

STATEMENT OF ERIC H. HOLDER JR.
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BEFORE THE UNITED STATES SENATE

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON COMMERCE, JUSTICE, SCIENCE, AND RELATED
AGENCIES

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Good morning Chairwoman Mikulski, Ranking Member Shelby, and Members of the Subcommittee. Thank you for the opportunity to appear before you today to highlight areas of the President's Fiscal Year (FY) 2010 Budget for the U.S. Department of Justice (Department) and further discuss key priorities for the Department. I would also like to thank you for your support of the American Recovery and Reinvestment Act and the FY 2009 Omnibus Appropriations Act. I look forward to your continued support and appreciate your recognition of the Department's mission and the important work that we do.

The Department is responsible for defending the interests of the United States according to the law; ensuring public safety against threats both foreign and domestic; seeking just punishment for individuals who break the law; assisting our state and local partners; and ensuring fair and impartial administration of justice for all Americans. The Department's ability to meet its mission is dependent on funding that supports our operations and allows us to enhance our efforts in identified areas of need.

Today the President released the FY 2010 Budget which includes \$26.7 billion for the Department of Justice. This is a 3.8 percent increase over the FY 2009 appropriation. The Department's budget includes enhanced funding for: strengthening national security and intelligence programs; combating financial fraud; hiring additional police officers; enforcing civil rights; securing our Nation's borders; and expanding federal detention and incarceration programs. More specifically, the President's FY 2010 Budget request:

- ***Counters the Threat of Terrorism and strengthens National Security.*** The request provides \$7.9 billion for the Federal Bureau of Investigation (FBI), including \$480 million in enhancements and \$101 million for continued support of overseas contingency operations and \$88 million for the National Security Division (NSD), to address the President's highest priority: protecting the American people from terrorist acts. Funding supports the detection and disruption of terrorists, counterintelligence, cyber security, and other threats against our National Security.
- ***Provides funding to begin to put 50,000 more cops on the street.*** The request expands the COPS Hiring Grants, and includes funding to begin hiring 50,000 additional police officers. Supporting the hiring of police officers nationwide will help states and communities prevent the growth of crime during the economic downturn.

- ***Combats Financial Fraud.*** The request includes resources for additional FBI agents to investigate mortgage fraud and white collar crime and for additional Federal prosecutors, civil litigators and bankruptcy attorneys to protect investors, the market, the Federal Government's investment of resources in the financial crisis, and the American public.
- ***Reinvigorates Federal Civil Rights Enforcement.*** The request provides a total of \$145 million for the Civil Rights Division to strengthen civil rights enforcement against racial, ethnic, sexual preference, religious, gender, and other forms of discrimination.
- ***Strengthens Immigration Enforcement and Border Security.*** The request supports resources for a comprehensive approach to enforcement along our borders that combines law enforcement and prosecutorial efforts to investigate, arrest, detain, and prosecute illegal immigrants and other criminals. This initiative also enhances the Department's ability to track fugitives from justice, combat gunrunners and shut down illegal drug traffickers.
- ***Supports Federal Detention and Incarceration Programs.*** The request provides \$6.1 billion for the Bureau of Prisons and \$1.4 billion for the Office of the Detention Trustee to ensure that sentenced criminals and detainees are housed in facilities that are safe, humane, cost-efficient, and appropriately secure.
- ***Expands Prisoner Reentry Programs.*** The request includes \$114 million for prisoner reentry programs, including an additional \$75 million for the Office of Justice Programs to expand grant programs authorized by the Second Chance Act that provide counseling, job training, drug treatment, and other transitional assistance to former prisoners.

As I testified during my confirmation hearing earlier this year, I will pursue a very specific set of goals:

First, I will work to strengthen the activities of the federal government that protect the American people from terrorism. I will use every available tactic to defeat our adversaries, and I will do so within the letter and spirit of the Constitution. Adherence to the rule of law strengthens security by depriving terrorist organizations of their prime recruiting tools. America must be a beacon to the world. We will lead by strength, we will lead by wisdom, and we will lead by example.

Second, I will work to restore the credibility of a Department badly shaken by allegations of improper political interference. Law enforcement decisions and personnel actions must be untainted by partisanship. Under my stewardship, the Department of Justice will serve justice, not the fleeting interests of any political party.

Third, I will reinvigorate the traditional missions of the Department. Without ever relaxing our guard in the fight against global terrorism, the Department must also embrace its historic role in fighting crime, protecting civil rights, preserving the environment, and ensuring fairness in the market place.

In addressing these priorities over the next several years, I look to the continued support of this Subcommittee and Congress, as a whole, to ensure a systematic approach is implemented to target each one of the priorities outlined.

National Security: Counter-Terrorism Efforts since 9/11

Since the attacks of September 11, 2001, the highest priority of the Department has been to protect America against acts of terrorism. Despite repeated and sustained efforts by terrorists, there has not been another attack on American soil. The Department has improved significantly its ability to identify, penetrate, and dismantle terrorist plots as a result of a series of structural reforms, the development of new intelligence and law enforcement tools, and a new mindset that values information sharing, communication and prevention. Working with its federal, state, and local partners, as well as international counterparts, the Department has tirelessly worked to safeguard America.

The FBI has transformed its operations to better detect and dismantle terrorist enterprises - part of the FBI's larger emphasis on threat-driven intelligence. As part of this strategic shift, the FBI has overhauled its counterterrorism operations, expanded intelligence capabilities, modernized business practices and technology, and improved coordination with its partners.

All of the Department's law enforcement components, especially those involved in national security efforts need reliable wireless communication capabilities. The ability of law enforcement to adequately communicate is vital in emergency situations and for day-to-day operations. Inadequate radio systems put our agents' lives, as well as those of the public, at risk. On average, the current Department radio systems are between 15 and 20 years old. The Integrated Wireless Network (IWN) Program is an interagency effort to provide secure, interoperable wireless communications that support the missions of the federal agencies involved in this initiative. IWN will provide a range of secure and reliable wireless communications services, including voice, data and multimedia, to support federal law enforcement, homeland security, and first responder operations. IWN will implement solutions to provide federal agency interoperability with appropriate links to state, local and tribal public safety and homeland security entities. IWN will be deployed incrementally across the country by 2014.

Southwest Border Violence

Several weeks ago, this Subcommittee held hearings with Special Agents in Charge of the Drug Enforcement Administration (DEA) and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF); and then with Acting DEA Administrator Michele Leonhart. These hearings provided you critical information on the Department's efforts to address this issue. I will not attempt to summarize what took place during the previous hearings regarding this matter, but I will highlight some of the work the Department has engaged in recently to address southwest border violence.

Illegal immigration and border security continue to be paramount concerns for the United States and the Department. The Southwest Border in particular is a vulnerable area for illegal immigration, drug trafficking, and the smuggling of illegal firearms. Implementing a comprehensive strategy involves collaboration and coordination at various levels of the government. Late last month, the Department announced increased efforts to be used in the fight against Mexican Drug Cartels. The Department, along with the Department of Homeland Security (DHS) and the Department of State, will invest \$700 million this year to enhance Mexican law enforcement and judicial capacity and work closely to coordinate efforts against the cartels through the Merida Initiative. The Department's coordination will include the FBI, DEA, ATF, U.S. Marshals Service (USMS) and the Criminal Division, who will work to investigate and prosecute cartel members for their illegal activities in the United States and with law enforcement colleagues to disrupt the illegal flow of weapons and bulk cash to Mexico.

The Mexican Cartel Strategy will allow the Department to commit 100 ATF personnel to the Southwest Border to supplement our ongoing Project Gunrunner, DEA will add 16 new positions on the border, as well as newly reconstituted Mobile Enforcement Teams, and the FBI is creating a new intelligence group that will focus on kidnapping and extortion. DHS is making similar commitments regarding southwest border resources. In addition, I have met with Secretary Napolitano to discuss increased coordination on various matters between the Department of Justice and DHS.

The Mexican Cartel Strategy is being led by Deputy Attorney General David Ogden. This strategy uses federal prosecutor-led task forces that bring together federal, state and local law enforcement agencies to identify, disrupt and dismantle the Mexican drug cartels through investigation, prosecution, and extradition of their key leaders and facilitators, and seizure and forfeiture of their assets. The Department is increasing its focus on investigations and prosecutions of the southbound smuggling of guns and cash that fuel the violence and corruption and attacking the cartels in Mexico itself, in partnership with the Mexican Attorney General's Office and the Secretariat of Public Security.

Earlier this month I, along with other U.S. government officials, attended the Mexico/United States Arms Trafficking Conference in Cuernavaca, Mexico. This was my first foreign trip as Attorney General. My attendance at this conference reflects my commitment to continuing this fight against the drug cartels. The United States shares the responsibility to find solutions to this problem and we will join our Mexican counterparts in every step of this fight.

Implementing the President's Executive Orders to Close Guantanamo

On January 22nd, President Obama issued three Executive Orders and a Presidential Memorandum that gave significant responsibility to the Department. These Orders, which are clearly important Presidential initiatives, require immediate interagency action to:

- review and effect the appropriate disposition of individuals currently detained by the Department of Defense at the Guantanamo Bay Naval Base;
- develop policies for the detention, trial transfer, release, or other disposition of individuals captured or apprehended in connection with armed conflicts and counterterrorism operations;
- study and evaluate current interrogation practices and techniques and, if warranted, recommend additional or different guidance;
- and review the detention of Ali Saleh Kahlah al-Marri.

The Department has begun implementing these Orders and the Memorandum. I have appointed an Executive Director to lead the Task Force on Review of Guantanamo Bay Detainees. I have also named two officials to lead the Task Force Reviews on Interrogation and Detention Policy.

The Guantanamo Detainee Review Task Force is responsible for assembling and examining relevant information and making recommendations regarding the proper disposition of each individual currently detained at Guantanamo Bay. The Task Force will consider whether it is possible to transfer or release detained individuals consistent with the national security and foreign policy interests of the United States; evaluate whether the government should seek to prosecute detained individuals for crimes they may have committed; and, if none of those options are possible, the Task Force will recommend other lawful means for disposition of the detained individuals.

The Special Task Force on Interrogation and Transfer Policies is charged with conducting a review to determine whether the Army Field Manual interrogation guidelines, when employed by departments or agencies outside the military, provide an appropriate means of acquiring the intelligence to protect the nation, and whether different or additional interrogation guidance is necessary. This task force is also responsible for examining the transfer of individuals to other nations to ensure that such practices comply with all domestic and international legal obligations and are sufficient to ensure that such individuals do not face torture or inhumane treatment.

The Special Task Force on Detention Policy is charged with conducting a review of the lawful options available to the federal government for the apprehension, detention, trial, transfer, release or other disposition of individuals captured or apprehended in connection with armed conflicts and counterterrorism operations.

The Presidential Orders and the Memorandum require me to coordinate or co-chair each of these interagency activities. These task forces also involve other Departments and agencies, including the Secretaries of Defense, State, Homeland Security, the Director of National Intelligence, the Director of the Central Intelligence Agency, the Chairman of the Joint Chiefs of Staff and other officials.

While implementing these Orders the Department will take necessary precautions to ensure decisions regarding Guantanamo detainees account for safety concerns of all

Americans. Executing these orders will have a significant workload and cost impact on the Department and this budget reflects that need.

Federal and State Partnerships Targeting Foreclosure Scams and Loan Modification Fraud

As many Americans face the adverse affects of a devastating economy and an unstable housing market, the Administration announced a new coordinated effort across federal and state government and the private sector to target mortgage loan modification fraud and foreclosure rescue scams. These fraudulent activities threaten to hurt American homeowners and prevent them from getting the help they need during these challenging times. The new effort aligns responses from federal law enforcement agencies, state investigators and prosecutors, civil enforcement authorities, and the private sector to protect homeowners seeking assistance under the Administration's Making Home Affordable Program from criminals looking to perpetrate predatory schemes.

The Department, in partnership with the U.S. Department of Treasury, the Department of Housing and Urban Development (HUD), the Federal Trade Commission (FTC) and the Attorney General of Illinois, will coordinate information and resources across agencies to maximize targeting and efficiency in fraud investigations, alert financial institutions to emerging schemes and step up enforcement actions. As part of this multi-agency effort, the Department has outlined ways to crack down on mortgage fraud schemes. The FBI is investigating more than 2,100 mortgage fraud cases. This number is up almost 400 percent from five years ago. The Bureau has more than doubled the number of agents investigating mortgage scams, created a National Mortgage Fraud Team at Headquarters, and is working hand-in-hand with other partnering agencies.

In addition to focusing on fraudulent scams, I am committed to ensuring that homeowners who may be having difficulty making their mortgage payments do not experience discrimination and can benefit in equal measure from legitimate loan modification programs and other federal programs to provide mortgage assistance and stabilize home prices. Lending discrimination prevents those who are discriminated against from enjoying the benefits of access to credit, including reasonable mortgage payments, so they can stay in their homes and provide much needed stability for their neighborhoods.

Discrimination in lending on the basis of race, national origin, or other prohibited factors is destructive, morally repugnant, and against the law. We will use the full range of our enforcement authority to investigate and prosecute this type of unacceptable lending discrimination.

Unified Financial Management System

Lastly, the Department continues to address ways to improve work efficiency and productivity. One important and complex effort in the Department's management arena is the implementation of the Unified Financial Management System (UFMS). Once fully

implemented, UFMS will result in more accurate, timely and useful financial information that can better support management decisions and actions. UFMS will also enhance the Department's accountability, accuracy, and transparency as it relates to financial performance, internal controls, and standard business practices. Significant achievements and progress have been made on UFMS, and details of our future plans are provided in our Congressional request.

UFMS is a critical element in the long-term health of the Department's financial operations and we look forward to working with the Subcommittee as we move forward with UFMS implementation.

Conclusion

Chairwoman Mikulski, Senator Shelby, and Members of the Subcommittee, I want to thank you for this opportunity to discuss my priorities for the Department.

Today I have highlighted critical areas that require attention and resources so that the Department can fulfill its mission to enforce the Nation's laws and help protect national security. I hope you will support me in these worthy investments. As always, we are aware that there are tough decisions and challenges ahead and I look forward to working with you as we move forward.

Once again, thank you for inviting me here today. I am pleased to answer any questions you might have.