

Testimony of

The Honorable Robert S. Mueller, III

Director
Federal Bureau of Investigation
May 2, 2006

STATEMENT OF
ROBERT S. MUELLER, III
DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION
BEFORE THE
UNITED STATES SENATE
COMMITTEE ON THE JUDICIARY
May 2, 2006

Good morning, Mr. Chairman, Senator Leahy, and Members of the Committee. I am pleased to appear before you today to update you on the current state of the FBI, as well as our plans for the near future. I would also like to thank the Committee for your continued oversight of the Bureau and your efforts to ensure our success as we pursue the shared goal of making America safer, while preserving our civil liberties.

As this Committee knows, much of the last year has been devoted to a national discussion about the tools that should be afforded to the men and women engaged in the fight against terrorism, both at home and abroad. I want to thank the Committee for your work in producing a balanced law reauthorizing the USA PATRIOT Act. Through your efforts, our Agents will retain the tools necessary to wage an effective fight against terrorism, within a framework that ensures important safeguards for civil liberties and enhanced judicial and congressional oversight.

For the FBI, the primary tools used in our efforts to detect, disrupt and prevent acts of terrorism continue to be those included in, or enhanced by, the USA PATRIOT Act and related laws, including: the court authorized surveillance of international terrorists; the sharing of key intelligence information; and the collection of relevant documents pursuant to court orders or through National Security Letters. Of course, as I have explained to this Committee before, we still believe that administrative subpoenas -- such as those available in narcotics and health care fraud cases -- would be appropriate in the counterterrorism arena. Accordingly, it is my hope that the forthcoming review of the FBI's use of National Security Letters -- which is being conducted by the Department of Justice (DOJ) Office of Inspector General (OIG) pursuant to the reauthorized PATRIOT Act -- will underscore the FBI's responsible use of such authorities.

As this Committee may recall, shortly after the Republican and Democratic National Conventions in the Summer of 2004, media reports stated that the FBI had questioned political demonstrators across the country in advance of the conventions, leading civil liberties groups to allege that the FBI was attempting to chill protestors from exercising their First Amendment rights. At the request of Congress, the DOJ-OIG conducted an investigation and, last week, released its final report on this matter. The OIG did not substantiate the allegations and concluded that all interviews conducted by the FBI of potential convention protestors were conducted "for legitimate law enforcement purposes" and were conducted consistent with the Attorney General Guidelines. I am pleased, but not surprised, by the OIG's findings. The men and women of the FBI understand and appreciate the power entrusted to them and are vigilant in their efforts to protect the country while respecting civil liberties.

I would like to take the opportunity this morning to update you on three areas of ongoing interest to the Committee: our progress in establishing a vigorous intelligence service within the FBI; developments in our efforts to modernize the FBI's Information Technology program, especially the recent award of a contract to Lockheed Martin in connection with the Sentinel program; and the latest results of our efforts to reshape the FBI's human resources function.

NATIONAL SECURITY BRANCH

I last appeared before the Committee just one month after the President approved the recommendations of the Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction, commonly known as the WMD Commission. These included a recommendation regarding the establishment of an intelligence service within the FBI. I am pleased to report that FBI's National Security Branch (the "NSB") has been established to ensure the integration of the FBI's primary national security programs under the leadership of a single Executive Assistant Director, and to implement policies and initiatives designed to enhance the capability of the entire FBI to support its national security mission.

Although still relatively new, the NSB is making significant progress in integrating the missions, capabilities, and resources of the Counterterrorism, Counterintelligence, and Directorate of Intelligence programs. The FBI is currently working with the Department of Justice and the Administration to ensure that the NSB meets the directives set forth by the President and is responsive to the Office of the Director of National Intelligence (ODNI).

While I am optimistic about the new NSB, I am aware that some harbor doubts about the FBI's ability to transform itself into a leading intelligence agency. Such critics often cite the mistaken belief that the intelligence mission and the law enforcement mission are inherently incompatible. They also contend that the FBI is reluctant to share information with its partner agencies.

I believe it is important to note that both 9/11 Commission and the WMD Commission found that the intelligence and law enforcement functions should not be separated. They understood that intelligence developed in criminal investigations could be relevant to ongoing intelligence matters. In addition, many of the skills necessary to a successful criminal investigation are mirrored in the intelligence arena. The need to cultivate confidential informants and build rapport with cooperating witnesses, the ability to follow complex money trails, the ability to decipher the coded language of gang members or drug dealers, and the know-how to extract meaning from a collection of seemingly unrelated clues are all skills that can be -- and are -- applied to intelligence matters.

With regard to information sharing, we have doubled the number of intelligence analysts, and in every field office we have established Field Intelligence Groups, or FIGs -- agents and analysts working together with one shared mission -- to leverage intelligence to protect our nation. From January 2004 through January 2006, Intelligence Analyst staffing increased on the FIGs by 61 percent, from 617 to 995. This increase in analysts has helped to fuel our sharing of intelligence products. Since September 11th, we have disseminated more than 20,000 intelligence reports, assessments, and bulletins to our partners.

While our national security efforts remain our top priority, we continue to fulfill our crime-fighting responsibilities as well. Public corruption is the top criminal priority for the FBI. Over the last two years, our investigations have led to the conviction of over 1,000 government employees involved in corrupt activities, to include 177 federal officials, 158 state officials, 360 local officials, and more than 365 police officers.

We also continue to focus on implementing the National Gang Strategy, along with ATF. This strategy is designed to identify the prolific and violent gangs in the United States and to aggressively investigate, disrupt, and dismantle their criminal enterprises through prosecution under appropriate laws.

INFORMATION TECHNOLOGY

When it comes to analyzing information, technology is crucial. As this Committee knows, on March 16, 2006, we announced the award of the contract for development of the Sentinel program to Lockheed Martin. Under the terms of the \$305 million contract, Lockheed Martin and its industry partners will use proven commercial off-the-shelf technologies to produce an integrated system that supports processing, storage and management of the FBI's current paper-based records system. The program includes an incremental development and delivery of Sentinel capabilities, including \$73 million for operations and maintenance activities.

Now that the contract has been awarded, we are moving forward with phase one of the development process. Each of the four phases will introduce new stand-alone capabilities and will be user-focused. As each phase is implemented, existing information will be transferred to new systems and old legacy systems will be retired.

I want to emphasize that the Sentinel program is not a reincarnation of the Virtual Case File. Not only will Sentinel provide greater capabilities, it will be deployed on an incremental basis over four years. And, to prevent any missteps, each phase of the Sentinel contracting process is being closely scrutinized by a team of FBI technical experts, the Government Accountability Office, the Office of Management and Budget, and the Department of Justice's Chief Information Office and Inspector General. Furthermore, at the urging of Congress, we have also engaged outside experts to help us review and assess the implementation of Sentinel.

Significantly, the FBI also has established contractual mechanisms to monitor contractor performance, and has structured the program so that all, or portions, of the effort can be terminated upon identification of poor performance, including:

? A scheduled control and monitoring system that will identify variances in the contractor's schedule every two weeks.

? Imposition of the requirement on both the prime contractor and the Sentinel Program Management Office to use a certified Earned Value Management ("EVM") System, as well as the requirement to report on EVM status on a monthly basis. Certification of these EVM Systems includes Independent Validation and Verification by an independent entity.

? And, establishment of an award fee structure tied to contract performance measurements.

I have met with the CEO of Lockheed Martin and we are committed to working together to ensure successful deployment of each phase of Sentinel. We will also continue to update this Committee on the progress of Sentinel and will ensure that the Committee staff receives briefings throughout the development process.

Without minimizing the challenges we have had in the past, I think it is also important to underscore the improvements that have already been achieved in our efforts to modernize the FBI's Information Technology.

Today, when an FBI agent sits down at her desk and logs on to the computer, she is connected at the "secret" level to a fast, secure system that allows her to send e-mails, photographs and documents to any other agent or analyst in the Bureau -- across the country and around the world. Agents also have direct access to the FBI's internal "Intranet," which can be searched via a Google-based search engine. Through this Intranet, agents can receive online training, watch streaming video of meetings or conferences, download investigative guidelines, or even review the latest congressional testimony of FBI Executives.

For "top secret" communications, we have deployed the Top Secret/Sensitive Compartmented Information Operational Network, or SCION. Nearly 4,000 personnel have been trained on the SCION and associated Intelligence Community systems. This system is the backbone for FBI personnel to coordinate, collaborate, disseminate and conduct research on analysis with the Intelligence Community.

Additionally, other technology initiatives, such as the Investigative Data Warehouse ("IDW"), have surpassed our expectations. As this Committee knows, the IDW is a centralized repository for relevant counterterrorism and investigative data that allows users to query the information using advanced software tools. IDW now contains over 560 million FBI and other agency documents from previously stove-piped systems. Nearly 12,000 users can access it via the FBI's classified network from any FBI terminal throughout the globe. And, nearly thirty percent of the user accounts are provided to task force members from other local, state and federal agencies.

Finally, we have established an interface whereby FBI Field Offices can access the data mart of the Foreign Terrorist Tracking Task Force, or FTTTF. This access allows FTTTF analysts to use both government and commercial data to assist those evaluating whether a foreign individual suspected of terrorist activity or support should be denied entry into the United States or, if already in this country, to help them locate, detain, prosecute, or deport these individuals,

as appropriate.

We have worked hard to build a solid foundation for the successful implementation of major Information Technology investments and these are just a few examples of proven success. We have instituted strong, centralized management of IT assets, including strategic planning, portfolio management, and enterprise architecture, and we require compliance with disciplined policies, procedures, and business practices that govern the management of IT projects from "cradle to grave."

HUMAN RESOURCES

While technology is critical to our mission, the men and women of the FBI remain our most important asset. Their talent, creativity, and commitment to the public good are the true keys to our success. Accordingly, we continue to reshape our human resources program to recruit, hire, train, and retain quality individuals for our expanding human capital needs.

When I last testified before the Committee, I informed you that we had hired an executive search firm to identify a Chief Human Resources Officer for the FBI with significant experience in transformation of human resources in a large organization. At the conclusion of this search, on October 11, 2005, we appointed Don Packham as the FBI's Chief Human Resources Officer. Mr. Packham has served in a number of senior human resources roles, most recently with the British Petroleum Corporation. In his last position with BP, Mr. Packham was the Senior Vice President of Human Resources for the Americas, where he oversaw human resources for 50,000 employees spread across more than 50 business units in North and South America.

I am confident that Don Packham is the right person to help us continue the transformation of our workforce. Many changes are already underway. Last year, Congress provided the FBI with the legislative authority and resources to help us compete with other homeland security and Intelligence Community organizations which often recruited employees away from the FBI. The funding allowed us to provide recruitment bonuses for potential new hires, retention and relocation bonuses to existing employees with job offers from other government entities, and increased funding for our University Education Program and student loan repayments.

Of course, human resources programs do not exist in a vacuum. They must be integrated with our larger mission. For this reason, we have sought to include entities like the NSB in the process of improving our human resources. The human resources initiatives the NSB is undertaking include defining core national security competencies and revising recruiting practices to target applicants with those competencies, and implementing a four-stage national security career path that will result in career-long specialization for Intelligence Analysts and Special Agents.

Finally, I know that one area of concern for this Committee has been the rate of turnover among the FBI's leadership ranks. As recognized by the National Academy of Public Administration, we have launched a number of initiatives to address this issue. Representatives of the FBI's Executive Development and Selection Program are working with the RAND Corporation to develop a database designed to assist in Senior Executive Service (SES) succession planning. In addition, the FBI's Training and Development Division is formulating an "FBI Leadership Training Framework" that will provide the basis for a comprehensive leadership development program.

Another piece of the FBI's leadership development strategy is the Strategic Leadership Development Plan, which will provide techniques for identifying leadership needs and problems, articulate a program designed to enhance leadership knowledge, skills, and abilities throughout an employee's career, and relate leadership development to the FBI's strategic mission in its top priority programs. The FBI is evaluating several possible measures to lengthen tenure in SES positions, particularly at FBI Headquarters, including the increased use of retention bonuses and other incentives to encourage SES employees to remain in these positions longer. With strong, steady leadership, we will be better poised to achieve our mission of protecting America.

CONCLUSION

Mr. Chairman, Senator Leahy, and Members of the Committee, today's FBI is part of a vast national and international campaign dedicated to defeating terrorism. Working hand-in-hand with our partners in law enforcement, intelligence, the military and diplomatic circles, the FBI's primary responsibility is to neutralize terrorist cells and operatives here in the United States and help dismantle terrorist networks worldwide. Although protecting the United States from terrorist attacks is our first priority, we remain committed to the defense of America against foreign intelligence threats as well as the enforcement of federal criminal laws, all while respecting and defending the Constitution.

This year will mark the five-year anniversary of September 11th. The FBI has changed dramatically since the terrorist attacks and we will continue to evolve to meet the emerging threats to our country. We have expanded our mission, radically overhauled our intelligence programs and capabilities, and have undergone tremendous personnel growth. I thank you for your consistent support of the FBI as we continue this transformation, and I am happy to answer any questions you may have.