

Testimony of
The Honorable Alberto Gonzales

Attorney General of the United States
U.S. Department of Justice
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Written Statement
of
ATTORNEY GENERAL
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Good morning. Thank you, Chairman Specter and Ranking Member Leahy, and Members of the Committee for having me here today at this oversight hearing.

As a country we are approaching a very painful anniversary. We are less than two months shy of the five-year anniversary of September 11. On the anniversary, we will be reminded of the horror of that day -- of the profound loss of life. We will recall how we felt to see thousands of innocent Americans, our beloved brothers, sisters, friends, and colleagues, murdered on a day when evil seemed to rain down from a clear-blue sky. It is true that we will never forget how we felt on September 11 and on the days that followed. But I must be straightforward with members of this Committee: I think that sometimes we are forgetful of the threat that has persisted every day since.

On the five-year anniversary, we will once again be reminded of those haunting images: mighty towers plummeting into deadly rubble. Desperate souls jumping from the inferno. And of course we will never forget the victims at the Pentagon or the heroes who perished in Flight 93. We will remember the dead and we will mourn. But will we remember to renew our resolve?

I assure you that our enemy will not need to renew theirs. While we look back on September 11, the terrorists will be looking forward to something even more unthinkable. The human body and soul have great capabilities to heal themselves. The passage of time has a healing effect, and this is good. But while September 11, for us, is a wound from which to heal, for terrorists it was a victory upon which to build. So the fact remains: Our efforts as a government to protect our citizens from any terrorist attacks, as well as our efforts to bring terrorists to justice for their heinous acts, are far from over.

I am extremely proud of the employees of the Department of Justice. They come to work each day with a level of dedication, resolve, and love of country that is deeply moving. We at the Department are inspired by our troops abroad who put their lives in harm's way to defend us

from this brutal enemy. On a personal note, my nephew will soon go to Iraq with the United States Army, and I know that his desire to prevent another September 11, and to protect this great nation while helping another country achieve freedom, is foremost in his mind.

Since the War on Terror is our Number One priority at Justice, I'd like to make that the initial focus of my testimony, but I will also discuss in some detail the significant progress that the Department is making in five other priority areas this year: Violent crime, drug trafficking, cyber crime, civil rights, and public and corporate corruption.

The most telling measure of the Department's performance since September 11, 2001, is this: In the nearly five years since, there has not been a single terrorist attack on U.S. soil.

To be sure, the Department of Justice is just one of the many contributors to this singular success -- much credit must go to the Congress, for providing the tools to combat terrorist threats; to the President, for his unfailing leadership in this fight; to other Federal agencies, for the creativity and dedication in combating terrorism; our State and local law enforcement partners for their teamwork; and to the American people for their constant vigilance, support and resolve.

But we at the Department of Justice are proud of our accomplishments in fighting the War on Terrorism. Congress gave us important tools to fight the War on Terror in the USA PATRIOT Act and in its reauthorization, and we have used those tools wisely and effectively.

Over the past five years, we have expanded our efforts to combat terrorism. To support these expanded efforts, we have reorganized the components that are focused on national security; recruited essential personnel, such as intelligence analysts, investigators, and linguists; leveraged new technologies; and developed and implemented comprehensive training programs.

The Federal Bureau of Investigation (FBI) has fundamentally rethought its approach to national security matters. To better integrate its intelligence and investigative capabilities, the FBI established a National Security Branch (NSB) in September 2005. The NSB combines the resources, missions, and capabilities of the counterterrorism, counterintelligence, and intelligence elements of the FBI.

The FBI has also added Field Intelligence Groups, in which agents, analysts, linguists, and surveillance specialists work as teams in each of the Bureau's 56 field offices. Working together, they serve as the backbone of our intelligence efforts across the country. We have also greatly increased the number of Joint Terrorism Task Forces around the country and established at FBI headquarters the National Joint Terrorism Task Force to coordinate interagency investigative efforts. And a senior prosecutor has been designated as the Anti Terrorism Advisory Council Coordinator to spearhead local counterterrorism efforts in each of the 94 United States Attorney's Offices.

In February of 2006, together with the Office of the Director of National Intelligence, we commissioned the Drug Enforcement Agency's (DEA) Office of National Security to be the 16th member of the Intelligence Community (IC). Formalizing the relationship between the DEA and the IC will provide both parties with increased access to vital national intelligence information and provide DEA and other IC members with the ability to collaborate and work national

security interests together at the same table

Congress also created a National Security Division (NSD) to centralize Main Justice's core national security functions. The NSD's creation fulfills a recommendation of the Weapons of Mass Destruction (WMD) Commission, and the Administration regards the establishment of this entity as the logical next step in the Department's continuing efforts to protect national security. But 15 months after the WMD Commission recommended that the NSD be created, we are still unable to make the NSD operational because of delays in confirming the nominee to serve as its head. Because it is the business of this Committee and central to the goal of protecting the American people from terror, I would be remiss today if I did not call, once again, for the swift confirmation of Ken Wainstein as the Assistant Attorney General for National Security. We hope that it will not be long before we finally can institute this important advance in the way the Department handles its vital national security responsibilities.

Similarly, I must also call for the swift confirmation of Alice Fisher to be the head of the Department's Criminal Division. Alice is leading our efforts to combat corporate and public corruption, gang violence, and the sexual exploitation of children, and must be confirmed during this current Congressional session so she can continue this critical work. And one more request, Mr. Chairman: I ask that the Committee move promptly to approve Steve Bradbury's nomination to be Assistant Attorney General for the Office of Legal Counsel, so that he too will be confirmed during the current Congress. Mr. Bradbury plays a vital role in the war against al Qaeda and has ably assisted the Administration and Congress of our understanding of national security law.

As I mentioned earlier, employees of the Department of Justice come to work every day with the dedication and resolve to disrupt and prevent terrorist acts against our fellow citizens. To be any less vigilant would be an insult to those who have been lost to the heinous acts of a deadly enemy. In terms of operational successes in the War on Terror, there is much to be proud of within the Department of Justice. Though the highly classified nature of the Department's national security and foreign intelligence surveillance work means that its successes are rarely publicized, I can assure the American people that these efforts have helped disrupt terrorist enterprises and saved American lives.

The results of the Department's counterterrorism prosecutions are more public but no less impressive. To thwart terrorist enterprises, we use terrorism charges where they are available -- but we do not, and should not, hesitate to use other, non-terrorism charges where those charges are the most effective way to secure convictions that protect the Nation. Criticism of our willingness to use non-terrorism charges in terrorism-related cases is misplaced: Our strategy is one of prevention. We cannot wait for terrorists to strike. We must utilize the full range of our authorities to minimize the possibility that the awful events of September 11 ever occur again. The successes of this approach have been detailed in a Department White Paper that was released last month. It highlights our reliance upon both traditional and innovative criminal investigative tools and approaches in order to successfully prosecute terrorism cases. These include reliance upon our foreign partners, and the document fraud and material support statutes. Some of these prosecutions have been highly publicized, such as the conviction and life sentence of Zacarias Moussaoui; others have garnered less attention. But they are all part and parcel of the Department's aggressive pursuit of terrorists, would-be terrorists, and supporters of terrorists.¹

And we have not forgotten about the needs of Americans who are the victims of terrorism at home and abroad. In 2005, pursuant to the leadership of Congress and the Chairman, the Department established an Office of Justice for Victims of Overseas Terrorism. In addition, the FBI's Terrorism Victim Assistance Program is ensuring that victims receive immediate and ongoing assistance.

Notwithstanding these successes, there is no room for complacency in fighting the War on Terror. As the President has often stated, we are safer today, but we are not yet safe. The United States has not been attacked at home since September 11, 2001, but other nations have. One need only look at events in England, Spain, Indonesia, Jordan, Iraq, or, most recently, India, to see that the threat of horrific terrorist attacks is very real and ever present. We must continue to stand guard against the evils of international terrorism, and we must strive to identify, disrupt and prevent another terrorist attack on U.S. soil. I can assure you the Department of Justice will continue to do so.

At the same time, we welcome Congress's attention to this issue and we appreciate your efforts, Mr. Chairman, to update old statutes in this area to reflect the novel nature of the terror threat we face. I want to thank the Chairman, Senator DeWine, and other Members of the Committee and of the Intelligence Committees for their diligent work on the vital issues relating to the Terrorist Surveillance Program. It is all to the good when the elected branches of government can work cooperatively to protect the American people and I am pleased to lend support to S. 2453, the "National Security Surveillance Act of 2006," which represents an excellent, collaborative and, we hope, bipartisan resolution to this issue. In addition, S. 2455, Senator DeWine's legislation on this issue, contains many positive concepts that we can work with.

Another very important, related issue remains our ability to capture terrorists, remove them from the battlefield, interrogate them for vital intelligence, and when appropriate, prosecute those who violate the laws of war by slaughtering innocent people around the world. On June 29th, the Supreme Court in *Hamdan v. Rumsfeld* held that the procedures of the military commissions the President established for this purpose were inconsistent with the Uniform Code of Military Justice and the Geneva Conventions.

The Administration will, of course, as the President has said, abide by the decision of the Court. The *Hamdan* decision now gives Congress and the Administration a clear opportunity to work together to reestablish the legitimate authority of the United States to rely on military commissions as one tool to bring the terrorists to justice. Taking this cooperative approach will allow us to structure an effective system the world will look to with both appreciation and admiration.

In the wake of the *Hamdan* decision, we all have a common goal: to provide flexible but fair procedures that will enable us to try al Qaeda terrorists for their war crimes, without compromising our Nation's values or the safety of the American people. It is imperative that we move quickly, and the Administration stands prepared to provide assistance in this effort.

Gang Crime

Just as the Department has played a key role in the War on Terror, we are working to protect Americans from those who would threaten the safety and security of our nation's citizens within their own communities. After becoming Attorney General, I made combating gangs one of my first priorities. Among my earliest actions, I directed the Department to take several important steps to address gang violence. First, I established an Anti-Gang Coordination Committee to organize the Department's wide-ranging efforts to combat the scourge of gangs. Second, I directed each United States Attorney to appoint an Anti-Gang Coordinator to provide leadership and focus to our anti-gang efforts at the district level. And third, I directed the Anti-Gang Coordinators, in consultation with their local law enforcement and community partners, to develop a comprehensive district-wide strategy to address the gang problem in their districts.

On February 15, 2006, I unveiled the Department's comprehensive plan to combat gangs across America. The strategy is twofold: First, prioritize prevention programs to provide America's youth, as well as offenders returning to the community, with opportunities that help them resist gang involvement. Second, ensure robust enforcement policies when gang-related violence does occur. The plan incorporates these two elements and provides necessary resources to local task forces on the front lines in the war against gang violence.

The President's 2007 Budget expanded the focus of Project Safe Neighborhood to encompass gang crime. In line with this refocusing, the Department has expanded the PSN initiative to include new and enhanced anti-gang efforts. In March, I announced the Comprehensive Anti-Gang Initiative, which focuses anti-gang resources on prevention, enforcement, and offender reentry efforts in six sites throughout the country: Los Angeles, Tampa, Cleveland, Dallas/Ft. Worth, Milwaukee, and the "222 Corridor," which stretches from Easton to Lancaster in Pennsylvania.

And it is worth highlighting the significant contributions ATF is making in the effort to combat gangs. ATF has dedicated hundreds of special agents to leading the Department's efforts to coordinate the PSN task forces across the nation. Due to ATF's comprehensive efforts to identify and investigate illegal firearms traffickers, career criminals, armed narcotics traffickers, and other violent offenders who use firearms to further their criminal endeavors, ATF has for years been at the forefront of the Federal government's efforts to combat violent crime involving gangs. ATF also has significant involvement in the Federal government's efforts to combat violent crime involving gangs through its Violent Crime Impact Teams (VCITs). Presently, VCIT, a successful partnership between ATF and other Federal, State, and local law enforcement authorities, addresses violent firearms-related crimes in 23 cities, providing additional support to Project Safe Neighborhoods through focused operations aimed at the "worst of the worst" offenders in targeted hot spots.

I have also directed each U.S. Attorney to convene a Gang Prevention Summit in his or her district to explore additional opportunities in the area of gang prevention. At the national level, the Department is hosting two gang prevention webcasts that are accessible to the public, which will share best practices on gang prevention, identify resources, and support and complement the Department's anti-gang initiative. The Department, in partnership with the Ad Council, has also created two new public service announcements (PSAs) titled "Sounds of Gun Crime" and "Time

Served." These PSAs are intended to educate youth about the perils of gun crime, and the consequences of joining gangs.

Finally, as you know, the Department has worked with this Congress to develop legislation to enhance the tools available to Federal law enforcement in its ongoing efforts to disrupt and dismantle gangs. We look forward to continuing this vitally important work. While bringing new intensity to the gang problem, we also continue our efforts to fight crime by arresting those individuals who are the most likely to commit gun crimes and wreak havoc on our communities -- the violent fugitive offenders. In fiscal year 2005, the United States Marshals Service apprehended more than 81,000 felony fugitives, many of whom were wanted on weapons and drug charges.

Drug Trafficking

Just as the Department has tackled the scourge of gangs in our communities, we are working aggressively to prevent and to minimize the pernicious effects of drug trafficking and abuse. Indeed, today drug cases represent the single largest share of Federal prosecutions. In 2005, 34.2% of all defendants sentenced in Federal district court were convicted of drug-related offenses.

Many of these prosecutions are coordinated and investigated by the Department's Organized Crime Drug Enforcement Task Forces (OCDETF). In view of the recent FY 2007 Senate Appropriations mark, I want to take this opportunity to emphasize the critical role that the OCDETF program fulfills as the centerpiece of the Justice Department's drug enforcement strategy. The OCDETF Program, through its Federal, State and local partnerships, disrupts and dismantles the most significant drug trafficking organizations, and their supporting financial infrastructure. The OCDETF program oversees the Attorney General's Consolidated Priority Organization Target (CPOT) strategy and CPOT List, which identifies the most significant, sophisticated drug organizations impacting the U.S. drug supply.

Time and time again, the success of OCDETF's multi-agency, multi-faceted approach -- which is the hallmark of the OCDETF Program -- in dismantling these organizations and their financial infrastructure, has been proven. One recent example is the July 11th guilty plea of CPOT Haji Baz-Mohammad, a Taliban-linked narco-terrorist who was charged, extradited and convicted pursuant to an OCDETF investigation. Another example of OCDETF's continued success is Operation Panama Express, an OCDETF operation that has combined the expertise of the FBI, DEA, Immigration and Customs Enforcement, the United States Coast Guard and the United States Attorney's Offices to interdict more than 400,000 kilograms of cocaine destined for the United States, and to indict over 700 defendants, including CPOT Joaquin Mario Valencia-Trujillo. In fact, Valencia-Trujillo is on trial in a Federal courthouse in Tampa as we speak. These are but two of OCDETF's many success stories in which we have not only disrupted the most sophisticated drug organizations, but perhaps more importantly, their financial sources.

The OCDETF program is so critical to our national drug enforcement efforts that it resides in the Deputy Attorney General's Office to ensure it receives maximum exposure and access to DOJ leadership and the 93 United States Attorneys. The success of the program depends upon the coordinated leadership and efforts of all of the United States Attorneys and the Deputy Attorney General. Transferring this multi-agency program to an investigative agency would be extremely

detrimental to our national interest in multi-agency drug investigations, the success of which is dependent upon bringing to bear the talents and statutory expertise of all the OCDETF partners against these sophisticated criminal organizations. Now is not the time to discourage multi-agency coordination and information sharing. Rather, we should encourage OCDETF's leadership in implementing an intelligence driven strategic approach to drug law enforcement which maximizes the use of existing resources and eliminates duplication of effort. Accordingly, I urge this Committee to oppose the proposed transfer of OCDETF to the Drug Enforcement Administration and to fully fund the work of this essential Program.

Addressing the problem of drug trafficking continues to be one of the top priorities of the Department of Justice. To this end, our efforts to reduce the demand for, and supply of, methamphetamine and controlled substance prescription drugs have special priority.

On June 1, 2006, the Administration released the National Synthetic Drug Control Strategy. Among other things, the Synthetics Strategy outlines a three-tiered approach to the United States' international efforts: (1) improving intelligence and information sharing on the global market for precursor chemicals; (2) effective implementation of the Combat Meth Act; and (3) strengthening law enforcement and border control activities, particularly with Mexico.

To carry out the Department's part of the Synthetics Strategy, I have established the Anti-Methamphetamine Coordination Committee. This will harmonize the many ongoing efforts of the Department of Justice in combating methamphetamine. The Committee is simultaneously pursuing initiatives to reduce supply through coordinated interdiction efforts, and to reduce demand by supporting effective prevention and treatment programs.

The Department has principally focused on combating meth through six methods: (1) increasing law enforcement operations and arrests; (2) making meth prosecutions a priority for U.S. Attorneys; (3) working closely with State and local law enforcement to ensure that the meth problem is brought to an end; (4) providing information and creating awareness within communities about the irreversible harm that meth leaves in its wake; (5) strengthening international partnerships to combat meth; and (6) using additional tools to target meth traffickers, including the "Combat Methamphetamine Act," which Congress passed as part of the reauthorization of the USA Patriot Act.

The use of meth and other similar drugs is not the only problem the nation faces with respect to controlled substances. Indeed, the only category of drugs in which abuse has increased for youths in recent years is the non-medical use of prescription drugs. We are working hard to reverse this trend. The 2006 Synthetic Drug Control Strategy sets the ambitious goal of reducing the abuse of controlled pharmaceuticals by 15 percent over three years. Our approach to this problem combines education, prevention, and enforcement, while avoiding unduly hampering the lawful purchase of such prescription drugs.

The purchase of these controlled pharmaceuticals on the Internet is of great concern. The Internet is widely accessible and provides anonymity, both to those seeking prescription drugs and to those dispensing them. Internet sites (either through the websites themselves or through Internet facilitation sites) give drug abusers the ability to circumvent the law, as well as sound medical practice, and they dispense potentially dangerous controlled pharmaceuticals. Because there is

often no identifying or false information on these websites, it is very difficult for law enforcement to track any of the individuals behind them.

The Department is using all available tools to shut down these sites. We are conducting investigations of rogue online pharmacies and working to intercept prescription drugs illegally sent into the United States through the mail system. For example, the DEA's Internet investigations unit within the Special Operations Division continues to coordinate Internet cases, and the DEA has issued a number of suspensions of the DEA registrations of doctors and pharmacies operating illegally over the Internet. The Department has prosecuted doctors, pharmacists, pharmacy owners and website owners, and pharmaceutical wholesalers who enable and assist in illegal trafficking in prescription drugs via the Internet.

Cyber Crime

As these efforts to combat gangs and drugs are making headway, we are also using the successful model of Project Safe Neighborhoods to protect our children and communities in other areas, such as the Internet, where the twin threats of sexual predators and child pornography have become all too real and commonplace. Project Safe Childhood, which I announced in February of this year, is aimed at preventing the exploitation of our children on the Internet. Just like Project Safe Neighborhoods, this new program will bring together the resources of Federal, State, and local law enforcement.

I cannot overemphasize the importance of this effort. Oftentimes in the public arena, the true nature and scope of this type of criminal activity is not fully aired. It has been estimated that at any given time there are 50,000 sexual predators on the Internet prowling for children. I have personally seen the efforts we make to capture these individuals, and I am astonished by how many predators there are, and how aggressively they act.

With respect to child pornography -- a closely related problem -- let me be very clear. This is not a victimless crime. Most images of child pornography depict actual sexual abuse of real children. Each image literally documents a crime scene. Working with the Child Exploitation and Obscenity Section of the Department's Criminal Division, I've seen some of the shocking and vulgar images we've uncovered. We're talking about a young toddler, tied up with towels, desperately crying in pain while she is being brutally raped and sodomized by an adult man. This is the reality of child pornography and sexual exploitation on the Internet today.

I cannot emphasize strongly enough the pernicious nature of these offenses, the harm they do to our society, and the need to ensure that those who commit these crimes are kept away from our children. Experts agree that the Internet is responsible for a significant increase in both the proliferation and severity of child pornography and sexual exploitation. The Internet provides child pornographers with an easily accessible and relatively anonymous means for collecting and distributing these images, and the vast community of fellow pedophiles on the Internet serves to validate and encourage their behavior. Eventually, as offenders collect more and more child porn images, many turn to abusing children and producing their own pictures or images. The result is that images of child sexual abuse today are more disturbing, more graphic, and more sadistic than ever before, and they involve younger and younger children -- in some cases, as I just mentioned, involving the brutal rape of mere infants.

We have made progress in this area: For example, between 1996 and 2005, the number of cases investigated by the FBI rose by more than 2000 percent, as did the number of arrests for child pornography and child enticement offenses; in total, since 1996, the FBI has opened more than 15,000 cases, leading to more than 6,000 arrests and nearly 5,000 convictions. Moreover, annual Federal prosecutions of child pornography and child abuse cases have increased by more than 350% in the past decade, from 344 cases in fiscal year 1995 to 1,576 cases in fiscal year 2005. I have also asked the FBI to hire a Victim Specialist to work exclusively with victims of child pornography.

We also have made significant progress in our efforts to apprehend violent sexual offenders who carry out their Internet fantasies and prey upon the nation's children by working with the National Center for Missing and Exploited Children, as well as through targeted initiatives such as Operation FALCON II, which resulted in the arrests of more than 1,100 fugitives wanted for sexual felonies, violent sexual offenses, and failure to register as sex offenders. I commend the U.S. Marshals Service for their superb work on this effort.

But there is more to be done because there is, in short, an epidemic involving child pornography and sexual exploitation in America today. It is our collective responsibility to curtail this epidemic, and I look forward to working with this Committee and others to address this critical problem. The Department strongly supports legislation pending in the House and Senate to strengthen both the national system for registering sex offenders and the recordkeeping regime that prevents minors from being used in sexually explicit materials. The National Public Sex Offender Registry that the Department currently administers, and that is prominently displayed on the Department's website, is an enormously valuable mechanism for alerting parents and others in the community of the presence of potentially dangerous sexual predators among them. The bills that the House and Senate have passed would both enhance that system and give the Department additional important tools for protecting children from sexual exploitation.

Of particular importance is the legislation that Senator Hatch and Congressman Pence have championed that would make key improvements to the criminal statute that requires producers of sexually explicit materials to keep records of the names, ages, and proof of identification of the individuals depicted in those materials, and permits the Department to inspect those records at all reasonable times. Senator Hatch's bill, S. 2140, is cosponsored by 30 Senators, including many members of this Committee, and deserves prompt passage by the Senate. Both Majority Leader Frist and Minority Leader Reid have called on the House and Senate to resolve expeditiously the remaining differences. I wholeheartedly agree and urge Congress to send this legislation to the President soon.

In addition to combating violent crime and keeping the Internet safe for our children, we at the Department of Justice take extremely seriously the protection of intellectual property. With an estimated two hundred and fifty billion dollars in losses to American corporations every year and 750,000 American jobs lost to intellectual property theft, the impact this crime has on our economic well-being is simply too great not to take action. To that end, early last year, I appointed new members to the Task Force on Intellectual Property that was established by my predecessor, John Ashcroft. In the 2006 Progress Report issued last month, we proudly announced that the Department has implemented all thirty-one recommendations made by the

Task Force in 2004. In fact, recognizing the threat that intellectual property theft poses not only to our economy but also to the health and safety of consumers, the Department has gone well beyond these recommendations, taking additional steps to protect and enforce intellectual property rights.

I would like to take a moment to detail a few of our efforts in this regard.

First, we have increased the number of prosecutors in the field by nearly doubling, in the past two years, the number of Computer Hacking and Intellectual Property (CHIP) Units to focus on fighting intellectual property and cyber offenses. The Department has prosecuted a number of significant cases, ranging from individuals selling counterfeit cholesterol medication to an individual who illegally accessed and stole more than one billion records containing personal information from a commercial data broker, to a racketeering enterprise that supported the terrorist organization Hezbollah. In addition, we have dispatched a Federal prosecutor to serve as an Intellectual Property Law Enforcement Coordinator in Southeast Asia. Finally, in recognition of the key role of education in stemming the tide of intellectual property theft, we have partnered with the U.S. Patent and Trademark Office to dedicate \$900,000 over three years to a program with three national nonprofit educational organizations. By increasing public awareness of individual responsibility in this area, we believe we can prevent a sizeable portion of the intellectual property theft occurring today.

We have also been working hard to support the Senate's giving its advice and consent to ratification of the Convention on Cybercrime. The Convention on Cybercrime is extremely important to our ability to obtain critical computer evidence from overseas that could allow us to prevent a new terrorist attack, break up an international pedophile ring, or prosecute those who defraud our fellow citizens from locations abroad. I call on Congress to ratify this important treaty.

I am also proud that the Department of Justice is taking a lead role in the President's Task Force on Identity Theft. The President established the Task Force with the goal of strengthening Federal efforts to protect against identity theft, and he directed that I serve as a Co-Chair along with the Chairman of the Federal Trade Commission. The work of the Task Force is well underway. We are on track to present the President with a Strategic Plan to further improve the effectiveness and efficiency of the Federal government's activities in the areas of identity theft awareness, prevention, detection, and prosecution by November 6, 2006, as directed by Executive Order.

The substantial growth of identity theft in recent years has made it necessary for law enforcement agencies at all levels of government to devote increased resources to investigation of identity theft-related crimes. The FBI, for example, reports that identity theft impacts almost every financial crime it investigates, from health care fraud to securities fraud. The FBI currently has more than 1,550 pending identity theft-related cases. In 2005, the FBI opened more than 660 identity theft-related cases, and to date in 2006 has opened more than 270 such cases. The FBI also has a Financial Crimes Intelligence Unit at headquarters with investigative analysts dedicated to identity theft matters.

The Department is also participating in successful collaborative efforts, including the Regional Identity Theft Working Group in the Eastern District of Pennsylvania, the Identity Theft Crimes Working Group in the District of New Hampshire, and the Los Angeles Identity Theft and Economic Crimes Task Force. In May 2002, the Department conducted an initiative focused on identity theft, involving 73 criminal prosecutions by United States Attorneys' Offices against 135 individuals in 24 districts.

I am proud of the Department's efforts to date and look forward to continuing our efforts and implementing the recommendations of the Identity Theft Task Force.

Civil Rights Enforcement

As we work to combat terrorism, violent crime, and economic crimes, we must not forget that a key part of the Department's law enforcement mission involves protecting critical rights of our citizens and ensuring that all Americans have the opportunity to participate in the American Dream.

To this end, I want to note today that the Civil Rights Division has achieved record levels of enforcement protecting the right to vote, ensuring the disabled can fully participate in their communities, and providing the highest standard of care for institutionalized persons. And we vigorously work to stop one of the most pernicious ills imaginable: human trafficking.

The Civil Rights Division recently brought more criminal civil rights cases in a single year than in any other year in the Division's history and the Department has obtained convictions against 30 percent more law enforcement officials for criminal civil rights violations than during the comparable period of the previous administration. The Division has also authorized over 30 percent more investigations under the Civil Rights of Institutionalized Persons Act (CRIPA) in the past five and one-half years than in the previous comparable time frame. And in matters involving children committed to juvenile justice facilities, this Administration has increased the number of settlement agreements by 50 percent and has more than doubled the number of investigations and findings letters issued.

Since January 2001, when President Bush signed the New Freedom Initiative, the Division has pursued over 2,000 ADA enforcement measures to increase the ability of Americans with disabilities to integrate into the workforce and to have improved access. Moreover, the Division has brought lawsuits to create more than 12,000 housing opportunities for persons with disabilities in the past five and one-half years -- a number that far outpaces previous figures. The Division has also nearly doubled the number of pattern or practice sexual harassment cases brought against landlords, one of which resulted in the highest jury verdict ever obtained under the Fair Housing Act. Finally, the Division has launched the most extensive election monitoring effort in history to protect the right to vote, while also filing more cases to protect the rights of voters under the minority language provisions of the Voting Rights Act than in the previous 26 year history of the Act.

The Administration's fight against human trafficking deserves special mention. Each year, thousands of the most vulnerable persons, primarily women and children, are trafficked into the United States. The President has declared this pernicious crime a moral and national security imperative requiring an effective strategy to combat it. This effort has been declared a civil rights

priority for the Department because it strikes at one of our Nation's core values -- the right to freedom as promised in the Declaration of Independence and guaranteed by the Thirteenth Amendment to the Constitution.

I am pleased to say that the Department's prosecutorial efforts have produced impressive results. In the last five fiscal years, the Civil Rights Division, in conjunction with United States Attorneys' Offices, has quadrupled the number of trafficking investigations, tripled the number of defendants charged, and doubled the number of defendants convicted. Between fiscal years 2001 and 2005, Federal prosecutors charged 189 defendants with sex trafficking, an increase of more than 450 percent over the previous five years. And, with three months remaining in the current fiscal year, the Department already has set a record by convicting more trafficking defendants than in any other single year on record.

The Department of Justice also combats child prostitution in the United States through the Innocence Lost initiative. The Innocence Lost initiative is conducted by the Department, together with the FBI and the National Center for Missing and Exploited Children, and has so far resulted in 188 open investigations, 547 arrests, 79 complaints, 105 indictments, and 80 convictions in both the Federal and State systems.

Another area of civil rights enforcement that merits special mention is fair housing. On February 15 of this year, I announced a major new civil rights initiative: Operation Home Sweet Home, which expands and strengthens the Department's fair housing testing program. Under this program, persons pose as prospective renters or purchasers of a home for the purpose of gathering information regarding a housing provider's compliance with the Fair Housing Act, which prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, familial status, or disability by housing providers. For example, a "test" may involve an African-American person and a Caucasian person each inquiring separately about the availability of the same apartment. We then compare their experiences to determine if the real estate agents or landlords misrepresented the availability of rental units or offered different terms and conditions to our testers to rent or buy the home. Such comparisons may reveal that the housing provider is illegally treating persons differently based on race, national origin, or familial status.

Through Operation Home Sweet Home, the Department will improve the effectiveness and reach of its testing program over the next two years. First, we will concentrate testing for housing discrimination in areas recovering from the effects of Hurricane Katrina and in areas where Katrina victims have been relocated. As you all know, Hurricane Katrina displaced a large number of persons, many of them minorities, who are seeking new housing. Our efforts seek to ensure that these displaced residents do not face discrimination in their search for housing. Second, we will concentrate testing in areas that, based on Federal data, have experienced a significant volume of bias-related crimes like cross burnings or assaults on minorities. We do this because in areas where there has been an up-tick of bias crimes, housing discrimination may also be occurring. Lastly, we will increase our outreach to State and local agencies and organizations to better target our testing to problematic areas. Through these and other measures, the Department will conduct an all-time high number of fair housing tests over the next two years in an effort to ensure the rights of all Americans to fair housing.

From fair housing opportunities, equal access to the ballot box, and criminal civil rights prosecutions to desegregation in America's schools and protection of the rights of the disabled, the noble mission of the Civil Rights Division continues forward.

Public and Corporate Corruption

We continue to strive to preserve the integrity of our public institutions and corporations. We recognize that one of the things that makes America the land of opportunity is our unique commitment to the rule of law that allows ordinary citizens to rely on and expect the honesty and integrity of government officials, corporate executives, and other holders of the public's trust. So at every level --Federal, State, and local -- the Department is enforcing the laws that protect the integrity of our government and corporate institutions.

In doing so, we have made significant progress. Since 2002, we have convicted more than 1000 corporate insiders who have engaged in illegal activities, including more than 160 chief executive officers and corporate presidents. The President's Corporate Fraud Task Force, chaired by my colleague Deputy Attorney General Paul McNulty, continues to ensure that our country's boardrooms are free from corrupt business practices.

In addition, the Department has successfully prosecuted a number of high-profile public figures, and continues to work on additional investigations and prosecutions involving illegal contributions, lobbying, and abuse of the public trust. Moreover, the Department's Hurricane Katrina Task Force -- working with our local, State and Federal partners -- continues to successfully detect, deter and prosecute fraudulent schemes, and associated crimes such as public corruption, arising from the tragedy of Hurricane Katrina.

Federal Sentencing

Advocating for a tough and fair sentencing system will give teeth to our enforcement objectives, improve our deterrence efforts, and ensure that every defendant is treated fairly. One of the most critical issues relates to the impact of the Supreme Court's decision in *United States v. Booker*. While much of the immediate impact of this decision has already been felt in America's courtrooms, there are important policy issues that must be addressed.

In the wake of *Booker*, the Department of Justice has engaged in a careful assessment of trends in Federal sentencing and an in-depth review of various sentencing reform proposals. The Department's key goal in this effort has been to find a way to preserve the principles and protections of the Sentencing Reform Act of 1984, which itself was a product of a bipartisan effort to focus our judicial system on punishment, incapacitation, and deterrence in sentencing.

Unfortunately, this review of recent trends in sentencing has yielded some troubling results. Over the past year, we have seen a decrease in within-guidelines sentences and an increase in inter-circuit and intra-district disparities in sentencing. Given the emergence and possible acceleration of such trends, the Department has recommended legislation to Congress implementing a Minimum Guideline System.

Under such a system, the lower range of a sentence prescribed by the guidelines would be mandatory, as it was prior to *Booker*, unless a departure is authorized by the guidelines. The top

of the guideline range would remain advisory, as required by Booker, but in no instance, of course, could a sentence exceed the statutory maximum set by Congress. Such a system would vindicate Congress' intent in passing the Sentencing Reform Act, while remaining fully consistent with the Supreme Court's jurisprudence.

Conclusion

Now, this list of priorities is not exhaustive. We have other responsibilities that are no less important to the American dream. Comprehensive immigration reform will restore faith in the rule of law and prevent terrorists from crossing our borders, while at the same time honoring our tradition as a nation of immigrants. And this is the beauty of well-constructed laws -- they protect what we value most while keeping pace with changing times, circumstances, and challenges.

Each of these priorities is important, and behind each one is a nationwide network of highly dedicated Department of Justice employees and law enforcement officials who work together to protect lives and freedoms. I am proud to work with these individuals every day and to be a part of the effort to protect our nation from those that would harm our citizens - both domestically and abroad.

Thank you, Mr. Chairman, members of the Committee. I would be glad to take your questions now.