

Office that it will seek corrective action. The Director shall notify the FBI of the receipt of the request and allow the FBI 25 calendar days to respond in writing. If the Complainant presents a request for corrective action to the Director under this paragraph, the Conducting Office may continue to investigate the reprisal allegation only with the consent of the Complainant. If the Complainant refuses such consent, the Conducting Office will discontinue investigation of the reprisal allegation and will not prepare a report for the Director. In such event, however, the Conducting Office may continue to investigate any separate violation of law, rule, or regulation discovered during the investigation of reprisal that is otherwise within the Conducting Office's pre-existing jurisdiction. When the Complainant presents a request for corrective action directly to the Director and does not consent to the Conducting Office continuing an independent investigation of the reprisal allegation, the Conducting Office shall submit to the Complainant and to the FBI its Memoranda of Interviews (or portions thereof) that relate to the reprisal investigation, consistent with the Conducting Office's obligations regarding confidentiality and privacy.

(2) The Director may not direct the Conducting Office to reinstate an investigation that the Conducting Office has terminated in accordance with section 27.3(h).

(d) Where a Complainant has presented a request for corrective action directly to the Director under paragraph (c)(1) of this section, the Director may hold a hearing at which the Complainant may present evidence in support of his or her claim, in accordance with such procedures as the Director may adopt. The Director is hereby authorized to compel the attendance and testimony of, or the production of documentary or other evidence from, any person employed by the Department if doing so appears reasonably calculated to lead to the discovery of admissible evidence, is not otherwise prohibited by law or regulation, and is not unduly burdensome. Any privilege available in judicial and administrative proceedings relating to the release of documents or the giving of testimony shall be available to the parties in the hearing before the Director. All assertions of such privileges shall be decided by the Director. Upon the request of either the Complainant, the Conducting Office, or the FBI, the Director may certify a ruling on an assertion of privilege for review by the Deputy Attorney General.

(e) Where a Complainant has presented a request for corrective action to the Director under paragraph (c) of this section, the Complainant may at any time request the Director to order a stay of any personnel action allegedly taken or to be taken in reprisal for a protected disclosure. The request for a stay must be in writing, and the FBI shall have an opportunity to respond. The request shall be granted within 10 business days of the receipt of any response by the FBI if the Director determines that such a stay would be appropriate. A stay granted under this paragraph shall remain in effect for such period as the Director deems appropriate. The Director may modify or dissolve a stay under this paragraph at any time if the Director determines that such a modification or dissolution is appropriate.

(f) The Director shall determine, based upon all the evidence, whether a protected disclosure was a contributing factor in a personnel action taken or to be taken. If the Director determines that a protected disclosure was a contributing factor in a personnel action taken or to be taken, he shall order corrective action as he deems appropriate. The Director may conclude that the disclosure was a contributing factor in the personnel action based upon circumstantial evidence, such as evidence that the employee taking the personnel action knew of the disclosure or that the personnel action occurred within a period of time such that a reasonable person could conclude that the disclosure was a contributing factor in the personnel action. Corrective action may not be ordered, however, if the FBI demonstrates by clear and convincing evidence that it would have taken the same personnel action in the absence of such disclosure.

(g) If the Director orders corrective action, such corrective action may include: placing the Complainant, as nearly as possible, in the position he would have been in had the reprisal not taken place; reimbursement for attorneys fees, reasonable costs, medical costs incurred, and travel expenses; back pay and related benefits; and any other reasonable and foreseeable consequential damages.

(h) If the Director determines that there has not been a reprisal, the Director shall report this finding in writing to the Complainant, the FBI, and the Conducting Office.

§ 27.5 Review.

The Complainant or the FBI may request from the Deputy Attorney General a review of the Director's decision within 30 calendar days. The

Deputy Attorney General (or a designee) shall set aside or modify the Director's actions, findings, or conclusions found to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; obtained without procedures required by law, rule, or regulation having been followed; or unsupported by substantial evidence. The Deputy Attorney General has full discretion to review and modify corrective action ordered by the Director, provided, however, that if the Deputy Attorney General upholds a finding that there has been a reprisal, then the Deputy Attorney General shall order appropriate corrective action.

§ 27.6 Extensions of time.

The Director may extend, for extenuating circumstances, any of the time limits provided in these regulations relating to proceedings before him and to requests for review by the Deputy Attorney General.

Dated: October 29, 1998.

Janet Reno,

Attorney General.

[FR Doc. 98-29700 Filed 11-9-98; 8:45 am]

BILLING CODE 4410-AR-M

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 560

Iranian Transactions Regulations: Reporting on Foreign Affiliates' Oil-Related Transactions

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule; amendment.

SUMMARY: The Treasury Department is amending the Iranian Transactions Regulations to terminate the reporting requirement for subsidiaries' Iranian petrochemical transactions and Iran-related sales of services (including insurance and financing) and goods (including oilfield supplies and equipment).

EFFECTIVE DATE: November 10, 1998.

FOR FURTHER INFORMATION CONTACT: Michael Layne, Blocked Assets Division (tel: 202/622-2440), or William B. Hoffman, Chief Counsel (tel.: 202/622-2410), Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

SUPPLEMENTARY INFORMATION:

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Background

The Office of Foreign Assets Control ("OFAC") introduced reporting requirements on certain oil-related transactions by foreign affiliates of U.S. persons as an amendment to the Iranian Transactions Regulations in September 1995 (60 FR 47061, Sept. 11, 1995 — the "Regulations"). This amendment implemented the President's declaration of national emergency and imposition of sanctions against Iran, contained in Executive Order 12957 of March 15, 1995, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; and Executive Order 12959 of May 6, 1995, 60 FR 24757, 3 CFR, 1995 Comp., p. 356. On November 15, 1996, OFAC clarified that the scope of the reporting requirements in § 560.603 extends beyond transactions directly involving crude oil or natural gas to include transactions involving petrochemicals and the provision of certain goods (including oilfield supplies and equipment) and services (including financing and insurance) (61 FR 58480, Nov. 15, 1996). On April 23, 1997, OFAC further amended the § 560.603 reporting requirements to require U.S. persons to file reports only with respect to foreign affiliates engaging in a reportable transaction or transactions totaling \$1,000,000 or more during the calendar quarter. The foreign affiliate's relationship to the U.S. person, including percentage of direct

and indirect ownership, no longer had to be reported. Reports were to be filed within 60 days, rather than 15 days, of the end of each calendar quarter. The present amendment eliminates Iranian-origin petrochemicals from the definition of "reportable transactions" and terminates the reporting requirements for subsidiaries' sales of the services and goods noted above. The revised § 560.603 retains the reporting requirements covering crude oil and natural gas.

Since the Regulations involve a foreign affairs function, Executive Order 12866 and the provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

Paperwork Reduction Act

Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), the collections of information related to the Regulations have been approved by the Office of Management and Budget ("OMB") under control number 1505-0106. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

List of Subjects in 31 CFR Part 560

Administrative practice and procedure, Agricultural commodities, Banks, banking, Exports, Foreign trade, Imports, Information, Investments, Iran, Penalties, Reporting and recordkeeping requirements, Services, Specially designated nationals, Terrorism, Transportation.

For the reasons set forth in the preamble, 31 CFR part 560 is amended as follows:

PART 560—IRANIAN TRANSACTIONS REGULATIONS

1. The authority citation for part 560 is revised to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 2349aa-9; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR, 1995 Comp., p. 356; E.O. 13059, 62 FR 44531, 3 CFR, 1997 Comp., p. 217.

Subpart F—Reports

2. Section 560.603 is revised to read as follows:

§ 560.603 Reports on oil transactions engaged in by foreign affiliates.

(a) *Requirement for reports.* A report must be filed with the Office of Foreign Assets Control with respect to each foreign affiliate of a United States person that engaged in a reportable transaction, as defined in paragraph (b) of this section, during the calendar quarter. Reports are due within 60 days after the end of each calendar quarter.

(b) *Definitions.* For purposes of this section:

(1) The term *reportable transaction* means any purchase, sale, or swap of Iranian-origin crude oil or natural gas. For purposes of this paragraph (b), a purchase, sale, or swap is deemed to have occurred as of the date of the bill of lading used in connection with such transaction.

(2) The term *foreign affiliate* means a person or entity other than a United States person (see § 560.314) which is organized or located outside the United States and which is owned or controlled by a United States person or persons.

(c) *Who must report.* A United States person must file a report with respect to each foreign affiliate owned or controlled by it which engaged in a reportable transaction or transactions during the calendar quarter. For the calendar quarter beginning October 1, 1996, and all subsequent quarters, a United States person must file a report only as to each foreign affiliate owned or controlled by it which engaged in a reportable transaction or transactions totaling \$1,000,000 or more during the calendar quarter. A single United States entity within a consolidated or affiliated group may be designated to report on each foreign affiliate of the United States members of the group. Such centralized reporting may be done by the United States person who owns or controls, or has been delegated authority to file on behalf of, the remaining United States persons in the group.

(d) *What must be reported.* (1) Part I of the report must provide the name, address, and principal place of business of the United States person; its place of incorporation or organization if an entity; and the name, title, and telephone number of the individual to contact concerning the report.

(2) Part II of the report must provide, with respect to the foreign affiliate, its name and address; the type of entity, e.g., corporation, partnership, limited liability company; the country of its incorporation or organization; and its principal place of business.

(3) Part III of the report must include the following information with respect to each reportable transaction (a separate Part III must be submitted for each reportable transaction):

(i) The nature of the transaction, e.g., purchase, sale, swap;

(ii) A description of the product involved;

(iii) The name of the Iranian or third country party or parties involved in the transaction;

(iv) The currency and amount of the transaction, and corresponding United States dollar value of the transaction if not denominated in United States dollars.

(e) *Where to report.* Reports must be filed with the Compliance Programs Division, Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Avenue, NW—Annex, Washington, DC 20220. Reports may be submitted by facsimile transmission at 202/622-1657. A copy must be retained for the reporter's records.

(f) *Whom to contact.* Blocked Assets Division, Office of Foreign Assets Control, Department of the Treasury, 1500 Pennsylvania Avenue, NW—Annex, Washington, DC 20220; telephone: 202/622-2440.

Dated: October 9, 1998.

R. Richard Newcomb,

Director, Office of Foreign Assets Control.

Approved: October 22, 1998.

Elisabeth A. Bresee

Assistant Secretary (Enforcement),

Department of the Treasury.

[FR Doc. 98-30126 Filed 11-5-98; 3:17 pm]

BILLING CODE 4810-25-F

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 575

Iraqi Sanctions Regulations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule; amendments.

SUMMARY: The Office of Foreign Assets Control is amending the Iraqi Sanctions Regulations to permit U.S. persons to enter into executory contracts for the sale of oilfield parts and equipment to the Government of Iraq in conformity with United Nations Security Council Resolutions No. 1153 and 1175.

EFFECTIVE DATE: November 10, 1998.

FOR FURTHER INFORMATION CONTACT:

Steven I. Pinter, Chief, Licensing (tel.: 202/622-2480) or William B. Hoffman,

Chief Counsel (tel.: 202/622-2410), Office of Foreign Assets Control, Department of the Treasury, Washington, DC 20220.

SUPPLEMENTARY INFORMATION:

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Background

United Nations Security Council Resolution ("UNSCR") No. 1153 of February 20, 1998, authorizes the exportation from Iraq of \$5.256 billion in petroleum and petroleum products within a 180-day period. UNSCR No. 1175 of June 19, 1998, authorizes the exportation to Iraq of the necessary parts and equipment to enable Iraq to achieve the level of exports authorized in Resolution No. 1153. Pursuant to Executive Orders 12722 of August 2, 1990 (55 FR 31803, 3 CFR, 1990 Comp., p. 294), and 12724 of August 9, 1990 (55 FR 33089, 3 CFR, 1990 Comp., p. 297), and in accordance with UNSCRs No. 1153 and 1175, the Office of Foreign Assets Control is amending § 575.522 of the Iraqi Sanctions Regulations, 31 CFR Part 575 (the "Regulations"), to authorize United States persons to enter into executory contracts with the Government of Iraq for the sale and exportation to Iraq of parts and equipment necessary to enable Iraq to

export petroleum and petroleum products in accordance with UNSCRs No. 1153 and 1175.

Since the Regulations involve a foreign affairs function, Executive Order 12866 and the provisions of the Administrative Procedure Act (5 U.S.C. 553) (the "APA") requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply. This final rule imposes no paperwork burden.

List of Subjects in 31 CFR Part 575

Administrative practice and procedure, Banks, banking, Blocking of assets, Exports, Foreign trade, Humanitarian aid, Imports, Iraq, Oil imports, Penalties, Petroleum, Petroleum products, Reporting and recordkeeping requirements, Specially designated nationals, Terrorism, Travel restrictions.

For the reasons set forth in the preamble, 31 CFR part 575 is amended as follows:

PART 575—IRAQI SANCTIONS REGULATIONS

1. The authority citation for part 575 is revised to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 22 U.S.C. 287c; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-513, 104 Stat. 2047-2055 (50 U.S.C. 1701 note); E.O. 12722, 55 FR 31803, 3 CFR, 1990 Comp., p. 294; E.O. 12724, 55 FR 33089, 3 CFR, 1990 Comp., p. 297; E.O. 12817, 57 FR 48433, 3 CFR, 1992 Comp., p. 317.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

2. Section 575.522 is amended by revising the section heading, removing the word "and" from the end of paragraph (a)(2), removing the period at the end of paragraph (a)(3) and adding "; and", and adding a new paragraph (a)(4) to read as follows:

§ 575.522 Executory contracts with the Government of Iraq for trade in petroleum, pipeline parts and equipment, humanitarian goods, and oil field equipment authorized.

(a) * * *

(4) The sale and exportation to Iraq of oilfield parts and equipment to the extent necessary to enable Iraq to export petroleum and petroleum products in accordance with United Nations Security Council Resolutions No. 1153