

Testimony of

The Honorable Robert S. Mueller

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The FBI faces daunting challenges from an increasingly volatile world situation. Terrorists at home and abroad threaten U.S. interests at unprecedented levels. Foreign intelligence services continue to target U.S. secrets and technology, often for their own countries' economic advantage. Cyber-space is threatened by increasingly malicious criminal activities. Organized crime of all types operates without regard to geographic borders. And most obvious, the tragic events of September 11th have changed the American landscape forever.

Responding to these challenges requires a redesigned and refocused FBI, imperatives reinforced by the recent findings of Inspector General Fine and Judge Webster. We must refocus our missions and priorities. New technologies must be put in place to support new and different operational practices. And, we must improve how we hire, manage and train our workforce; collaborate with others; and manage, analyze, share and protect information. All will be necessary if we are to successfully evolve post-9/11. Most would have been necessary even absent 9/11.

I believe that we all recognize that given the scope and pace of needed change, that the FBI is in a period of transformation. This transition is not only organizational and technological, but also cultural. I am more impatient than most but we must do these things right, not simply fast. Refashioning a large organization takes not only a reformer's zeal, but also a craftsman's patience. But the task of transforming the Bureau is a national priority and well worth the large expenditure of effort by all of us involved.

Nevertheless, despite the large scope of the challenge, I believe we are making progress on all fronts and I very much appreciate your recent comments Chairman Leahy when you said, "The men and women of the FBI are performing the task with great professionalism at home and abroad. Americans have felt safer as a result of the full mobilization of the FBI's dedicated Special Agents, its expert support personnel, and its exceptional technical capabilities" because our people are our greatest asset.

Change has many dimensions. We are not only structurally different, but we are fundamentally changing our approach in a number of areas, most notably counter-terrorism, counter-intelligence and technology. As this Committee knows, many of these initiatives are works in progress, with final decisions still to come. Currently, I am working closely with Deputy Attorney General Thompson, the Attorney General's Strategic Management Counsel and our own executives on all of these issues and I anticipate being in a position to discuss them in depth in the coming weeks. I am also meeting with our Special Agents in Charge for the third time next week to consult with them as we continue to work through the complex issues inherent in remaking the FBI.

Central to any successful structural change at the FBI is new technology. As this Committee knows from prior hearings, our information infrastructure is far behind current technology. It cannot support the robust analytical capacity we need. Fortunately, Congress has provided us substantial funding and we are deploying new hardware and networks on an accelerated schedule. But, having to so dramatically replace the entire infrastructure rather than make incremental improvements, as is common in the private sector, makes the replacement process more difficult. I am continuing to bring in extremely talented individuals to assist in this endeavor and will keep the Congress regularly advised about both the progress we make and the difficulties we encounter.

Just as we change our technology, we must reshape and retrain our workforce. Over the years the FBI tended to hire generalists, operating within a culture that most jobs were best done by Agents. Former Director Freeh began changing that notion. We are accelerating this approach. We are hiring subject matter experts in areas like IT, foreign languages, internal security, area studies, engineering, records and the like.

There also has been much in the media about coordination with state and municipal authorities, what is commonly referred to as information sharing. After a series of meetings with our law enforcement colleagues and state homeland security directors, it became clear that our history of solid, personal relationships alone was not addressing the basic information needs of our counterparts. They have our attention and we are doing much better. Adding 650,000 state and local officers to our efforts is the only way to make this truly a national effort, not just a federal effort.

To move forward on this broad range of issues, we took a significant step in the process of change with a major reorganization of the FBI. The first phase of our comprehensive plan established four new Executive Assistant Directors who report directly to me and oversee key areas of our work: Counterterrorism and Counterintelligence; Criminal Investigations; Law Enforcement Services; and Administration. This structure reduced the span of control of the former Deputy Director position, a management concern raised here on Capitol Hill and in internal and external reviews of the Bureau. These changes also increased accountability and strengthened executive-level management oversight of day-to-day operations, and permitted a greater focus on strategic management issues.

The reorganization addressed other significant issues as well. It created a stand-alone Security Division, headed by an experienced professional from the CIA who has appeared before this Committee, to raise our security practices and standards to the level we need to remedy the weaknesses that the Hanssen investigation made painfully obvious. It also included a Records Management Division, led by an experienced records expert who also has appeared before this Committee, to help us modernize our record-keeping systems, policies, and processes to ensure there is no repeat of the OKBOMB document situation. It established an Office of Law Enforcement Coordination that will not only improve relationships and information sharing with state and local police professionals and others, but will also help the FBI tap into the strengths and capabilities of our partners. We are hiring High Point, North Carolina Police Chief Louis Oujas, an experienced executive from local law enforcement to head this new office. He is

someone who will better integrate our state and municipal counterparts in the war against terrorism and into major criminal investigations.

At the same time, the ongoing reorganization responds directly to the events of September 11 by putting a coordinating analytic umbrella over Counterterrorism and Counterintelligence. The new structure creates the Office of Intelligence, which will focus on building a strategic analysis capability and improving our capacity to gather, analyze, and share critical national security information, an initiative supported by our new College of Analytical Studies at Quantico. It also creates a new Cyber Division dedicated to preventing and responding to high tech and computer crimes, which terrorists around the world are increasingly exploiting to attack America and its allies. Our old approach was fractured and not well coordinated. The new Cyber Division will move elements of the Criminal Investigative Division and National Infrastructure Protection Center (NIPC) into one coordinated entity. This change will bring together various cyber initiatives and programs so we are better focused, organized, and coordinated in working with our public and private sector partners to protect our Nation's growing digital marketplace and electronic infrastructure.

We are now in the second phase of our reorganization. As part of this phase, we are developing a comprehensive strategy to permanently shift resources to supplement the substantial new resources Congress has already provided in the fight against terrorism and in support of a massive prevention effort. Given the gravity of the current terrorist threat to the United States, the FBI must make the hard decisions to focus its available energies and resources on preventing additional terrorist acts and protecting our Nation's security. At the same time, I want to assure you that we will continue to pursue and combat international and national organized crime groups and enterprises, civil rights violations, major white-collar crime, and serious violent crime consistent with the available resources and the capabilities of, and in consultation with, our federal, state, and municipal partners.

We believe the changes to date and those that will be proposed in the near future are vital to ensuring that the FBI effectively satisfies its national security, prevention and criminal investigative missions. They represent important steps in the difficult process of change. But what emerged from the events of 9/11 leaves no doubt about the need or urgency for change.

Our massive investigation of 9/11 paints a sobering portrait of the 19 hijackers and makes clear they carried out their attacks with meticulous planning, extraordinary secrecy, and extensive knowledge of how America works.

The plans were hatched and financed overseas, beginning at least five years ago, but perhaps going back even further. Each of the hijackers came from abroad:

15 from Saudi Arabia, two from the United Arab Emirates, and one each from Lebanon and Egypt. All 19 entered our country legally, and only three had overstayed the legal limits of their visas on the day of the attacks.

While here, the hijackers did all they could to stay below our radar. They contacted no known terrorist sympathizers. They committed no egregious crimes. They blended into the woodwork.

The hijackers also apparently left no paper trail. In our investigation, we have not yet uncovered a single piece of paper ---- either here in the U.S. or in the treasure trove of information that has turned up in Afghanistan and elsewhere ---- that mentioned any aspect of the September 11th plot. As best we can determine, the actual hijackers had no computers, no laptops, no storage media of any kind. They used hundreds of different pay phones and cell phones, often with prepaid calling cards that are extremely difficult to trace. And they made sure that all the money sent to them to fund their attacks was wired in small amounts to avoid detection.

In short, the terrorists managed to exploit loopholes and vulnerabilities in our systems, to stay out of sight, and to not let anyone know what they were up to beyond a very closed circle. The patient, skilled and exploitive approach used by the hijackers means our prevention efforts must be massive, globally collaborative and supported by ample technology and analytical capacity. It means that the information possessed by every agency - - both here and abroad, both federal and local - - must go into the multi-agency prevention mix and be acted upon.

In response to 9-11, and with an eye towards preventing future attacks, the Bureau has strengthened ties with the Central Intelligence Agency, placing key staff in each others' command centers. In addition, we are members of the Foreign Terrorist Tracking Task Force, and are expanding the number of Joint Terrorism Task Forces, which include other federal agencies and state and municipal officials. Within the FBI we have centralized accountability within the Counter Terrorism program under a new Assistant Director. Among the new programmatic tools at his disposal will be the Financial Review Group to focus on disrupting the flow of financial resources to terrorists, the Telephone Applications group, and new data mining capabilities.

But foremost among the lessons I think we have learned in retrospect is the need for substantially greater and more centralized analytic capability resident at headquarters but available anywhere in the world to all who are combating terrorism. We need a capacity with ample resources, better technology and better training, one that is better intertwined with other agencies - - domestic and foreign, federal and local - - and all the information they may possess. We are designing our new counterterrorism program and technology, standing up an Office of Intelligence, changing our training at Quantico, and hiring subject matter expertise with that exact premise in mind. The capacity must be in place to permit every piece of information from every source to be rapidly evaluated from an analytical perspective.

It is also important, as we search for ways to improve our Nation's capacity to prevent terrorism, for America to put the attacks of 9-11 in context. The terrorists took advantage of America's strengths and used them against us. They took advantage of the freedoms we accord to our citizens and guests, particularly freedom of movement and freedom of privacy. And as long as we continue to treasure our freedoms, we always will run some risk of future attacks.

In addition, the terrorists also took advantage of the openness of our society. 50 million people,

Americans and guests, entered and left America during the month of August 2001, the month preceding the 9-11 attack. The vastness of this number highlights the dynamic openness of our society. It is also the source of our economic strength and vitality. But this openness does bring with it vulnerabilities, as 9-11 so terrifyingly showed. America will continue to be free and open, and we at the FBI believe that our job is to protect these freedoms, not reduce them in the cause of security. However, these attacks highlight the need for a different FBI, more focused, more technologically adept, more reliant on outside expertise, and better equipped to process and use the vast quantities of information available to us.

I and the 27,000 women and men of the Bureau, were devastated by the attacks and remain deeply affected. But with this has come the conviction to do everything within our power to reduce the risks that Americans run in the exercise of their freedoms. It is to this goal that all the reorganization, reform, technology and new personnel are committed. But ultimately, standing behind all the capabilities that we have now and that we are working to build is a cadre of FBI professionals, men and women who exemplify courage, integrity, respect for the law, and respect for others. I am extremely proud of how they have performed over the past eight months. As Chairman Leahy recently recognized, they have worked long days and nights, sacrificing time with their families to get the job done. It is an honor to appear before this Committee representing them.