his embassy and the Legat as "fine," which he stated was not made in a pejorative manner. The Ambassador added that the frequency of the contacts between the Legat and himself were appropriate for the volume of activity in the region. The Ambassador had not met the ALAT until they were introduced on 12/07/1999. The Ambassador said that he was a firm believer in the "team" concept and acknowledged that the Legat was a valued part of that team.

Based upon the numerous contacts within the Legat's territory, it was determined Legat, Riyadh, had established positive and valuable relationships with the numerous law enforcement agencies within its territory. The Legat provided noteworthy support to international law enforcement efforts, especially in the area of cooperation and unprecedented access to information from host countries involving the Khobar Towers investigation. Legat, Riyadh, had not conducted regular visits to all of the six countries which were included in the Legat territory. This resulted in lack of coordination and liaison with embassy personnel, as well as limited liaison contacts with law enforcement agencies in those countries. The inspection recommended that the Legat contact each Ambassador to enhance liaison and operational effectiveness. It was also recommended that the territory be divided between the Legat and ALAT, and the Legat pursue accreditation with the Ambassador in Riyadh, Saudi Arabia for each country within the Legat's territory.

INVESTIGATIONS

Legat, Riyadh, prioritized its investigative programs as NFIP-IT, WCCP, and VCMOP. The Legat did not conduct any investigations in the NIPCIP, DOMTERR Program, CRP, and the OC/DP. The Legat conducted a limited number of AP investigations. NFIP-IT matters were identified as the first investigative priority, based on the volume of leads received in the FCI and INTERR subprograms. The large number of leads were attributed to the Legat's strategic location in the Middle East. The second investigative priority was WCC, based upon the volume of leads received from field divisions pertaining to fraud and related financial matters. The third priority was listed as VCMO, due to the number of international parental kidnaping leads.

Legat, Riyadh's, crime problem priorities were properly documented, identified, and prioritized. A number of law enforcement and security entities in the Gulf Region identified terrorism as their most significant concern. The immediate goal of many of the terrorist groups, to include supporters of Usama Bin Laden, was to drive the U.S. out of the Gulf region. Most of the terrorist activities in the Middle East were targeted against the U.S. and its citizens. Despite this concern, each host government expressed a willingness to cooperate with Legat, Riyadh. A

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review of randomly selected pending and closed cases reflected that Legat, Riyadh, conducted appropriate investigations within its established investigative priorities. The nature and scope of the crime problem had a direct nexus to the strategic crime problems in the U.S. Legat, Riyadh, conducted extensive investigations following the 08/07/1998 bombings of the U.S. Embassies in East Africa. The Legat's primary focus had been directed towards the solution of the Khobar Towers investigation. This matter had required daily attention from the Legat. Legat, Riyadh, had responded to a myriad of leads from WFO and NSD, FBIHQ. Excellent relations had been established with the Mabathith, who have provided invaluable insights into Bin Laden, who is a Saudi national, and the mastermind of the Khobar bombing. Additionally, as a result of Bin Laden's statements espousing terrorism, his reputed involvement in the planning of the East Africa bombings, the U.S. along with the Saudi Mabathith and the GID have been preoccupied with Bin Laden's current status and whereabouts. Legat, Riyadh, had attended several joint conferences with the GID, Mabathith, and the Saudi Military Intelligence to discuss the Bin Laden threat to the U.S. and the Kingdom of Saudi Arabia.

Legat, Riyadh, also participated in the investigation of the bombing of the American Embassy in Nairobi, Kenya, on 08/07/1998 in which 213 people were killed, and the bombing of the U.S. Embassy in Dar Es Salaam, Tanzania, in which 11 were killed. It was determined that the bombings were carried out by members and associates of the Bin Laden organization, "al-Qaeda." Several suspects had been detained in the U.S., some were in the process of being renditioned to the U.S., and others were fugitives.

Legat, Riyadh, participated in the investigation regarding [REDACTED] who was suspected of being a participant in the Khobar Towers bombing. In 1996 [REDACTED] was paroled from Canada to the U.S., where he agreed to plead guilty to an unrelated charge and provide information about the bombing. He later reneged on his agreement with the government and on 10/11/1999, Legat, Riyadh, coordinated the U.S. efforts to surrender [REDACTED] to the Saudi Government. G

In an economic espionage/TGP matter, the [REDACTED] submitted documents to the [REDACTED] to be translated from English to Arabic. The documents were submitted to [REDACTED] in anticipation of a proposed sale of military hardware to the [REDACTED] government. It was alleged that [REDACTED] conspired with [REDACTED] military officials, and a member of the [REDACTED] to provide copies of these documents to [REDACTED] competitor, [REDACTED]. Legat, Riyadh, coordinated this investigation with the Mabathith and Saudi Ministry of Foreign Affairs. Legat, Riyadh's, contacts with these entities resulted in the identification, location, and interview of several potential witnesses. G

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The Legat, Riyadh, addressed several international parental kidnaping matters, although the Saudi Government will ignore U.S. law and recognize the rights of the Arabic parent. As an example, during June 1997, a Saudi national took his daughter with him on a business trip to Saudi Arabia, and later refused to return the child to her U.S. mother, who had custody rights. The father was indicted in the U.S. and while efforts were underway by the Legat to assist the mother, the child was extracted from Saudi Arabia. The mother refused to furnish any details regarding the extraction. The Saudi Ministry of Foreign Affairs accused the embassy for orchestrating the extraction. Legat, Riyadh, petitioned the Ministry of Foreign Affairs and had requested assistance from the Mabahith as well as the Counsel Section of the embassy.

Legat, Riyadh, provided assistance in other matters, including an Oklahoma City Division ITSMV investigation. In 1997, the division conducted an investigation targeting an individual who acquired vehicles in the U.S., but failed to pay off the loans and later reported the vehicles as stolen. The investigation revealed that the vehicles were shipped to the Kingdom of Saudi Arabia. The investigation was coordinated with the Mabahith in an effort to locate and interview persons to whom the vehicles were shipped.

An analysis of Legat, Riyadh's, investigations determined that 2,589 cases/leads were opened and assigned, of which 204 (7.8%) were NFIP, 189 (7.3%) were WCCP, seven (0.3%) were parental kidnaping leads, 1,692 (65.4%) were administrative leads, 122 (4.7%) were DOMTERR leads, and 375 (14.5%) were other miscellaneous leads. A random sampling of 500 leads were reviewed, of which 281 (56.2%) were handled on or before the established deadline. There were 119 (23.8%) leads which extended beyond the established deadline. There were 38 (7.6%) leads which were covered within 30 days of the deadline, and 62 (12.4%) leads which were covered within 60 days beyond the deadline. At the time of the inspection, 268 leads were pending, of which 79 (29.4%) were beyond the established deadline. The inspection determined that the delinquency rate was due to administrative delays and a failure to close/cover the leads from the ACS. The Legat advised that the ACS was often not accessible due to technical problems. During the interview of the Legat, it was determined that many delays were due to the time associated with translating the related documents into the applicable language, Arabic and English. Some delays were the result of leads occurring in countries in which the Legat was not accredited, and therefore, he was obliged to refer those leads through the various RSOs. The Inspector recommended that Legat, Riyadh, seek accreditation in each country within his territory to facilitate the expeditious handling of leads. The Legat did not maintain an unaddressed work file.

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The inspection determined that Legat, Riyadh's, role was essential in the resolution of important investigations impacting the Gulf Region, and in addressing terrorism activity directed against U.S. interest throughout the world. The investigative initiative demonstrated by the Legat personnel significantly enhanced the FBI's capability to obtain investigative assistance from law enforcement and intelligence agencies throughout the region, and contributed substantially to the resolution of criminal investigations impacting both the Gulf Region and the U.S.

TRAINING

Legat, Riyadh, successfully promoted the international law enforcement training program, which strengthened relations with the host law enforcement services. Legat, Riyadh, was instrumental in providing a variety of training to regional law enforcement. The training provided to the local services sensitized them to U.S. Government legal requirements for the prosecution of international terrorists and enhanced the FBI's working relationship with the local law enforcement services.

A variety of training was provided and presented during the inspection period. Legat, Riyadh, was the first U.S. law enforcement entity to be invited to present training at the NAASS, Riyadh, Saudi Arabia. The NAASS was equivalent to the NA and conducted training for twenty-two Middle Eastern countries. The Legat made presentations or coordinated training to officials from the countries of Saudi Arabia, Bahrain, Kuwait, and Oman which related to the topics of Money Laundering, Financial Institution Fraud, interview and interrogation techniques, crime scene investigations, postblast analysis and Video Images Graphics Information Transceiver (VIGIT) technology. Legat, Riyadh, also personally provided a presentation to the Kuwait State Security (KSS) regarding the World Trade Center bombing. FBIHQ sponsored two courses at the request of Legat, Riyadh, in Oman for the Omani Internal Security Service and the Royal Oman Police.

During the inspection period, Legat, Riyadh, sponsored six representatives to the NA, two each from Saudi Arabia, Kuwait, and Bahrain. The Legat also nominated three other NA candidates, two from Qatar and one from Oman. The Director of the KSS praised the Legat for his assistance in nominating KSS officials to the NA.

Training initiatives facilitated by Legat, Riyadh, enhanced the FBI's relationship with the law enforcement agencies, particularly in the crime problem areas that had a nexus in the U.S. Operational, security and safety training afforded the Legat staff was adequate. The ALAT has initiated Arabic language training, which will assist in his efforts in the region.

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INSPECTOR'S FINDINGS APPENDIX

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File reviews, PSAs, and progress reviews were not conducted.	
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Legat, Riyadh, liaison efforts within the American business community and foreign embassy personnel were deemed inadequate.	
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Legat, Riyadh, was not accredited in six countries within its territory.	
FINDING: RY#4	20
Legat, Riyadh, had inadequate office space, which contributed to a disruptive and inadequate work environment.	
FINDING: RY#5	21
Deficiencies were noted in the operations of the Legat.	
FINDING: RY#6	22
The FSA was not properly audited.	
FINDING: RY#7	23
The inventory of nonexpendable property had not been conducted.	

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FINDING: RY#1

File reviews, PSAs, and progress reviews were not conducted.

DETAILS:

Reviews of personnel folders and interview of Legat, Riyadh, revealed that file reviews had not been conducted according to the requirements of the MAOP. In addition, Legat, Riyadh, did not utilize Form FD-865, PSA, as required by SAC Memorandum 7-97 dated 03/18/1997, which provided for an assessment of performance at the time of the file review. Legat, Riyadh, did not conduct documented midyear progress reviews as required by MAOP, Part I, 5-3 (2).

By way of mitigation, it was noted that Legat, Riyadh, had no previous supervisory experience. His training was abbreviated prior to reporting to his post, and he received no training regarding the conduct of file reviews, PSAs, or progress reviews.

INSTRUCTIONS:

RY #1a: That Legat, Riyadh, implement a formal file review process which includes face-to-face review of investigations consistent with Bureau policy.

RY #1b: That Legat, Riyadh, document performance during scheduled file reviews using the FD-865 PSAs and midyear progress reviews as mandated.

FINDING: RY#2

Legat, Riyadh, liaison efforts within the American business community and foreign embassy personnel were deemed inadequate.

DETAILS:

Legat, Riyadh, had failed to initiate and develop relationships with representatives within the American business community in Riyadh, Saudi Arabia. The inspection determined there were approximately 200 U.S. businesses located within the Legat's territory. The Legat has not made an effort to establish or develop a meaningful liaison relationship with any of the

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business representatives within his territory. During the interview of the Legat, it was determined that he was unaware of the benefits of having established liaison with the various businesses.

There were approximately 91 embassies located or accredited to the Government of Saudi Arabia and located in Riyadh, Saudi Arabia. However, the Legat had not established contact or liaison with any of the foreign embassies in an effort to enhance the intelligence and liaison abilities of the office.

RECOMMENDATION:

RY #2a: That Legat, Riyadh, initiated appropriate contact with members of the American business community.

RY #2b: That Legat, Riyadh, initiate contact with appropriate foreign embassy personnel in an effort to enhance the intelligence and liaison base of the Legat, Riyadh.

FINDINGS: RY#3

Legat, Riyadh, was not accredited in six countries within its territory.

DETAILS:

Legat, Riyadh, was officially opened in February 1997, and the Legat was granted accreditation in Saudi Arabia. Legat, Riyadh, was subsequently assigned additional responsibilities for the countries of the UAE, Kuwait, Oman, Bahrain, Yemen, and Qatar. Legat, Riyadh, made a verbal request for accreditation in those countries through FBIHQ, but no accreditation was obtained, and FBIHQ did not advise Legat, Riyadh, of appropriate methods to seek addition accreditation. Accreditation would eliminate the necessity of obtaining concurrence from the RSOs [REDACTED] to conduct interviews or make contact with foreign officials. The lack of accreditation resulted in unnecessary delays in interviews and contacts, and in some cases RSOs and [REDACTED] have delayed, interfered, or prohibited investigative efforts. Lack of accreditation had prohibited Legat, Riyadh, to establish direct liaison with law enforcement entities in the region and has negatively impacted his ability to perform his mission. A

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RECOMMENDATION:

RY #3: That Legat, Riyadh, contact and document efforts with the Ambassador, U.S. Embassy, Riyadh, Saudi Arabia to pursue full accreditation for all countries within its territory.

FINDING: RY#4

Legat, Riyadh, had inadequate office space, which contributed to a disruptive and inadequate work environment.

DETAILS:

The Legat space consisted of approximately 870 square feet divided into three rooms. The space had been the General Services Office storage and supply room. The space was divided by walls that created two offices and a large workroom. The two offices were utilized by the Legat and ALAT and had carpeting, painted dry walls, and hanging ceilings. The offices were well appointed and neatly maintained, except for a number of storage/shipping containers which were inappropriate for business office space. The entrance to the two offices, a door to the hallway, was blocked off by a Hamilton four-drawer safe. As a result, entrance to the offices could only be obtained through a door from the large workroom. The workroom was utilized as the OA office space, and contained the cryptographic equipment and cryptographic equipment safe. The workroom was arranged haphazardly with several tables, two desks, three safes, a storage cabinet, and numerous storage/shipping containers and boxes. Cryptographic equipment, computers, facsimile machines, a VIGIT system, a copier and shredder were placed around the room on tables and desks. Various water pipes, aluminum and metal air ducts, and metal conduits for electrical wires hung exposed from the ceiling. The metal air ducts included a noisy fan unit which hung over the center of the room, and which contained exposed electrical wire connections. The air conditioning system was slaved to the controls for the embassy cafeteria, which usually resulted in irregular temperature for the office. On occasion, vehicle exhaust emissions were evident in the work space. The Legat office space was not located in a Controlled Access Area (CAA).

The inspection determined that efforts were underway to secure additional space within a CAA, which would be divided into four separate rooms, to include a supply/storage room and three offices. The relocation was awaiting approval of the USDS Foreign Building Office. The need for suitable office space was fully justified and should be accomplished without further delay.

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An EC further detailing this finding was provided to the Legat, Riyadh, ISD-HQ and ASD-HQ.

INSTRUCTION:

RY #4: That ISD-HQ, in coordination with ASD-HQ, ensure efforts to secure suitable office space for the Legat, Riyadh, are aggressively pursued.

FINDING: RY#5

Deficiencies were noted in the operations of the Legat.

DETAILS:

The inspection noted deficiencies in several aspects of the operations of the Legat. It was noted that Legat, Riyadh, had not conducted regular visits to the six countries which were included in the Legat territory. This resulted in lack of coordination and liaison with embassy personnel as well as limited liaison contacts with law enforcement agencies in those countries. In particular, relations with embassy personnel in Yemen were found to be strained and ineffective as the result of lack of visits by Legat personnel. The inspection further noted that operations would have benefited from a division of responsibilities between the Legat and ALAT. The inspection noted that some difficulties experienced by Legat, Riyadh, were the result of overextension of territorial responsibilities impacting the Legat, Riyadh's, span of control.

The inspection determined that Legat, Riyadh, had not established reasonable and measurable goals and objectives for the Legat.

The inspection noted that operations would have benefited from visits to the embassies in the Legat territory by FBIHQ personnel. While FBIHQ personnel had visited Riyadh, Saudi Arabia, these visits were related to specific case matters, including the KHOBOMB investigation, and were not related to review of Legat operations. The operations of the Legat would have benefited from visits by FBI officials to demonstrate Bureau support for the work of the Legat.

An EC further detailing these findings was provided to Legat, Riyadh, and to ISD-HQ.

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RECOMMENDATIONS:

RY #5a: That Legat, Riyadh, ensure that regular visits are conducted to all countries in the Legat territory to enhance liaison and operational effectiveness.

RY #5b: That Legat, Riyadh, consider assignment of specific country responsibilities to the ALAT to provide for more effective coordination of investigative and liaison efforts.

RY #5c: That Legat, Riyadh, reassess the span of control with respect to Legat territorial responsibilities.

RY #5d: That Legat, Riyadh, formulate and document goals and objectives for the Legat.

RY #5e: That Legat, Riyadh, in conjunction with International Operations Section within the Investigative Services Division, ensure visitation by Bureau officials to demonstrate FBIHQ support for the operations of the Legat.

FINDING: RY#6

The FSA was not properly audited.

DETAILS:

The audit of the FSA checkbook determined that the checking account balance was indicated as \$8,848.81. Review of the bank statements for the FSA checking account determined that the account actually contained \$14,014.59. The inspection determined that \$2,567.20 of this difference was accountable to three outstanding checks written in December 1999 which had not yet cleared. The remaining difference of \$2,598.58 was the result of a reconciliation check sent to FBIHQ in April of 1998, which had never been deposited. As a result, the balance noted in the checkbook did not accurately reflect the correct amount of cash in the account.

The inspection determined that Check #112 in the amount of \$2,598.58, dated 03/31/1998, was sent to FBIHQ as reimbursement for funds advanced by the WFO. The funds had been utilized for daily operating expenses of Legat, Riyadh, and derived from case funds provided for the investigation of KHOBOMB. An EC dated 01/26/1998 from Legat, Riyadh, to the Legat Voucher Unit set forth the details of the circumstances for the reimbursement. The EC

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noted that OA Edge had communicated by telephone with Diann Ringer of the Legat Voucher Unit, FIBHQ. The EC was documented in the Legat, Riyadh, FSA Administrative File, 66F-RY-A28. A copy of the check was also included in the file, with the notation that the check had been mailed to Diann Ringer via Federal Express on 04/27/1998. The discrepancy was noted by OA Hardee in October 1999 and was reported to Legat, Riyadh, but no action regarding the discrepancy had been taken as of the time of the inspection.

An EC further detailing this finding was provided to Legat, Riyadh, and to the FD-HQ.

INSTRUCTIONS:

RY #6a: That Legat, Riyadh, in conjunction with the Legat Voucher unit, resolve the discrepancy regarding the missing check in the amount of \$2,598.58.

RY #6b: That Legat, Riyadh, ensure appropriate administrative procedures are established to ensure accurate audits of the FSA checkbook and bank statements.

FINDING: RY#7

The inventory of nonexpendable property had not been conducted.

DETAILS:

An audit was conducted of inventoriable property for the Legat. A Master Property Listing was obtained for the Legat, which was found to list only 20 items. Items listed included three of the four Bureau vehicles assigned, as well as computers, monitors, printers, facsimile machines, a shredder and a transcribing machine. Six of the 20 items could not be located. Twenty items, including the Legat's armored vehicle, were located which were not on the inventory list. The Diplomatic passports issued to the Legat and ALAT were not noted on their personal inventory list.

The inspection noted that an EC dated 06/11/1999, captioned "PHYSICAL INVENTORY OF LEGAT PROPERTY; PROPERTY MANAGEMENT MATTER; DEADLINE: 10/1/99", had been sent from the FD-HQ to All Legats. The EC in part instructed that "Each Legal Attache is to commence a physical inventory of Legat property on 7/1/99."

An EC further detailing this finding was provided to Legat, Riyadh, and to FD-HQ.

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INSTRUCTIONS:

RY #7a: That Legat, Riyadh, conduct an inventory of Legat property in compliance with the EC from FD-HQ dated 06/11/1999.

RY #7b: That Legat, Riyadh, locate and record all nonexpendable property.

RY #7c: That Legat, Riyadh, coordinate with appropriate Property Management Personnel, FD-HQ the recording of the Diplomatic passport number in the Employee Personal Property Application, Bureau Property Management System.

RY #7d: That FD-HQ, initiate procedures to appropriately track and control nonexpendable property assigned to Legat, Riyadh.

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ABBREVIATIONS

(Rev. 06/08/1999)

The following abbreviations are utilized in the body of inspection reports:

ACS	Automated Case Support
AD	Assistant Director
AFOR	Annual Field Office Report
AG	Attorney General
AGG	Attorney General Guidelines
A-SAC	Associate SAC
ALAT	Assistant Legal Attache
ANSIR	Awareness of National Security Issues and Responses
AO	Administrative Officer
AP	Applicant Program
ASAC	Assistant Special Agent in Charge
ASD	Administrative Services Division
AUSA	Assistant United States Attorney
BATF	Bureau of Alcohol, Tobacco & Firearms
C/PTDs	Convictions/Pretrial Diversions
CDC	Chief Division Counsel
CCTV	Closed Circuit Television
CI	Criminal Informant
CIA	Central Intelligence Agency
CID-HQ	Criminal Investigative Division
CIP	Criminal Informant Program
CIRG	Critical Incident Response Group
CJIS	Criminal Justice Information Services Division
CR	Civil Rights
CRP	Civil Rights Program
CS	Confidential Source
CW	Cooperative Witness
DAD	Deputy Assistant Director
DAWY	Direct Agent Workyear
DCIS	Defense Criminal Investigative Service
DD	Deputy Director
DEA	Drug Enforcement Administration
DNA	Deoxyribonucleic Acid
DOD	Department of Defense

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DOJ	Department of Justice
DOMTERR	Domestic Terrorism
EAP	Employee Assistance Program
EC	Electronic Communication
EDSP	Executive Development and Selection Program
EEO	Equal Employment Opportunity
ELSUR	Electronic Surveillance
E-mail	Electronic Mail
EM	Executive Management
EOD	Entry on Duty
EVP	Evidence Program
FIF	Financial Institution Fraud
FAST	Forfeiture and Asset Seizure Team
FBIHQ	FBI Headquarters
FBI-LAB	Laboratory Division
FBI-OPR	FBI - Office of Professional Responsibility
FCI	Foreign Counterintelligence
FD-HQ	Finance Division
FISA	Foreign Intelligence Surveillance Act
FUG	Fugitive
FSL	Funded Staffing Level
FY	Fiscal Year
GAO	General Accounting Office
GF	Governmental Fraud
GRC	Government Reservation Crimes
HCF	Health Care Fraud
HHS	Health and Human Services
HIDTA	High Intensity Drug Trafficking Area
I/Is	Indictments/Informations
IA	Investigative Assistant
IB	Intelligence Base
IG	Inspector General
IMA	Investigative Management Assistant
INS	Immigration and Naturalization Service
INSD	Inspection Division
INTERR	International Terrorism
IRD	Information Resources Division
IRS	Intelligence Research Specialist
IT	Interstate Theft

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JDIG	Joint Drug Intelligence Group
LEGAT	Legal Attache
LCN	La Cosa Nostra
MAOP	Manual of Administrative Operations and Procedures
MIOG	Manual of Investigative Operations and Guidelines
MOU	Memorandum of Understanding
NA	FBI National Academy
NCIC	National Crime Information Center
NDIC	National Drug Intelligence Center
NFI	National Foreign Intelligence
NFIP	National Foreign Intelligence Program
NIPC	National Infrastructure Protection Center
NIPCIP	National Infrastructure Protection and Computer Intrusion Program
NSA	National Security Agency
NSD	National Security Division
NSTL	National Security Threat List
OC	Organized Crime
OC/D	Organized Crime/Drug
OC/DP	Organized Crime/Drug Program
OCDETF	Organized Crime Drug Enforcement Task Force
OGC	Office of the General Counsel
OIG	Office of Inspector General
OPCA	Office of Public and Congressional Affairs
PA	Probationary Agent
PAR	Performance Appraisal Report
PC	Public Corruption
PM	Program Manager
QSI	Quality Step Increase
RA	Resident Agency
REI	Racketeering Enterprise Investigation
RICO	Racketeer Influenced and Corrupt Organizations
RMA	Resource Management and Allocation
SA	Special Agent
SAC	Special Agent in Charge
SAS	Supervisory Administrative Specialist
Schedule F	Schedule of Findings
SC	Section Chief
SCI	Sensitive Compartmented Information

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SES	Senior Executive Service
SIOC	Strategic Information Operations Center
SOG	Special Operations Group
SSA	Supervisory Special Agent
SSG	Special Surveillance Group
SSRA	Supervisory Senior Resident Agent
SSS	Support Services Section
SWAT	Special Weapons and Tactics
TD-HQ	Training Division
TDY	Temporary Duty
TSL	Target Staffing Level
TTA	Technically Trained Agent
TURK	Time Utilization and Recordkeeping
UC	Unit Chief
UCA	Undercover Agent
UCO	Undercover Operation
UFAP	Unlawful Flight to Avoid Prosecution
USA	United States Attorney
USAO	United States Attorney's Office
USBP	United States Border Patrol
USCS	United States Customs Service
USDA	United States Department of Agriculture
USDC	United States District Court
USDJ	United States District Judge
USDS	United States Department of State
USMS	United States Marshals Service
USSS	United States Secret Service
VC	Violent Crimes
VCMO	Violent Crimes and Major Offenders
VCMOP	Violent Crimes and Major Offenders Program
VCTF	Violent Crimes Task Force
VGOTF	Violent Gangs and Terrorist Organizations File
WCC	White Collar Crime
WCCP	White Collar Crime Program

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