



# Department of Justice

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STATEMENT OF

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UNITED STATES DEPARTMENT OF JUSTICE

BEFORE THE

BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES  
COMMITTEE ON THE JUDICIARY

CONCERNING

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PRESENTED

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## **I. Introduction**

Good morning Chairman Conyers, Ranking Member Smith, and Members of the Committee. I am pleased to be here today.

After the attacks of September 11, 2001, the Federal Bureau of Investigation's (FBI) priorities shifted dramatically as we charted a new course, with national security at the forefront of our mission. The intervening six years have seen significant changes at the FBI, and we have made remarkable progress. Today, the FBI is a stronger organization, combining greater capabilities with a longstanding commitment to the security of the United States, while at the same time upholding the Constitution and the rule of law and protecting civil liberties.

The FBI uses an enterprise-wide approach to understanding our threats and strategically targeting our resources to dismantle those threats. To stay ahead of national security threats, the FBI uses intelligence not just to pursue investigations, but also to develop greater awareness of the threats we face. The FBI structures its investigations to maximize the intelligence that can be derived from them to ensure that we fully exploit all of the intelligence collected. We also use this understanding to deliberately and strategically decide where and when to take action using intelligence, law enforcement, and other tools to detect, penetrate, and dismantle threats.

Today, I want to give you a sense of the FBI's current priorities, the changes we have made to meet our mission, and the challenges we are facing. I want to touch on some of our accomplishments and discuss long-term strategy for continued improvement of our intelligence operations, our information technology, and our human capital.

## **II. Brief Update and Select Accomplishments by Priority and/or Division**

### **National Security Branch**

Since September 11, 2001, the FBI has implemented significant changes to integrate our intelligence and operational elements and to enhance our ability to counter today's most critical threats. We have built upon our capacity to collect information and improved our ability to analyze and disseminate intelligence. Development of the National Security Branch (NSB) has been another step in enhancing the FBI's mission as a national security agency.

The NSB comprises the FBI's Counterterrorism Division, Counterintelligence Division, the Directorate of Intelligence, the Weapons of Mass Destruction Directorate, and the Terrorist Screening Center. The NSB's mission is to lead and coordinate intelligence efforts that drive actions to protect the United States. Our goals are to develop a comprehensive understanding of the threats and penetrate national and transnational networks with the desire and capability to harm us. Such networks include terrorist organizations, foreign intelligence services, those that seek to proliferate weapons of mass destruction, and criminal enterprises.

To be successful, we must understand the threat, continue to integrate our intelligence and law enforcement capabilities in every FBI operational program, and continue to expand our contribution to the intelligence community knowledge base.

Under the leadership of the NSB, the FBI has continued to make tremendous progress integrating intelligence and investigative expertise. A veteran counterterrorism agent recently became Executive Assistant Director of our National Security Branch. He exemplifies the caliber of the FBI's national security management team, and has played an integral role in shaping the FBI's new enterprise-wide counterterrorism strategy. I am confident he will build on the great foundation laid by his predecessors and successfully lead the FBI's national security mission into the future.

### **Counterterrorism**

The mission of the Counterterrorism Division is to lead law enforcement and domestic intelligence efforts to defeat terrorism.

In the past six years, we have dramatically strengthened our ability to combat terrorism, and have had great success identifying, disrupting, and dismantling terrorist networks and threats. Today, intelligence is woven throughout every program and every operation. Much of our progress has been the result of investigative expertise gained in our nearly 100 years of our existence. That experience has allowed us to build enhanced capabilities on an already strong foundation.

### Operational Successes

Building on this strong framework, we have seen numerous operational successes through our Joint Terrorism Task Force (JTTF) partnerships in the fight against international terrorism. With them, we dismantled a terrorist cell plotting to attack John Fitzgerald Kennedy (JFK) International Airport and to ignite an underground fuel pipeline. We stopped a cell of six individuals plotting to attack a government facility, most likely the army base at Fort Dix, New Jersey. We stopped an individual who planned to attack a shopping mall in Rockford, Illinois, with hand grenades.

We also collaborated with our federal and foreign partners on several counterterrorism investigations, including a joint FBI-Immigration and Customs Enforcement (ICE) investigation that resulted in the indictments of 40 individuals; investigation of car bombs in London and at the Glasgow, Scotland airport; and disruption of a planned attack on U.S. targets in Germany.

The FBI continues to play a vital role in U.S. military operations overseas to protect the U.S. and its interests from terrorism. FBI intelligence derived from Iraq and Afghanistan led to numerous threat assessments and initiation of preliminary and full investigations.

The Weapons of Mass Destruction Directorate (WMDD) tasked field offices to conduct investigative activities on sources of possible WMD proliferation in the U.S. In 2007, the WMDD provided field offices with intelligence that led to more than 100 counterproliferation investigations. Other accomplishments include the indictment of a nuclear engineer suspected of mailing multiple WMD hoax letters; the indictment of a person responsible for an Internet-based threat to attack football stadiums with improvised radiological devices; and assistance to the United Kingdom in an investigation of the use of Polonium-210.

In addition, we have organized numerous international seminars and training conferences, and have worked to build relationships with our private and public sector partners. The WMDD also supported the Global Initiative to Combat Nuclear Terrorism, a joint U.S.-Russian initiative that seeks to enlist the support of willing partner nations to combat nuclear terrorism.

### Law Enforcement Partnerships

Working with our federal, state, local, and tribal partners is key to our collective success. Three primary examples are set forth below, including our JTTFs, the Terrorist Screening Center, and the Foreign Terrorist Tracking Task Force.

Since 2001, we have tripled the number of JTTFs across the country, from 33 to more than 100. These task forces combine the resources of the FBI, the intelligence community, the military, and state and local police officers. With nearly 3,900 task force members, these JTTFs have been essential in breaking up terrorist plots across the country, from Portland, Oregon; Lackawanna, New York; Torrance, California; and Rockford, Illinois; to the recent plots in Fort Dix, New Jersey and at JFK Airport.

The Terrorist Screening Center (TSC) – now under the umbrella of the National Security Branch – manages the one, consolidated terrorist watchlist, providing key resources for screeners and law enforcement personnel. These include a single coordination point for terrorist screening data; a 24/7 call center for encounter identification assistance; access to a coordinated law enforcement response center; a formal process for tracking encounters; feedback to the appropriate entities; and a process to address misidentification issues.

The Foreign Terrorist Tracking Task Force (FTTTF) uses innovative analytical processes and unique proprietary technologies to find, track, and remove known or suspected terrorists by tracking their electronic footprints. The FTTTF collects and analyzes a wide range of FBI, U.S. Government, and public source data, from biometric data to travel records, to keep foreign terrorists and their supporters out of the United States, and, if necessary, to locate, detain, remove, or prosecute such persons. Participants in the FTTTF include the FBI, the Department of Defense, U.S. Immigration and Customs Enforcement, Customs and Border Protection, and other representatives from the U.S. intelligence community.

The FTTTF also works with foreign partners, including Canada, Australia, and the United Kingdom in this effort. To meet its mission, the FTTTF has put in place information sharing agreements among participating agencies and other public and proprietary companies to aid in locating terrorists and their supporters who are or who have been in the United States. The FTTTF also has access to more than 70 sources of data containing lists of known and suspected foreign terrorists and their supporters. The FTTTF shares data with the U.S. Intelligence Community and other government agencies to create a centralized data mart for use by trained FTTTF analysts.

### Changes in Structure

As part of the FBI's efforts to develop an enterprise-wide understanding of threats and a strategic approach to dismantling those threats, the Counterterrorism Division has realigned its International Terrorism Operations Sections (ITOS). This realignment took effect on January 14,

2008, and will aid us in creating a comprehensive understanding of the threat environment, rather than just one aspect of a larger threat.

Instead of being structured by program (e.g., al Qaeda, Hizballah, Hamas), ITOS sections are aligned geographically to target comprehensive intelligence collection on terrorists and their activities. Two Strategic Operations Units – staffed with analyst and agent “Desk Officers” – will exploit subject matter expertise on the presence, nature, and scope of terrorist enterprises and their activities to drive operational activities against terrorist networks. Counterterrorism Desk Officers will work closely with Desk Officers from the FBI’s Directorate of Intelligence, as well as from the intelligence community, to build a global understanding of terrorist enterprises and to target and dismantle these enterprises.

Today, we are focused on prevention, not simply prosecution. We have shifted from detecting, deterring, and disrupting terrorist enterprises to detecting, penetrating, and dismantling such enterprises – part of the FBI’s larger culture shift to a threat-driven intelligence and law enforcement agency.

### **Counterintelligence**

Foreign counterintelligence is a crucial component of the FBI’s overall strategy, second only to counterterrorism. As a lead agency for foreign counterintelligence in the United States, the FBI has the responsibility to oversee the integration of U.S. law enforcement and intelligence efforts to mitigate this ongoing and daunting national security threat, consistent with our laws and policy.

#### Operational Successes

In Fiscal Year (FY) 2007, the FBI’s counterintelligence efforts resulted in 24 convictions of persons seeking to do the United States harm by stealing our nation’s most sensitive secrets.

Leandro Aragoncillo, a former FBI analyst and White House military staff member, was sentenced July 18, 2007, to 10 years in prison for espionage. He was arrested September 10, 2005, and pleaded guilty to three counts of espionage in a Newark federal court. While employed as an FBI analyst, Aragoncillo utilized FBI computer systems to search for documents pertaining to the Philippines, which he then downloaded and passed to Philippine political opposition figures seeking to oust the elected president. The investigation also determined that Aragoncillo’s espionage activities had begun several years earlier, when he was a U.S. Marine assigned to the Office of the Vice President. Aragoncillo admitted to having passed material classified as high as Top Secret. Aragoncillo is believed to have stolen information from hundreds of documents belonging to the CIA, the Department of State (USDS), the Defense Department (DoD), and FBI.

In December 2006, Fei Ye and Ming Zhong pleaded guilty in the Northern District of California to economic espionage to benefit a foreign government – the first such convictions under the Economic Espionage Act of 1996. Both Ye and Zhong were arrested on November 23, 2001, at the San Francisco International Airport with stolen trade secrets in their possession. Ye and Zhong stole trade secrets belonging to Sun Microsystems, Inc., and Transmeta Corporation. Ye and Zhong had formed a company in The People’s Republic of China (PRC) called

Supervision, Inc. to manufacture and market a computer microprocessor based on stolen trade secret technology. The city of Hanzhou and the province of Zhejiang in the PRC were government entities that had agreed to provide funding and share in the profits of the enterprise benefitting from the stolen technology. Ye and Zhong had also applied for funding from the National High Technology Research and Development Program of China, commonly known as the “863 Program.”

In August 2007, a joint U.S. Immigration and Customs Enforcement and FBI investigation culminated in Xiaodong Sheldon Meng, a Canadian citizen and former Chinese national, pleading guilty to one count of economic espionage and one count of violating the Arms Export Control Act (AECA). Sentencing is scheduled for this year. Meng, a former employee of Quantum3D, Inc., in San Jose, California, stole numerous Quantum3D products designed for precision training of U.S. military fighter pilots in night vision combat scenarios. Meng passed the stolen technology for use by the Chinese People’s Liberation Army Air Force, the Royal Malaysian Air Force, and the Royal Thai Air Force.

#### Counterintelligence Partnerships

The FBI also continues to work closely with its federal and private sector partners to coordinate activities and operations to counter foreign intelligence against intellectual property innovations that may impact national security.

The Domain Section of the Counterintelligence Division continues to expand counterintelligence outreach in all 56 Field Offices to state and local governments, universities and colleges, business communities, utilities and energy providers, as well as health, agricultural and other entities within any given territory.

For example, the National Security Higher Education Advisory Board provides a forum to discuss issues that affect not just the academic culture, but also the country, from campus security and counterterrorism to cyber crime and espionage. Presidents and chancellors from Carnegie Mellon, Penn State, NYU, UCLA, the University of Washington, and Iowa State, among others, share their concerns and their collective expertise. This group met three times this past year.

We also work closely with others in the Intelligence Community to address counterintelligence threats. We are part of a multi-agency effort to focus on one priority country’s acquisition of sensitive technology. Through this effort, we are sharing intelligence with foreign allies and working cases together. To date, 27 persons have been arrested in connection with this ongoing investigation.

Through these and other investigations, programs, and partnerships, we will continue to ensure that all available means are brought to bear to identify, prevent, and defeat intelligence operations conducted by any foreign power within the United States or against U.S. interests abroad.

## **Directorate of Intelligence**

The Directorate of Intelligence is responsible for intelligence policy, strategic analysis, and intelligence collection management within the FBI. The FBI's intelligence program is defined by enhanced analytical capabilities, state of the art information technology, and an integrated intelligence structure.

We have doubled the number of intelligence analysts on board, from 1,023 in September 2001 to more than 2,100 today. We have increased the number of onboard language analysts from 784 in September 2001 to more than 1,300 today. We integrated our intelligence program with other agencies under the Director of National Intelligence.

But these agents and analysts are not merely collecting intelligence, they are acting on the intelligence, and disseminating it to those who need it, when they need it. For example, in FY 2007, the FBI disseminated 8,238 Intelligence Information Reports, and produced 244 Intelligence Assessments and 297 Intelligence Bulletins. This represents an increase of 1,008 total unique intelligence products over the same period in 2006. Our analysts played a key role in the National Intelligence Estimate on the threat to the Homeland and are regular contributors to Intelligence Community products. The vast majority of our products are available on the various intranet sites established by the Intelligence Community, and a substantial number of products are placed on the Law Enforcement Online network for our state, local, and tribal law enforcement partners.

We also have established Field Intelligence Groups (FIGs) in each of our 56 field offices, combining the expertise of agents, intelligence analysts, language analysts, and surveillance specialists. These FIGs serve as the lens through which field offices identify and evaluate threats. Through the FIGs, field offices contribute to regional and local perspectives on criminal and terrorist issues. FIGs also provide the intelligence link to the JTTFs, the state and local fusion centers, FBI Headquarters, and the Intelligence Community at large. In addition, FIG personnel have been embedded in numerous fusion centers and multi-agency intelligence centers across the country.

We are in the process of restructuring our FIGs, so they can better coordinate with each other, with street agents, and with agents and analysts at FBI Headquarters. I will discuss this in greater detail below.

## **Cyber Division**

Protecting the United States against cyber-based attacks and high-technology crimes is the FBI's third priority.

In 2002, we created the Cyber Division to handle all cyber-security crimes. Today, our highly trained cyber agents and analysts investigate computer fraud, child exploitation, theft of intellectual property, and worldwide computer intrusions.

We have reorganized the Cyber Division to improve its efficiency and effectiveness. We aligned the cyber intelligence program to identify and neutralize the most significant cyber

threats. We now review caseloads, statistical accomplishments, and the utilization of sensitive investigative techniques on a monthly basis to ensure we are properly allocating our resources.

As a result of this strong framework, we have achieved significant results in both computer intrusion investigations and cyber crime investigations, including child exploitation cases.

### Computer Intrusions

For example, an ongoing cyber crime initiative between the FBI and the Department of Justice has identified more than one million potential victims of botnet cyber crime. The investigation, entitled “Operation Bot Roast,” targets “botnets” – groups of compromised computers under the remote command and control of a computer hacker. To date, we have shut down numerous botnets and have arrested and charged several botnet hackers with computer fraud and abuse.

Increasingly, cyber threats originate outside of the United States. Our Cyber Action Teams travel around the world on a moment’s notice to assist in computer intrusion cases, whether in government, military, or commercial systems. These teams gather vital intelligence that helps us identify the cyber crimes that are most dangerous to our national security and to our economy.

In 2005, for example, cyber teams comprising investigators and experts in malicious code and computer forensics worked closely with Microsoft Corporation and with law enforcement officials from Turkey and Morocco to find the criminals responsible for creating and spreading the “Mytob” and “Zotob” worms. We resolved this case within just weeks of the attack, in large part because of the intelligence we received from our international and private sector partners.

### Innocent Images National Initiative

One of our most important cyber programs is the Innocent Images National Initiative (IINI). The IINI is an intelligence-driven, multi-agency investigative operation to combat the proliferation of Internet child pornography and exploitation. Unfortunately, there is no shortage of work in this arena. In the past 10 years, we have witnessed an exponential increase in our caseload, from just 113 cases in 1996 to more than 2,400 in FY 2007. In total, more than 6,800 child predators have been convicted since 1996.

We have ongoing undercover operations across the country, with hundreds of agents who investigate cases with their state and local counterparts. On any given day, these investigators may pose as children to lure online predators into the open. They may pose as collectors who seek to share images through peer-to-peer networks. They may coordinate with the National Center for Missing and Exploited Children to identify children and adults featured in child pornography. Or they may train police officers to investigate cases in their own jurisdictions.

Our collaboration on child exploitation cases is not limited to domestic activities. Many producers and distributors of child pornography operate outside of our borders. Police officers from Britain, Australia, Belarus, Thailand, and the Philippines, among others, work with agents and analysts on the Innocent Images International Task Force in Calverton, Maryland. Since its

inception, investigators from 19 countries have participated in the task force. Together, they have generated more than 3,000 leads that were sent to DOJ-funded Internet Crimes Against Children Task Forces, FBI field offices, and our international law enforcement partners.

### Cyber Partnerships

In the past six years, we have made every effort to build on existing partnerships to combat cyber crime.

The Internet Crime Complaint Center (IC3) is an alliance between the National White Collar Crime Center and the FBI. The mission of IC3 is to address crime committed over the Internet. For victims of Internet crime, IC3 provides a convenient and easy way to alert authorities of a suspected violation. For law enforcement and regulatory agencies, the IC3 offers a central repository for complaints related to Internet crime, uses the information to quantify patterns, and alerts federal, state, and local law enforcement to current crime trends.

To date, the IC3 has received more than one million consumer-filed complaints. More than 505,000 of these complaints have been referred to federal, state, and local law enforcement. In 2007, the IC3 received more than 206,000 complaints primarily related to the Internet, from online fraud and computer intrusions to child pornography. IC3 referred more than 90,000 complaints of crime to federal, state, and local law enforcement agencies for further action, with a reported loss in excess of \$239 million

The FBI's IC3 Unit analyzes and links the related information from the consumer complaints received and has referred more than 5,400 identified cases, with an accumulative loss in excess of \$386 million to law enforcement, resulting in more than 1,200 known investigations. In 2007, the FBI's IC3 Unit referred 637 cases to law enforcement, with a reported loss of more than \$132 million.

The Cyber Initiative Resource Fusion Unit (CIRFU) is another example of collaboration. CIRFU is a fusion center, combining the resources and the expertise of law enforcement and the private sector. One can think of CIRFU as a hub, with spokes that range from federal agencies, software companies, and Internet Service Providers, to merchants and members of the financial sector. Industry experts from companies such as Bank of America and Target sit side-by-side with the FBI, postal inspectors, the Federal Trade Commission, and many others, sharing information and ideas. Together, we have created a neutral space where cyber experts and competitors who might not otherwise collaborate can talk about cyber threats and security breaches.

The FBI's InfraGard program is a more localized example of our private sector partnerships. Members from a host of industries, from computer security to the chemical sector, share information about threats to their own companies, in their own communities, through a secure computer server. To date, there are more than 23,000 members of InfraGard, from Fortune 500 companies to small businesses.

Apart from these ongoing partnerships, we work with particular countries on isolated cyber issues. For example, we initiated a program focused on organized cyber crime groups in Romania, targeting victims both there and in the United States. In 2007, we coordinated the

FBI's first-ever joint Intellectual Property Rights investigation with law enforcement authorities in China. And we continued participation in the Cyber Working Group, a collaborative effort among Australia, Canada, New Zealand, the United Kingdom, and the United States to develop measures and relationships to address the most serious criminal threats faced by all member countries.

Finally, pursuant to a directive signed by President Bush in January 2008, the FBI's Cyber Division is participating in a U.S. government-wide cyber effort that will help to protect against a rising number of attacks on federal agencies' computer systems. We look forward to working with our partners in the federal government in this effort.

### **The FBI's Criminal Programs**

To meet our national security mission, the FBI had to shift personnel and resources, but we remain committed to our major criminal responsibilities. While Americans justifiably worry about terrorism, it is crime that most directly touches their lives. Currently, we have roughly a 50/50 balance between national security and criminal programs. To make the best use of these resources, we will continue to focus on those areas where we bring something unique to the table and to target those criminal threats against which we have the most substantial and lasting impact.

In recent years, we have moved away from drug cases and smaller white collar crimes, but we have dedicated more agents and more resources to public corruption, violent crime, civil rights, transnational organized crime, corporate fraud, and crimes against children.

In FY 2007, the FBI's Criminal Investigative Division handled more than 53,000 cases, resulting in 17,728 arrests, 21,893 indictments, and 12,406 convictions. We maximized our resources by using intelligence to identify emerging trends and to target the greatest threats.

#### Public Corruption

Public corruption is the top priority of the Criminal Investigative Division. Public corruption erodes public confidence, and undermines the strength of our democracy. Investigating public corruption is a mission for which the FBI is singularly situated; we have the skills necessary to conduct undercover operations and the ability to perform electronic surveillance. More importantly, we are insulated from political pressure.

Today, there are roughly 680 Special Agents dedicated to more than 2,500 pending investigations. The number of pending cases has increased by 51 percent since 2003; the number of agents working such cases has increased by 62 percent. The number of convictions is high: in the past two years alone, we have convicted more than 1,800 federal, state, and local officials.

The Public Corruption Program also targets governmental fraud and corrupt practices. The number of Foreign Corrupt Practices Act investigations has increased dramatically in recent years, from 13 cases prior to 2004 to more than 75 today, with 33 new matters in 2007 alone. To combat international corruption, the FBI's Public Corruption Unit has created a number of target-specific programs. For example, the International Contract Corruption Initiative addresses growing corruption within the global community. The International Contract Corruption Task Force addresses the systemic, long-term multi-billion dollar contract corruption and procurement

fraud crime problem linked to the war and reconstruction efforts in Iraq and Afghanistan. This multi-agency task force combines the efforts of the FBI, the Defense Criminal Investigative Service, Army CID, the Special Inspector General for Iraq Reconstruction, U.S. AID, and the Department of State. We have agents on the ground in the Middle East, investigating nearly 60 cases.

Other key initiatives include the Hurricane Fraud Initiative, the Campaign Finance and Ballot Fraud Initiative, the Southwest Border Initiative, and the Capital Cities Initiative.

The Hurricane Fraud Initiative, for example, addresses contract and procurement fraud in the Gulf Coast region of the United States in the aftermath of hurricanes Katrina and Rita. To date, this initiative has resulted in more than 1,000 investigations, 150 indictments, and 88 convictions. More than 18,000 complaints have been screened, resulting in more than 600 indictments and informations in 20 states.

The Campaign Finance and Ballot Fraud Initiative addresses ballot fraud and campaign finance crimes. In FY 2007, our efforts have resulted in more than 30 new investigations, more than 20 informations and indictments, and more than 20 convictions.

### Civil Rights Program

In recent years, we have expanded our Civil Rights Program beyond police brutality and hate crimes, to include the Civil Rights Cold Case Initiative and human trafficking issues.

We are focusing more on the quality of our investigations, rather than the quantity, and this renewed focus is paying dividends. For example, 25 percent of cases initiated by the FBI's Civil Rights Unit resulted in arrests in FY 2007, compared to 19 percent in FY 2006. Of the cases initiated by the FBI in FY 2007, 22 percent resulted in a conviction, compared to just 16 percent in FY 2006. Today, there are approximately 141 Special Agents working civil rights cases. Last year, they initiated 936 investigations and worked 1,584 pending investigations, resulting in 238 arrests, 193 informations and indictments, and 189 convictions.

We are fine-tuning our administrative guidelines and our reporting requirements, to allow agents to spend more time investigating these vital cases. We are developing an internal database to house all incoming information on Civil Rights Program case initiations, so that we can better identify and analyze civil rights crimes trends and forecast those results to the field and to our state and local partners.

Two years ago, the FBI and the Department of Justice began to work with the NAACP, the Southern Poverty Law Center, and the National Urban League on the Civil Rights Cold Case Initiative. The Civil Rights Cold Case Initiative provides the FBI, as well as state and local law enforcement agencies, the opportunity to review civil rights-era cold cases, in an effort to bring closure to families and generations adversely impacted by these crimes.

As part of the Civil Rights Cold Case Initiative, the FBI asked its 56 field offices to re-examine their unsolved civil rights cases, and to determine which cases could still be viable for prosecution. Since this initiative began, 95 referrals have been forwarded to 17 field offices. To date, 52 cases have been opened, and of those cases, 26 are still ongoing. Agents investigating

the remaining 26 cases have provided preliminary investigative conclusions for review by the Civil Rights Unit and the Civil Rights Division of the Department of Justice, to determine if additional investigation is necessary. Each will need to be assessed for its investigative and legal viability, and for those cases in which we can move forward, we will.

In June 2007, for example, James Seale, a former member of the Ku Klux Klan, was convicted of the kidnapping and murder of Henry Dee and Charles Moore back in 1964. In 2005, Edgar Ray Killen was convicted for his role in the deaths of three civil rights workers in Mississippi in 1964. And in 2003, Ernest Avants was convicted for the 1966 murder of Ben Chester White.

With regard to human trafficking, the FBI has commenced a Human Tracking Initiative to address modern-day slavery and related violations. The trafficking of persons is a significant and persistent problem in the U.S. and around the world. The majority of the human trafficking investigations under the FBI's Civil Rights Program stem from international persons trafficked to the United States from other countries. Victims are often lured with false promises of good jobs and better lives, and are then forced to work in the sex industry. However, trafficking may also take place in labor settings, including domestic servitude, prison-like factories, and migrant agricultural work. Today, we have roughly 41 agents working human trafficking cases. In 2007, these agents opened 120 cases and investigated 227 pending cases, made 155 arrests, obtained 81 indictments and/or informations, with 57 convictions.

#### Transnational Organized Crime

Transnational organized crime continues to evolve with advances in globalization and technology. At the same time, organized crime continues to present a serious threat to American society, to the safety of our citizens, and to our economy. Currently, there are nearly 545 Special Agents working organized crime cases. In 2007, these investigations have resulted in 869 indictments and informations, 1,175 arrests, 762 convictions, 195 disruptions of organized crime activity, and more than \$250 million dollars in forfeitures or seizures.

The FBI's successful investigations, including an 80-count indictment and the arrest of more than 60 alleged members and associates of La Cosa Nostra in New York City this past February, underscore this ongoing threat, and the importance of working with our international law enforcement partners. Of the 62 individuals arrested, 25 of them – all members or close associates of the Gambino family – are charged with racketeering conspiracy, with a laundry list of individual offenses, from murder and robbery to extortion, drug trafficking, and fraud, amongst other charges. Suspects arrested also included alleged members of the Genovese and Bonnano organized crime families. Cases like these serve as a reminder that the organized crime threat is real, and should not be relegated to the annals of history.

We are also actively investigating Eurasian, Albanian, Asian, and African organized criminal syndicates.

The FBI-Hungarian National Police Organized Crime Task Force has been up and running for more than six years, working to dismantle organized crime groups, with FBI agents permanently stationed in Budapest to work with their Hungarian counterparts.

The Albanian Organized Crime Task Force in Tirana, Albania, works to reduce the threat to American and Albanian societies posed by Albanian Criminal Enterprises operating in and around Albania. This recently formed task force already has located and arrested subjects in both FBI and Albanian National Police investigations.

The FBI's Criminal Division has also assumed administrative and operational responsibility from the Office of International Operations for the Southeast European Cooperative Initiative (SECI), which is headquartered in Bucharest, Romania. SECI serves as a clearinghouse for information and intelligence for member and observer countries, as well as supporting specialized task forces addressing such transborder crimes, including human trafficking, financial crimes, smuggling of goods, terrorism, and other crimes.

Recognizing the growing threat posed by transnational criminal enterprises throughout the world, the FBI, in conjunction with the Department of Justice, has assessed the worldwide organized crime threat. This collaborative effort between the United States, Great Britain, Canada, Australia, and New Zealand will enable us to focus resources internationally in order to neutralize those organized crime groups with the greatest impact and the longest reach.

Several weeks ago, I met with the Deputy Attorney General and several heads of other law enforcement agencies, including the Drug Enforcement Administration, U.S. Immigration and Customs Enforcement, and the United States Secret Service, and others, at the Attorney General's Organized Crime Council Meeting (the Council) to discuss the international organized crime assessment and the proposed strategy to combat such crime.

We all understand that no one agency can address the threats posed by global criminal organizations. It will take the unique expertise, talents, and international relationships of every agency on the Council, working together to target, attack, and dismantle these sophisticated groups. The FBI will dedicate the resources necessary to confront this threat and seek to make it a cooperative and consolidated mission. We must also continue to strengthen our working relationships with our foreign partners, both old allies and new partners alike.

To this end, the FBI has a Special Agent and an analyst assigned to the Joint Interagency Task Force West (JIATF West) in Honolulu, Hawaii. JIATF West provides U.S. and foreign military and law enforcement partners with the intelligence necessary to detect, disrupt, and dismantle drug-related transnational threats in Asia and the Pacific. Task force members include uniformed and civilian members of all five military services, as well as representatives from the Intelligence Community and from federal law enforcement agencies, including the FBI, the Drug Enforcement Administration, Immigration and Customs Enforcement, as well as officers from the Australian Federal Police and the New Zealand National Police.

In conjunction with this effort, an FBI contractor is embedded with the Royal Thai Police in Thailand, and is assigned to a task force responsible for building a criminal intelligence center in Bangkok. This intelligence center solicits intelligence regarding foreign transnational crime suspects from a multitude of police agencies around Thailand, including Cambodia, Laos, and Burma. Intelligence collected will be entered into computers provided by JIATF West. Intelligence analysts from the FBI and from JIATF West will provide training and guidance to their Thai counterparts. The Cambodian National Police have asked to participate in this effort;

we will coordinate their participation through our newly opened Legal Attaché office in Phnom Penh, Cambodia.

Together, we can identify links between organized crime in Southeast Asia and America. We can examine the means by which criminal enterprises utilize banking systems to move and launder proceeds. We can share information and expertise on human trafficking, narcotics, and child sexual exploitation cases. And we can develop long-term investigative and intelligence strategies for dismantling criminal enterprises in Southeast Asia.

### Major White Collar Crime

The FBI routinely investigates large-scale financial crimes, including corporate fraud, commodities fraud, mortgage fraud, and health care fraud. Today, there are 1,180 agents working more than 15,400 cases.

#### *Corporate & Securities Fraud*

The number of agents investigating corporate fraud, including securities, commodities, and investment fraud cases, has increased 47 percent, from 177 in 2001 to more than 250 today. We have more than 1,750 pending corporate fraud cases, which is an increase of 37 percent since 2001.

In recent years, the FBI has handled a number of high-profile corporate fraud investigations, including Comverse, HealthSouth, WorldCom, Qwest, Hollinger International, and others. These names have been in the headlines for the past several years. Thousands of employees lost their jobs and their life savings; thousands of stockholders were defrauded. We have successfully investigated, prosecuted, and put away the persons responsible for these crimes.

In FY 2007, the FBI obtained 587 indictments and informations, and 489 convictions. In addition, FBI investigations resulted in 30 insider trading indictments against executives from firms including Goldman Sachs Group, Inc, Morgan Stanley, Credit Suisse Group, and UBS Securities. The average loss per case is more than \$100 million.

The FBI also has opened investigations to address the fraudulent backdating of options grants by company executives to realize greater profits by circumventing accounting and disclosure requirements. Recent accomplishments include the conviction of Gregory Reyes, former Chief Executive Officer of Brocade Communications Systems, Inc. – the first person to be tried for such matters.

To maximize its resources in this area, the FBI stood up the Corporate Fraud Response Team, which leverages the financial expertise of agents, analysts, and forfeiture investigators in FBI field offices across the country. This team was recently deployed to the Tampa Field Office to assist in the search of a Fortune 1000 company. Team members assisted with the collection of evidence and helped case agents determine what evidence was relevant. In just one week, 11 team members reviewed more than 600 boxes of seized documents.

We also are members of the Corporate Fraud Task Force. FBI Special Agents work closely with investigators from the Securities & Exchange Commission, the IRS, the U.S. Postal

Inspection Service, the Commodity Futures Trading Commission, and the Financial Crimes Enforcement Network, among others. Together, we target sophisticated, multi-layered fraud cases that injure the marketplace and threaten our economy. Since its inception, the Department of Justice has obtained many corporate fraud convictions, including the convictions of more than 200 chief executive officers and presidents, and more than 50 chief financial officers.

### *Mortgage Fraud*

In recent years, the FBI has seen a dramatic increase in the number of mortgage fraud investigations. To date, the FBI has more than 1,200 pending investigations, which is a 50 percent increase over FY 2006. Roughly half of these cases have losses in excess of \$1 million, and several have losses greater than \$10 million.

To date, the FBI has initiated sub-prime mortgage industry corporate fraud cases, in coordination with the Securities and Exchange Commission, on the basis of allegations of accounting fraud associated with sub-prime lenders, the securitization of sub-prime loans, and corporate investment in securitized sub-prime related investment products.

We also stood up a Mortgage Fraud Working Group with the Department of Justice and several federal law enforcement and regulatory agencies. Together, we will build on existing FBI intelligence databases to identify large-scale industry insiders and criminal enterprises conducting systematic mortgage fraud.

### *Health Care Fraud*

The FBI has also seen an increase in the number of health care fraud investigations, with nearly 2,500 cases last year ranging from durable medical equipment to mobile testing fraud. The FBI is the primary investigative agency in the fight against health care fraud, and has jurisdiction over both the federal and private insurance programs.

The FBI currently has nearly 400 agents working health care fraud cases, with 625 convictions in FY 2007 alone, and an estimated loss of more than \$60 billion. One noteworthy accomplishment is the southern Florida multi-agency Medicare strike force team, which, since May 2007, has indicted 74 cases and filed charges against 120 defendants who collectively billed the Medicare program more than \$400 million.

### Violent Crime

National crime rates remain near historic lows, thanks in large part to the courageous efforts of local, state, and federal law enforcement agencies. Several metropolitan areas continue to report decreases in the number of violent crimes in their communities, and the FBI's preliminary Uniform Crime Report (UCR) for the first half of 2007 showed a 1.8 percent reduction in the number of violent crimes nationally. Nevertheless, it is important to remain vigilant, as we were reminded when the FBI's UCR for 2006 showed a slight increase in the aggregate number of violent crimes in America.

To quickly and properly respond to the apparent rise in violent crime in 2006, the FBI hired the IDA Science and Technology Policy Institute, a research and analysis group, to conduct

a detailed study of violent crime trends across the nation. Although the study is ongoing, initial data suggests the violent crime increase between 2004 and 2006 occurred predominantly in a group of select cities, and while this increase did not constitute a nationwide trend, it remains a concern for the FBI and our federal, state and local law enforcement partners. The second phase of this study, which is currently under way, will determine the cause of the increase in violent crime in certain communities across the country.

In fighting violent crime, as in other areas, the Department of Justice and the FBI to strive to maximize our resources through partnerships and task forces. We have increased the number of Safe Streets Task Forces to 193, with more than 1,800 federal, state, and local investigators from more than 500 law enforcement agencies. We have more than 600 Special Agents serving on these task forces – an increase of 38 percent since 2000.

Of these task forces, 141 are dedicated to violent gang activity. Forty-three task forces are dedicated to violent crime; nine are dedicated to major theft. In addition, there are 16 Safe Trails Task Forces to cover crimes committed in Indian Country, such as homicide, rape, child sexual assault, and narcotics trafficking.

We also participate in state and local fusion centers across the country. More than 250 Special Agents, analysts, and linguists work side-by-side with their state and local counterparts, collecting intelligence, analyzing criminal trends, and sharing that information up and down the line, from federal and state officials to the officer on the street.

#### *Violent Gang Activity*

We also face significant challenges with regard to violent gangs, a nationwide plague that is no longer relegated to our largest cities.

Since 2001, for example, our violent gang caseload has more than doubled. Violent gang investigations increased by 11 percent in FY 2007 alone, for a total of 2,929 cases. The number of agents working such cases has increased by 70 percent since 2001.

In FY 2007, agents and analysts working violent gang cases saw significant results, including nearly 1,900 disruptions of violent gang activity, 533 dismantlements of neighborhood gangs, nearly 1,800 informations and indictments, more than 4,900 arrests, and 1,425 convictions.

We routinely work with our state and local partners to combat this pervasive threat. As noted above, there are 141 Safe Streets Violent Gang Task Forces across the country, dedicated to identifying, prioritizing, and targeting violent gangs. The Mara Salvatrucha (MS-13) National Gang Task Force supports FBI field office investigations of the MS-13 international gang, and coordinates investigations with other local, state, federal, and international criminal justice agencies. In FY 2007, the MS-13 National Gang Task Forces had 108 pending gang cases and 24 pending 18<sup>th</sup> Street gang cases in FY 2007. Their efforts resulted in 22 informations and indictments, 265 arrests, 80 convictions, and 19 disruptions.

In addition to our task force participation, we stood up the National Gang Intelligence Center (NGIC) at FBI Headquarters to support our law enforcement partners on the front lines. The NGIC shares information and analysis concerning the growth, migration, criminal activity,

and association of gangs that pose a significant threat to communities across the United States. The NGIC is co-located with GangTECC, the National Gang Targeting, Enforcement, and Coordination Center, which is the multi-agency anti-gang task force created by the Attorney General.

In support of the President's strategy to combat criminal gangs from Central America and Mexico, the FBI has forged partnerships with anti-gang officials in El Salvador, Honduras, and Guatemala, among other countries. We are working with the U.S. Department of State and the Department of Homeland Security to support the FBI's Central American Fingerprint Exploitation (CAFE) initiative, which collects gang members' fingerprints in the above-referenced countries, allowing the United States to deny entry to the country even if they utilize aliases.

### *Crimes Against Children*

We are also working together to combat crimes against children. The Innocence Lost Initiative, a task force that brings together federal, state, and local entities, works to identify and disrupt child prostitution rings. Since its 2003 inception, the program has been expanded to 29 cities, with 23 dedicated task forces. Through this program, more than 300 children have been recovered and/or identified and 244 child predators have been convicted.

In addition, the FBI is currently developing the Innocence Lost Child Prostitution National Database, which will comprise more than 15,000 records of victims and subjects who are engaged in the commercial sexual exploitation of children. This information will be made available to assist federal, state, and local law enforcement throughout the nation in combating this crime problem and safely recovering children.

To address the pervasive problem of child abductions, the FBI created the Child Abduction Rapid Deployment (CARD) teams. There are currently 10 teams regionally dispersed to enable the rapid deployment of experienced Crimes Against Children investigators. These agents provide investigative, technical, and resource assistance to state and local law enforcement during the most critical time period after a child is abducted. Since April 2006, the CARD teams have been deployed 26 times. Thirteen victims have been recovered alive, and all but two investigations have been resolved.

Registered Sex Offender Locator Technology (ReSOLT) was developed and implemented to support the CARD teams and other investigators in matching and monitoring each state's Sex Offender Registry with public and proprietary databases. Investigators are able to retrieve address history and information related to relatives, associates, and other background details, as well as data concerning parks, schools, libraries, and other local establishments pertinent to sex offenders in the area of an abduction or mysterious disappearance of a child.

These many accomplishments in our criminal programs reflect the fact that we are doing more with less, and achieving strong results.

### **International Scope and Operations**

I want to turn for a moment to the FBI's international operations.

In today's "flat world," our role cannot be limited to the domestic front. Just as there are no borders for crime and terrorism, there can be no borders for justice and the rule of law.

To respond to this new threat landscape, the FBI must be an international law enforcement and intelligence agency. We must create new partnerships and solidify old friendships with our counterparts around the world. Twenty years ago, the idea of regularly communicating with our law enforcement and intelligence counterparts around the world was as foreign as the Internet or the mobile phone. Today, advances in technology, travel, and communication have broken down walls between countries, continents, and individuals.

To that end, we have strengthened our relationships with our international law enforcement partners, and we have expanded our global reach, through our Office of International Operations (OIO). OIO has aggressively pursued expanding the Legal Attaché program to those areas prone to criminal and terrorist related activities.

The FBI now has Legal Attaché offices – called Legats – in more than 70 cities around the world, providing coverage in more than 200 countries. These Legats are the FBI's first responders on the global front, from assisting our British counterparts in the London bombings to finding the man responsible for the attempted assassination of President Bush in Tbilisi, Georgia. We train together; we work hand-in-hand on multinational task forces and investigations. We have assisted counterterrorism investigations from Saudi Arabia to Spain, and from Britain to Bali.

During FY 2007, the FBI opened Legats in Dakar, Senegal; Phnom Penh, Cambodia; and San Salvador, El Salvador. We opened sub-offices in Cape Town, South Africa; and Sydney, Australia. Our Legats passed more than 35,000 intelligence disseminations to foreign governments. They provided more than 3,600 instances of investigative support, and trained more than 865 foreign partners.

Together we are identifying people and groups that provide financial support to terrorists. We are collaborating closely with our counterparts in Russia, Eastern Europe, and Asia to combat global nuclear terrorism. We are working with the Italian National Police and the Hungarian National Police to investigate organized criminal syndicates that continue to immigrate to the United States. We are working with our foreign counterparts to cut off the proliferation of child pornography on the Internet. These international partnerships remain vital to our collective security.

### **III. Long-Term Strategy: Information Technology, Human Capital, and Intelligence Operations**

These many accomplishments are supported by changes in structure and operation, many of which were based upon your recommendations. Yet we are also reshaping our internal organization to best support terrorist and criminal investigations, particularly in three areas: information technology, human resources, and the structure of our intelligence program.

## **Information Technology**

For example, we have continued to upgrade our information technology systems, including new and improved case management and analytic tools, systems to facilitate information sharing, and automation to streamline business processes. Although the FBI's information technology systems have presented some of our greatest challenges, they have also resulted in some of our most significant improvements in the past six years.

### Sentinel

Phase 1 of the Sentinel program was deployed Bureau-wide on June 15, 2007, providing a user-friendly, web-based interface to access information currently in the FBI's Automated Case Support (ACS) system. Information now is pushed to users and is available through hyperlinks, putting more information at their fingertips and moving employees away from dependence on paper-based files.

We are currently working with Lockheed Martin, the prime contractor, to plan the development and deployment of the next set of Sentinel capabilities. With Phase 1, we set the foundation for the entire enterprise. Phase 2 will add additional capabilities, such as electronic forms and electronic workflow, where agents and analysts can send cases and leads to supervisors for review, comment, and approval. Phase 2 is scheduled to be implemented in July 2009, with the final four-phases scheduled to conclude in May 2010.

### Blackberry Deployment

Also in June 2007, we awarded a contract to Verizon Wireless to support a nationwide, enterprise-wide deployment of roughly 20,000 Blackberry devices to personnel at FBI Headquarters and field offices. This deployment commenced in August 2007, with much of FBI Headquarters and 53 of 56 FBI Field Offices complete. Blackberries are scheduled to be deployed to the remaining three Field Offices – Anchorage, San Juan, and Oklahoma City – in March 2008. We will then commence deployment to our Legal Attaché Offices, and to our Criminal Justice Information Services facility in West Virginia.

### National Finance Center

To improve administrative business processes, we completed a successful migration of FBI payroll services to the National Finance Center, improving efficiency through various employee self-service functions. We also replaced the FBI's paper-based time and attendance system with a commercial off-the-shelf product giving employees an online, web-based system to record their time and attendance data.

These are just a few highlights of the many advancements we have made in our information technology structure.

## **Human Capital**

Information technology is integral to our success, but people are the lifeblood of the Bureau. The FBI is a large organization with a global workforce and diverse needs. We are

focused on creating a full-service human resources capability that maximizes our efforts to attract the most talented people, promote personal development, and develop outstanding leadership abilities. In other words, we are focused on a “cradle to grave” human resources outlook, from recruiting to retirement.

### Training Initiatives

The FBI’s Training and Development Division has made significant improvements in curriculum across all programs. They have introduced a new intelligence training program, expanded leadership, sabbatical, joint duty, and advanced degree programs, developed a Special Agent Career Path program, and are working with the Directorate of Intelligence to create an Intelligence Career Service career path.

During the past three years, the FBI’s New Agent Training Program has undergone radical and progressive change to ensure that all new agents are equipped to deal with today’s investigative and intelligence challenges.

In April 2008, the FBI will launch a revised 20-week New Agents Training Program that will be intelligence driven. The new program will incorporate more than 150 hours of additional training in practical exercises in national security and cyber matters, including 50 additional hours in counterterrorism and 60 hours in intelligence.

In addition, we have created an entirely new 10-week basic intelligence course for analysts, including 30 hours of joint training with New Agent trainees. Sixteen intermediate and advanced intelligence courses are in development. We will continue to develop new courses and enhanced training opportunities in the years to come.

### Career Paths

We have implemented a process by which all New Agents trainees at Quantico are designated into a career path before they report to their first field office. The five career paths are counterterrorism, counterintelligence, criminal, cyber, and intelligence. Within the next six months, we anticipate that all incoming Special Agents will be pre-designated to one of five career paths at the time they are offered a position with the FBI, prior to reporting to Quantico for training.

We are also in the process of designating current agents into specialized career paths. To date, more than 9,100 on-board agents have been designated into a particular career path. Career paths are also under development for more than 3,840 professional support employees, to include intelligence personnel, IT specialists, and security professionals.

### *Office of Integrity and Compliance*

Finally, we have established an Integrity and Compliance Program and an Office of Integrity and Compliance (OIC) to implement that program. Notice of the resulting reprogramming has been submitted to Congress, with the concurrence of the Office of Management and Budget.

While many large corporations have compliance programs, few – if any – government agencies have analogous department-wide programs. Given the complex nature of the FBI’s mission, as well as the number of rules, guidelines, and laws to which we are subject, we thought that now was an opportune time to start such a program. In developing our proposal, we welcomed the input of the Privacy and Civil Liberties Oversight Board, external privacy and civil liberties groups, and the private sector.

The OIC will develop, implement, and oversee a program that ensures there are processes and programs in place that promote FBI compliance with both the letter and the spirit of all applicable laws, regulations, rules, and policies. Through this program, we will cultivate an environment committed to these principles and assist FBI management at all levels to maintain a culture where ethics and compliance are paramount considerations in decision making.

The OIC will be headed by an Assistant Director who will report directly to the FBI’s Deputy Director, providing direct access to the top decision makers within the FBI. The OIC will not target investigative problems and rule violations, but will assess potential risks of non-compliance in all operations, programs, and divisions of the FBI, and take action to mitigate those risks. FBI Executive Assistant Directors meet quarterly with OIC staff to assess potential risks within their divisions. Together, we will ensure that we have the control mechanisms in place – through policies, procedures, and training – to mitigate potential risks.

These comprehensive oversight and compliance programs will ensure that national security investigations are conducted in a manner consistent with our laws, regulations, and policies, including those designed to protect the privacy interests and civil liberties of American citizens. The FBI will do all that it can to uphold core values of integrity and accountability in order to maintain public trust and confidence.

### **Strategic Execution Team: Improvement of FBI’s Intelligence Program**

The President’s Foreign Intelligence Advisory Board (PFIAB) has examined our efforts to enhance our Intelligence Program and has recommended ways to accelerate our efforts. At the urging of the PFIAB, we in the FBI began working with the consulting firm of McKinsey and Company. We have identified a number of areas where we need to accelerate our progress.

To that end, we have created a Strategic Execution Team (SET) of field and headquarters personnel to help drive implementation of needed changes across the organization. The SET team includes approximately 90 agents, analysts, and other professional staff, from FBI Headquarters and roughly 27 field offices. This team has focused its initial efforts on three critical areas: intelligence operations, human capital, and program management.

With the guidance of the SET, we are restructuring our FIGs, so they can better coordinate with each other, with street agents, and with analysts and agents at FBI Headquarters. Drawing from the best practices we identified, we have developed a single model under which all FIGs will function, to increase collaboration between intelligence and operation, and to provide accountability for intelligence gathering, analysis, use, and production. The model can be adjusted to the size and complexity of small, medium, and large field offices.

All FIGs will include a centralized strategic coordinating component. This will include a Chief Reports Officer who will be accountable for ensuring that field office intelligence production is timely, of high quality, and relevant to the requirements of our customers. It will include a Domain Manager who will work with investigative squads across all programs to construct a comprehensive operational picture of the field office territory, including its critical infrastructure, threats, and vulnerabilities. This component also will include personnel who will create a consolidated, prioritized list of the intelligence requirements the office must address, and produce collection plans and strategies.

To enhance our collection capabilities, we are taking a two-pronged approach. First, we must ensure we are taking full advantage of our current collection capabilities in terms of what we know through our case work, and what we could know if we asked our existing source base the right questions. Tactical analysts will work with investigative squads, in all program areas, to ensure that collection plans are executed, and to help squads identify opportunities to address the intelligence requirements of the office.

Second, to the extent we cannot develop a complete picture of a threat through our case investigations, the FIG will include a team of specially trained agents who will collect intelligence to meet requirements, conduct liaison with local partners, and focus on source development. The FBI is working with the Department of Justice to establish new guidelines to enhance and improve the administration and operation of the FBI's Human Source Program. The goals are to streamline, consolidate, and update all human source guidelines.

In terms of human capital, the SET has refined the Intelligence Analyst career path, including training, experiences, and roles that are required to develop a cadre of well-rounded and highly proficient analysts. The SET also established core intelligence tasks for all Special Agents, further defined the Special Agent intelligence career path, and tailored individual development plans for all agents. Finally, the SET developed and held recruiting events at select universities to hire additional intelligence analysts with targeted skill sets. We received hundreds of applications as a result of this effort.

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We in the FBI are mandated by the President, Congress, the Attorney General, and the Director of National Intelligence to protect national security. For nearly 100 years, the FBI has used intelligence to solve cases; today, however, we rely on our agents and analysts working hand-in-hand with colleagues across the country and around the world to collect intelligence on multiple, interrelated issues. With the authority and guidance provided by the Intelligence Reform and Terrorism Prevention Act and other directives and recommendations, the FBI has implemented significant changes to enhance our ability to counter the most critical threats to our security.

Today, we are building on our legacy and our capabilities as we focus on our top priority: preventing another terrorist attack. It is indeed a time of change in the FBI, but our values can never change. We must continue to protect the security of our nation while upholding the civil rights guaranteed by the Constitution to every United States citizen.

When I speak to Special Agents upon their graduation from the FBI Academy, I remind each one that it is not enough to prevent foreign countries from stealing our secrets – we must prevent that from happening while still upholding the rule of law. It is not enough to stop the terrorist – we must stop him while maintaining civil liberties. It is not enough to catch the criminal – we must catch him while respecting his civil rights. The rule of law, civil liberties, and civil rights – these are not our burdens; they are what make us better.

Mr. Chairman, I would like to conclude by thanking you and this Committee for your service and your support. Many of the accomplishments we have realized during the past six years are in part due to your efforts. From addressing the growing gang problem to creating additional Legal Attaché offices around the world, to compensating our personnel, and, most importantly, to protecting the American people from terrorist attack, you have supported our efforts and our budget requests.

On behalf of the men and women of the FBI, I look forward to working with you in the years to come as we continue to develop the capabilities we need to defeat the threats of the future.

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