Counterintelligence Implications of Foreign Service National Employees

By Fred Burton and Scott Stewart

Mexican Attorney General Eduardo Medina Mora said Oct. 27 that five officials from the anti-organized crime unit (SIEDO) of the Office of the Mexican Attorney General (PGR) have been arrested for allegedly providing intelligence to the Beltrán Leyva drug trafficking organization for money. Two of the recently arrested officials were senior SIEDO officers. One of those was Fernando Rivera Hernández, SIEDO’s director of intelligence; the other was Miguel Colorado González, SIEDO’s technical coordinator.

This episode follows earlier announcements of the arrests in August of SIEDO officials on corruption charges. Medina Mora said that since July, more than 35 PGR agents have been arrested for accepting bribes from cartel members — bribes that, according to Medina Mora, can range from $150,000 to $450,000 a month depending on the quality of information provided.

Mexican newspapers including La Jornada are reporting that information has been uncovered in the current investigation indicating the Beltrán Leyva organization had developed paid sources inside Interpol and the U.S. Embassy in Mexico City, and that the source in the embassy has provided intelligence on Drug Enforcement Administration (DEA) investigations. The source at the U.S. Embassy was reportedly a foreign service national investigator, or FSNI. The newspaper El Universal has reported that the U.S. Marshals Service employed the FSNI in question.

This situation provides us with a good opportunity to examine the role of foreign service national employees at U.S. missions abroad and why they are important to embassy functions, and to discuss the counterintelligence liability they present.

Foreign Service Nationals

U.S. embassies and consulates can be large and complicated entities. They can house dozens of U.S. government agencies and employ hundreds, or even thousands, of employees. Americans like their creature comforts, and keeping a large number of employees comfortable (and productive) requires a lot of administrative and logistical support, everything from motor pool vehicles to commissaries. Creature comforts aside, merely keeping all of the security equipment functioning in a big mission — things like gates, vehicle barriers, video cameras, metal detectors, magnetic locks and residential alarms — can be a daunting task.

In most places, the cost of bringing Americans to the host country to do all of the little jobs required to run an embassy or consulate is prohibitive. Because of this, the U.S. government often hires a large group of local people (called foreign service nationals, or FSNs) to perform non-sensitive administrative functions. FSN jobs can range from low-level menial positions, such as driving the embassy shuttle bus, answering the switchboard or cooking in the embassy cafeteria, to more important jobs such as helping the embassy contract with local companies for goods and services, helping to screen potential visa applicants or translating diplomatic notes into the local language. Most U.S diplomatic posts employ dozens of FSNs, and large embassies can employ hundreds of them.
The embassy will also hire FSNIs to assist various sections of the embassy such as the DEA Attaché, the regional security office, Immigration and Customs Enforcement and the anti-fraud unit of the consular section. FSNIs are the embassy’s subject-matter experts on crime in the host country and are responsible for maintaining liaison between the embassy and the host country’s security and law enforcement organizations. In a system where most diplomats and attachés are assigned to a post only for two or three years, the FSNs become the institutional memory of the embassy. They are the long-term keepers of the contacts with the host country government and will always be expected to introduce their new American bosses to the people they need to know in the government to get their jobs done.

Because FSNIs are expected to have good contacts and to be able to reach their contacts at any time of the day or night in case of emergency, the people hired for these FSNI positions are normally former senior law enforcement officers from the host country. The senior police officials are often close friends and former classmates of the current host country officials. This means that they can call the chief of police of the capital city at home on a Saturday or the assistant minister of government at 3 a.m. if the need arises.

To help make sure this assistance flows, the FSNI will do little things like deliver bottles of Johnny Walker Black during the Christmas holidays or bigger things like help the chief of police obtain visas so his family can vacation at Disney World. Visas, in fact, are a very good tool for fostering liaison. Not only can they allow the vice minister to do his holiday shopping in Houston, they can also be used to do things like bring vehicles or consumer goods from the United States back to the host country for sale at a profit.

As FSNs tend to work for embassies for long periods of time, while the Americans rotate through, there is a tendency for FSNs to learn the system and to find ways to profit from it. It is not uncommon for FSNs to be fired or even prosecuted in local court systems for theft and embezzlement. FSNs have done things like take kick-backs on embassy contracts for arranging to direct the contract to a specific vendor; pay inflated prices for goods bought with petty cash and then split the difference with the vendor who provided the false receipt; and steal gasoline, furniture items, computers and nearly anything else that can be found in an embassy.

While this kind of fraud is more commonplace in third-world nations where corruption is endemic, it is certainly not confined there; it can even occur in European capitals. Again, visas are a critical piece of the puzzle. Genuine U.S. visas are worth a great deal of money, and it is not uncommon to find FSNs involved in various visa fraud schemes. FSN employees have gone as far as accepting money to provide visas to members of terrorist groups like Hezbollah. In countries involved in human trafficking, visas have been traded for sexual favors in addition to money. In fairness, the amount that can be made from visa fraud means it is not surprising to find U.S. foreign service officers participating in visa fraud as well.

Liabilities

While it saves money, employing FSNs does present a very real counterintelligence risk. In essence, it is an invitation to a local intelligence service to send people inside U.S. buildings to collect information. In most countries, the U.S. Embassy cannot do a complete background investigation on an FSN candidate without the assistance of the host country government. This means the chances of catching a plant are slim unless the Americans have their own source in the local intelligence service that will out the operation.
In many countries, foreigners cannot apply for a job with the U.S. Embassy without their government’s permission. Obviously, this means local governments can approve only those applicants who agree to provide the government with information. In other countries, embassy employment is not that obviously controlled, but there still is a strong possibility of the host country sending agents to apply for jobs along with the other applicants.

It may be just coincidence, but in many countries the percentage of very attractive young women filling clerical roles at the U.S. Embassy appears many times higher than the number of attractive young women in the general population. This raises the specter of “honey traps,” or sexual entrapment schemes aimed at U.S. employees. Such schemes have involved female FSNs in the past. In one well known example, the KGB employed attractive female operatives against the Marine Security Guards in Moscow, an operation that led to an extremely grave compromise of the U.S. Embassy there.

Because of these risk factors, FSNs are not allowed access to classified information and are kept out of sections of the embassy where classified information is discussed and stored. It is assumed that any classified information FSNs can access will be compromised.

Of course, not all FSNs report to host country intelligence services, and many of them are loyal employees of the U.S. government. In many countries, however, the extensive power host country intelligence services can wield over the lives of its citizens means that even otherwise loyal FSNs can be compelled to report to the host country service against their wills. Whereas an American diplomat will go home after two or three years, FSNs must spend their lives in the host country and are not protected by diplomatic status or international conventions. This makes them very vulnerable to pressure. Additionally, the aforementioned criminal activity by FSNs is not just significant from a fiscal standpoint; Such activity also leaves those participating in it open to blackmail by the host government if the activity is discovered.

When one considers the long history of official corruption in Mexico and the enormous amounts of cash available to the Mexican drug cartels, it is no surprise that members of the SIEDO, much less an FNSI at the U.S. Embassy, should be implicated in such a case. The allegedly corrupt FNSI most likely was recruited into the scheme by a close friend or former associate who may have been working for the government and who was helping the Beltrán Leyva organization develop its intelligence network.

**Limits**

It appears that the FSNI working for the Beltrán Leyva organization at the U.S. Embassy in Mexico City worked for the U.S. Marshals Service, not the DEA. This means that he would not have had access to much DEA operational information. An FSNI working for the U.S. Marshals Service would be working on fugitive cases and would be tasked with liaison with various Mexican law enforcement jurisdictions. Information regarding fugitive operations would be somewhat useful to the cartels, since many cartel members have been indicted in U.S. courts and the U.S. government would like to extradite them.

Even if the FSNI involved had been working for the DEA, however, there are limits to how much information he would have been able to provide. First of all, DEA special agents are well aware of the degree of corruption in Mexico, and they are therefore concerned that information passed on to the Mexican government can be passed to the cartels. The special agents also would assume that their FSN employees may be reporting to the Mexican government, and would therefore take care to not tell the FSN anything they wouldn’t want the Mexican government — or the cartels — to know.
The type of FSNI employee in question would be tasked with conducting administrative duties such as helping the DEA attaché with liaison and passing name checks and other queries to various jurisdictions in Mexico. The FSN would not be privy to classified DEA cable traffic, and would not sit in on sensitive operational meetings.

In the intelligence world, however, there are unclassified things that can be valuable intelligence. These include the names and home addresses of all the DEA employees in the country, for example, or the types of cars the special agents drive and the confidential license plates they have for them.

Other examples could be the FSNI being sent to the airport to pick up a group of TDY DEA agents and bringing them to the embassy. Were the agents out-of-shape headquarters-types wearing suits and doing an inspection, or fit field agents from a special operations group coming to town to help take down a high-value target? Even knowing that the DEA attaché has suddenly changed his schedule and is now working more overtime can indicate that something is up. Information that the attaché has asked the FSNI about the police chief in a specific jurisdiction, for example, could also be valuable to a drug trafficking organization expecting a shipment to arrive at that jurisdiction.

In the end, it is unlikely that this current case resulted in grave damage to DEA operations in Mexico. Indeed, the FSNI probably did far less damage to counternarcotics operations than the 35 PGR employees who have been arrested since July. But the vulnerabilities of FSN employees are great, and there are likely other FSNs on the payroll of the various Mexican cartels.

As long as the U.S. government employs FSNs it will face the security liability that comes with them. In general, however, this liability is offset by the utility they provide and the systems put in place to limit the counterintelligence damage they can cause.

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