

**TESTIMONY OF  
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BEFORE THE  
SELECT COMMITTEE ON INTELLIGENCE OF THE  
UNITED STATES SENATE**

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Good morning, Mr. Chairman, Senator Rockefeller, and Members of the Committee. I appreciate this opportunity to discuss the world threats facing this nation and how the FBI has adapted to meet emerging threats. I am going to touch on some of the successes of the past 12 months, but I would like to say, at the outset, that none of these successes would have been possible without the extraordinary efforts of our partners in state and municipal law enforcement and our counterparts around the world. The Muslim, Iraqi, and Arab-American communities have also contributed a great deal to our success. On behalf of the FBI, I would like to thank these communities for their assistance and for their ongoing commitment to preventing acts of terrorism. All of us understand that the threats we face today, and those we will face tomorrow, can only be defeated if we work together.

**SUCCESSSES IN THE WAR ON TERRORISM**

In 2003, the United States and its Allies made considerable advances toward defeating the al-Qa'ida network all over the world. Since this Committee's World Wide Threat hearing last year, the efforts of the FBI, and our state and local law enforcement partners, to identify terrorists and dismantle terrorist networks have yielded major successes:

- In **Cincinnati**, an al-Qa'ida operative was charged with providing material support to terrorists.
- In **Baltimore**, a resident was identified as an al-Qa'ida operative with direct associations to now detained senior al-Qa'ida operatives Tawfiq Bin Attash and Khalid Sheikh Mohammed.
- In **Tampa**, the U.S. leader of Palestine Islamic Jihad (PIJ), and three of his lieutenants were arrested under the RICO statute for their participation in a conspiracy which contributed to the deaths of two U.S. citizens in Israel.
- In **Newark**, three individuals, including an illegal arms dealer, were indicted for their role in attempting to smuggle an SA-18 shoulder-fire missile system into the U.S.

- In **Minneapolis**, an individual who trained in Afghanistan and provided funds to associates in Pakistan, was recently arrested and charged with conspiring to provide material support to al-Qa'ida.
- And in cities across the country, the FBI, along with our law enforcement partners, conducted over 10,000 interviews of Iraqi expatriates to seek information in support of Operation Iraqi Freedom. These efforts resulted in the generation and distribution of information that proved valuable to our troops in Iraq, and to our counterterrorism and counterintelligence programs.

Mr. Chairman, it is important to note that we attribute these and other recent successes to our close coordination and information sharing with other members of the Intelligence Community, with our overseas partners, and with the essential force multipliers – state and local law enforcement officials who participate on our 84 Joint Terrorism Task Forces (JTTFs). The JTTFs have played a central role in virtually every terrorism investigation, prevention, or interdiction within the United States. As you know, JTTFs team up FBI agents with police officers, members of the Intelligence Community, Homeland Security, and other federal partners to coordinate counterterrorism investigations and share information. They are also a critical conduit between the FBI and the officer on the beat.

Our current abilities to coordinate with our partners and develop actionable intelligence to prevent terrorist attacks are a direct result of our efforts to transform the FBI to better meet our counterterrorism mission. I am going to discuss this transformation, but first I would like to discuss what we see as the greatest threats facing the United States.

## **The Terrorist Threat**

### *Al-Qa'ida and Other Sunni Extremists*

The greatest threat remains international terrorism -- specifically Sunni extremists, including al-Qa'ida. While our successes to date are dramatic, we face an enemy that is determined, resilient, and patient, and whose ultimate goal is the destruction of the United States. Al-Qa'ida's flexibility and adaptability continue to make them dangerous and unpredictable. This enemy still has the capability to strike the U.S. both here and abroad with little or no warning.

Al-Qa'ida is committed to damaging the U.S. economy and U.S. prestige and will attack any target that will accomplish these goals.

- There are strong indications that al-Qa'ida will revisit missed targets until they succeed, such as they did with the World Trade Center. The list of missed targets now includes the White House and the Capitol.

In addition, our **transportation systems** across the country, particularly the subways and bridges in major cities, as well as airlines, have been a continual focus of al-Qa'ida targeting.

Mr. Chairman, my classified statement sets forth additional detailed information about what we know and can anticipate about al-Qa'ida's operational methodology. I will be happy to address those matters with the Committee in a closed session.

We also remain concerned about al-Qa'ida's efforts to acquire weapons of mass destruction. The discovery of ricin in Europe, al-Qa'ida's clear interest in a range of Chemical, Biological, Radiological and Nuclear (CBRN) weapons, and its desire to attack the U.S. at equal or greater levels than 9/11, highlight the need for continual vigilance in this regard.

Finally, al-Qa'ida retains a cadre of supporters within the U.S. which extends across the country. These supporters are not confined to individuals of Middle Eastern extraction, as evidenced by the members of the al-Qa'ida support group arrested and convicted in Portland, Oregon. In fact, al-Qa'ida appears to recognize the operational advantage it can derive from recruiting U.S. citizens. While the bulk of al-Qa'ida's supporters in the U.S. are engaged in fundraising, recruitment, and logistics, there have been cases of those apparently involved in operational planning.

#### *Other International Terrorist Groups*

While al-Qa'ida and like-minded groups remain at the forefront of the war on terror, other groups, such as Hizballah, HAMAS and PIJ in the U.S. warrant equal vigilance due to their ongoing capability to launch terrorist attacks inside the U.S. Historically, however, these groups have limited their militant activities to Israeli targets and have reserved the U.S. for fundraising, recruitment, and procurement.

The FBI disrupted several significant Hizballah cells over the last year. In Charlotte, North Carolina, an individual was sentenced to 155 years in jail for conspiring to provide material support to Hizballah. In Detroit, Michigan, 11 individuals – some of whom have admitted to ties to Hizballah – were charged with bank fraud, cigarette smuggling and RICO offenses. These arrests were the result of a long-term investigation of criminal enterprises associated with Hizballah.

#### **The Foreign Intelligence Threat**

Mr. Chairman, although the impact of terrorism is more immediate and highly visible, espionage and foreign intelligence activities are no less threats to U.S. national security. Given our country's stature as the leading political, military, economic, and scientific power, both now and for the foreseeable future, foreign intelligence services and non-intelligence collectors will continue to recruit sources to penetrate the U.S.

Intelligence Community and U.S. government, target our national economic interests, research and development base, and national defense plans and information, and assert political influence through perception management operations. The loss of sensitive, classified, and proprietary information critical to U.S. interests can hamper our ability to conduct international relations, threaten our military, and diminish our technological base and economic competitiveness.

My classified statement discusses our *National Strategy for Counterintelligence* and our current assessment of foreign intelligence threats. I will be happy to address these issues in greater detail in a closed session.

### **The Cyber Threat**

Finally, Mr. Chairman, I would just like to mention that the FBI is also expanding our efforts to address the rapidly growing cyber threat as it relates to both terrorism and national security. The number of individuals and groups with the ability to use computers for illegal, harmful, and possibly devastating purposes is on the rise. We are particularly concerned about terrorists and state actors wishing to exploit vulnerabilities in U.S. systems and networks.

The FBI has a division dedicated to combating cyber crime and cyber terrorism. We are committed to identifying and neutralizing those individuals or groups that illegally access computer systems, spread malicious code, support terrorist or state sponsored computer operations, and steal trade secrets that present an economic and security threat to the U.S.

## **TRANSFORMATION OF THE FBI**

### **Prioritization, Mobilization, and Centralization**

Over the past year, the men and women of the FBI have continued to implement a plan that fundamentally transforms our organization to enhance our ability to predict and prevent terrorism. As you know, we took the first steps toward this transformation in the days and weeks following the 9/11 attacks. We established a new set of priorities that govern the allocation of manpower and resources in every FBI program and office. Counterterrorism is our overriding priority, and every terrorism lead is addressed, even if it requires a diversion of resources from other priorities. The other threats discussed above are also top priorities for the FBI.

Since 9/11, we have centralized management of our counterterrorism, counterintelligence, and cyber programs to limit "stove piping" of information, to coordinate operations, to conduct liaison with other agencies and governments, and to be accountable for the overall development and success of our efforts in these areas. Our operational divisions at Headquarters have analyzed the threat environment,

devised national strategies to address the most critical threats, and are implementing these strategies in every field office, task force, and Legat.

We have also reallocated resources in accordance with the new priorities. For example, we increased the number of agents assigned to counterterrorism from roughly 1,300 to 2,300, and hired over 400 analysts. To enhance our translation capabilities, we increased the number of permanent and contract linguists with skills in critical languages from 555 to over 1,200. We also established a number of new operational units that give us new or improved capabilities to address the terrorist threat.

### **The FBI Intelligence Program**

Over the past year, we have made tremendous progress in implementing the next key step in our transformation – the FBI's Intelligence Program.

While the FBI has always been among the world's best collectors of information, for a variety of historical reasons, the Bureau never established a formal infrastructure to exploit that information fully for its intelligence value. Individual FBI agents have always capably analyzed the evidence in their particular cases, and then used that analysis to guide their investigations. But the FBI as an institution never elevated that analytical process above the individual case or investigation to an overall effort to analyze intelligence and strategically direct intelligence collection.

Today, an enterprise-wide intelligence program is absolutely essential. The threats to the homeland are not contained by geographic boundaries and often do not fall neatly into investigative program categories. Consequently, threat information has relationships and applicability that crosses both internal and external organizational boundaries. Counter-terrorism efforts must incorporate elements from -- and contribute toward -- counter-intelligence, cyber, and criminal programs. In order to respond to this changing threat environment, we are building our capabilities to fuse, analyze and disseminate our related intelligence, and to create collection requirements based on our analysis of the intelligence gaps about our adversaries.

We have created an Office of Intelligence within the FBI to establish and execute standards for recruiting, hiring, training, and developing the intelligence analytic workforce, and ensuring that analysts are assigned to operational and field divisions based on intelligence priorities. We also established a new position, the Executive Assistant Director for Intelligence (EAD-I), who joins the three other Executive Assistant Directors in the top tier of FBI management. We have hired an intelligence expert with 25 years of experience in the Intelligence Community to serve in this position which is responsible for managing the national analytical program and for institutionalizing intelligence processes in all areas of FBI operations.

We have established a formal requirements process for identifying and resolving intelligence gaps. This will allow us to identify key gaps in our collection capability that must be filled through targeted collection strategies.

Finally, in order to ensure that FBI-wide collection plans and directives are incorporated into field activities, all field offices have established a Field Intelligence Group (FIG). The FIG is the centralized intelligence component in each field office that is responsible for the management, execution, and coordination of intelligence functions. FIG personnel gather, analyze, and disseminate the intelligence collected in their field office.

Field offices will also support the "24-hour intelligence cycle" of the FBI by employing all appropriate resources to monitor, collect, and disseminate threat information, investigative developments (e.g. urgent reports), and other significant raw intelligence to meet the executive information needs of the field offices, other field offices, FBI Headquarters, Legal Attachés, and other federal or state and local agencies.

If our Intelligence Program is to succeed, we must continue to build and strengthen our intelligence workforce. Our efforts to recruit, hire, and train agents and analysts with intelligence experience began shortly after September 11, 2001. In 2003 and in early 2004, we have also taken steps to enhance the stature of intelligence and analysis within the FBI and to provide career incentives for specialization in these areas. To ensure that our intelligence mission is carried out, we revised field office and program inspections and agent and management evaluations to make it clear that developing and disseminating intelligence is the job of every office and agent.

Mr. Chairman, my prepared statement provides additional details about the many enhancements to our intelligence program to include increased training, targeted hiring, creation of a College of Analytical Studies, establishment of career tracks for Agents who devote their careers to intelligence, and improvements to our information technology. In the interest of time, Mr. Chairman, I will conclude at this point and respond to any questions the Committee may have. Thank you again for the opportunity to be here today.