

**STATEMENT OF ROBERT S. MUELLER, III
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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, Madam Chairwoman Mikulski, Ranking Member Shelby, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the President's FY 2010 budget for the Federal Bureau of Investigation (FBI). I would also like to thank you for your continued oversight of the Bureau and for your efforts to ensure our success as we pursue the shared goal of making America safer.

As you are aware, the FBI celebrated its 100th Anniversary this past July. When the FBI was created in 1908, we had 34 investigators and a budget of about \$6 million. Now, the budget request before you today includes over 30,000 employees and over \$7 billion. Among the factors in this increased budget is the substantial growth in the FBI's mission over the past 100 years. We have gone from investigating gangsters and spies to terrorists and cyber intrusions. After the attacks of September 11, 2001, the FBI's priorities shifted dramatically as we charted a new course, with national security at the forefront of our mission. The intervening eight years have seen significant changes at the FBI, and we have made remarkable progress. Today, the FBI is a stronger organization, combining greater capabilities with a longstanding commitment to the security of the United States, while at the same time upholding the Constitution and the rule of law and protecting civil liberties.

2010 BUDGET REQUEST

The FY 2010 budget for the FBI totals 32,883 positions and \$7.9 billion, including program increases of 1,389 new positions (407 Special Agents, 321 Intelligence Analysts, and 661 Professional Staff) and \$581.1 million. These resources are critical for the FBI to perform its national security, criminal law enforcement, and criminal justice services missions. Most importantly, the additional funding requested will continue to build upon our on-going efforts to integrate and fortify our intelligence and law enforcement activities.

Last year, at the urging of Congress and other oversight entities, the FBI altered its budget strategy to identify key end-state capabilities based on current and anticipated future national security and criminal investigative threats. This capabilities-based approach to planning ensures that the FBI possesses the capabilities and capacities necessary to address these threats. The FBI's 2010 budget strategy builds upon both current knowledge of threats and crime problems and a forward look to how terrorists, foreign agents and spies, and criminal adversaries are likely to adapt tactics and operations in a constantly evolving and changing world. This forward look helps inform and determine the critical operational and organizational capabilities the FBI must acquire to remain vital and effective in meeting future threats and crime problems.

The FBI is continuing to refine the definition of end-state capabilities, including appropriate “metrics,” as requested by the Appropriations Committees.

The FBI continues to align its budget with the Strategy Management System (SMS) to ensure new resources are tied to our strategic vision and goals. Through the SMS, the FBI has struck an appropriate balance between its national security and criminal missions, and between short-term tactical efforts and longer-term strategic initiatives. The 2010 budget builds upon the initiatives delineated in last year’s budget and will focus on five critical topics.

I will highlight some key FBI topics below.

INTELLIGENCE

Over the past few years, the FBI has taken several steps to transform its intelligence program. Most recently, the FBI has been working to examine how we could accelerate this transformation and identify areas where we should focus our efforts. We established a Strategic Execution Team (SET), comprised of both headquarters and field personnel, to help us assess our intelligence program, evaluate best practices, decide what works and what doesn’t work, and then standardize operations across the Bureau.

With the guidance of the SET, we restructured our Field Intelligence Groups (FIGs), so they can better coordinate with each other, with street agents, and with analysts and agents at FBI headquarters. Drawing from the best practices that were identified, we have developed a single model under which all FIGs will function to increase collaboration between intelligence and operations, and to provide accountability for intelligence gathering, analysis, use, and production. The model can be adjusted to the size and complexity of small, medium, and large field offices.

This consistent process better allows us to share intelligence with our partners in more than 18,000 law enforcement agencies around the country. We also collaborate closely with our international counterparts. And as the world continues to shrink and threats continue to migrate across borders, it is more important than ever for the FBI to be able to develop and disseminate information that will assist our partners.

We have already implemented these recommendations in 24 of our field offices, and anticipate full rollout to the remaining field offices by December.

I cannot emphasize enough that targeted intelligence-gathering takes time, and requires patience, precision, and dedication. It also requires a unity of effort both here at home and with our partners overseas. Intelligence enables us to see the unseen and to discover new threats on the horizon. Yet even the best intelligence will not provide complete certainty, given the nature and number of threats we face.

The FY 2010 budget includes 480 positions (41 Special Agents, 279 Intelligence Analysts, and 160 Professional Staff) and \$70.0 million to bolster the FBI’s intelligence program. These resources will, over time, enable the field offices and headquarters to better

leverage investigative and analytic capabilities to develop and maintain a common understanding of the threat issues they currently face. Moreover, these requested resources will allow us to better identify emerging threats, assess those threats, and act against them.

CYBER

Protecting the United States against cyber-based attacks and high-technology crimes is one of the FBI's highest priorities. In 2002, we created the Cyber Division to handle all cyber-security crimes. Today, our highly trained cyber agents and analysts investigate computer fraud, child exploitation, theft of intellectual property, and worldwide computer intrusions.

The threat of cyber-related foreign intelligence operations to the U.S. is rapidly expanding. The number of actors with the ability to utilize computers for illegal, harmful, and possibly devastating purposes continues to rise. Cyber intrusions presenting a national security threat have compromised computers on U.S. Government, private sector, and allied networks. The FBI is in a unique position to counter cyber threats as the only agency with the statutory authority, expertise, and ability to combine counterterrorism, counterintelligence, and criminal resources to neutralize, mitigate, disrupt, and investigate illegal computer-supported operations domestically. The FBI's intelligence and law enforcement role supports response to cyber events at U.S. government agencies, U.S. military installations, and the private sector. Because of this, the FBI has partnered with other Intelligence Community and Law Enforcement partners with complementary missions to establish the National Cyber Investigative Joint Task Force (NCIJTF). The task force is a collaborative environment and was designed to identify, mitigate, disrupt, and investigate cyber threats. Within the operation of the NCIJTF, the FBI serves in a leadership, management, and operational role. In this capacity, the FBI is not the sole owner of operational activities, allowing operations to be conducted under the leadership of other member agency's authorities. The FBI's FY 2010 budget includes 260 positions (107 Special Agents, 42 Intelligence Analysts, and 111 Professional Staff) and \$61.2 million to ensure the FBI has the technological infrastructure to conduct investigations and to turn seized network information into actionable intelligence products that can be used across the Intelligence Community to allow the government to move from a reactive to a proactive cyber attack response.

CRIMINAL

As you know, the current financial crisis has taken its toll on the U.S. financial markets and the American Public. A portion of this crisis is due to fraud and faulty accounting practices. The FBI has led and taken part in these types of investigations before. If you will recall, the FBI investigated the Savings and Loan (S&L) Crisis of the 1980s, which crippled our economy, and also led the Enron investigation. Many of the lessons learned and best practices from our work during the past decade will clearly help us navigate the expansive crime problem currently taxing law enforcement and regulatory authorities.

The FBI currently has approximately 250 Agents addressing the crisis that could result in over \$1 trillion in losses, including losses due to fraud and other criminal activities. Last year alone, financial institutions wrote off over \$500 billion due to losses associated with the sub-prime mortgage industry. With the passage of recent legislation that includes billions of dollars

being infused into the U.S. economy, including the Housing and Economic Recovery Act (HERA), the Emergency Economic Stabilization Act of 2008, the Troubled Asset Relief Program (TARP), and other asset relief programs, we anticipate an increase in fraud. In addition to the agents that are currently on board, the FBI's 2010 budget includes 143 new positions (50 Special Agents and 93 Professional Staff) and \$25.5 million to assist the FBI in combating mortgage and corporate fraud.

We also face significant challenges with regard to violent gangs, a nationwide plague that is no longer relegated to our largest cities. Since 2001, our violent gang caseload has more than doubled, and in FY 2008 alone increased by 273 percent. These cases resulted in over 7,792 arrests, 2,839 convictions, 716 disruptions of violent gang activity, and 59 dismantlements of neighborhood gangs in FY 2008.

As discussed in the 2009 National Gang Threat Assessment, produced by our National Gang Intelligence Center and the National Drug Intelligence Center, gangs are increasingly migrating from urban to suburban and rural areas and are responsible for a growing percentage of crime and violence in many communities. In addition, much of the gang-related criminal activity involves drug trafficking. We routinely work with our state and local partners to combat this pervasive threat, including over 140 Safe Streets Violent Gang Task Forces across the country dedicated to identifying, prioritizing, and targeting violent gangs. Task forces are extremely important in making the best use of available resources, and are used as a force multiplier to increase productivity and avoid duplication.

TECHNOLOGY

Although the FBI's information technology systems have presented some of our greatest challenges, they have also resulted in some of our most significant improvements in the past eight years. The FBI has made substantial progress in upgrading its information technology capabilities to help us confront current threats and mission needs. Technology is the cornerstone to fulfilling the FBI mission as well as creating efficiencies for both FBI personnel and our Intelligence and Law Enforcement Community partners. Leveraging technology will allow the FBI to provide forensic, analytical, and operational technology capabilities to FBI investigators and analysts, law enforcement officers, and the Intelligence Community. Without enhanced resources to invest in applied research, development, knowledge building, testing, and evaluation, the FBI will not be able to take advantage of emerging technologies or adapt to a constantly changing and evolving threat and operational environment.

Although I have hired a new Chief Information Officer, Chad Fulgham, our priorities have not wavered. As you are aware, the FBI has dedicated significant effort towards Sentinel, a case management system that will revolutionize the way the FBI does business. Sentinel will be a fully automated, web-based case management system designed to support both our law enforcement and intelligence mission. The system, when completed, will help the FBI manage information beyond the case focus of existing systems, and will provide enhanced information sharing, search, and analysis capabilities. Sentinel will also facilitate information sharing with members of the law enforcement and intelligence communities. Phase I of Sentinel was deployed Bureau-wide in June 2007. Phase II is being developed in increments, with the first

segment to be delivered this April and continuing throughout the summer. The remaining phases will deliver additional capability through the end of development, in summer 2010.

The FBI is one of the few agencies that operate on three enclaves – unclassified, Secret, and Top Secret. We are continuing to deploy UNet, our unclassified Internet-connected system, to field offices nationwide. When complete, we anticipate approximately 39,000 UNet workstations will have been deployed to all FBI locations. We are also continuing the rollout of Blackberries to all agents, analysts and other critical professional support employees. This has provided these individuals with the ability to conduct their daily operational duties in the field without being chained to a desk. Their blackberry provides them with access to critical Sensitive but Unclassified applications they would normally access at their desks, such as email, Internet, the National Crime Information Center (NCIC), the Department of Motor Vehicles, etc. We are also continuing the technical refreshment of our Secret workstations, where most FBI employees conduct their day-to-day business. In addition, we continue to deploy SCION, our Top Secret network, to headquarters and field offices around the country. Strengthening these information technology programs allow us to communicate with our law enforcement and intelligence community partners in real-time.

We are also in the midst of developing the Next Generation Identification (NGI) system. NGI will expand the FBI's Integrated Automated Fingerprint Identification System beyond fingerprints to advanced biometrics. It will also produce faster returns of information, enabling law enforcement and counterterrorism officials to make tactical decisions in the field. Criminals ranging from identity thieves to document forgers to terrorists are taking advantage of modern technology to shield their identities and activities. This trend will only accelerate. Our new system will improve fingerprint identification capabilities, and as it becomes cost-effective, additional biometric data from criminals and terrorists. It will give us - and all our law enforcement and intelligence partners – faster capabilities that are more accurate and complete.

We are also building a Biometrics Technology Center, a joint facility with the Department of Defense's (DoD) Biometrics Fusion Center, which will serve as the center for biometric research and development. This facility will advance centralized biometric storage, analysis, and sharing with state and local law enforcement, DOD, and others. The FBI is currently working with the DoD in theater in Iraq and Afghanistan to collect and search biometrics information. This effort has shown the critical role emerging biometric technology has played in the war on terror. Information collected in Iraq and Afghanistan is transmitted via mobile biometric devices to global databases at the FBI Criminal Justice Information Services Division main facility, which houses the largest centralized collection of biometric information in the world. This biometric information is searched and matching results are relayed to units back in the field to assist in their operations and investigations. The FY 2010 budget includes \$97.6 million in our construction account to move the construction phase of this project forward.

The FBI must also keep pace with evolving technology. Currently, all wireless carriers in the United States are upgrading their networks to 3rd Generation wireless technology. This upgrade will radically transform voice, internet, email, short message service, multimedia services and any future services from circuit-switched data to packet transferred data. The FBI, along with the rest of the Intelligence Community, has created a Joint Wireless Implementation

Plan, which will allow us to provide the field with advanced tools and technologies as well as provide adequate training on the use of duly authorized wireless intercept and tracking tools. The FY 2010 budget includes \$20.5 million to assist us in keeping abreast of this cutting edge technology and the ability to counter the technology posed by our adversaries.

INFRASTRUCTURE

Critical to the success of the FBI's mission are safe and appropriate work environments. Since September 11, the FBI's workforce has grown substantially. While the FBI has made considerable effort to hire quality personnel, provide the necessary training, and properly equip these new personnel, much of the FBI's infrastructure has not kept pace. For example, the FBI continues to work to provide secure work environments for handling classified information and computers and other technology. In particular, there are two construction projects that are critical to the FBI's mission which are included in the FY 2010 request.

The FBI Academy, in Quantico, VA was built in 1972, and has not undergone major renovation or upgrade since, aside from the addition of a dorm in 1988. The Academy is home to new Agents for the first 21 weeks of their FBI career; is the setting for new Intelligence Analyst training; houses the National Academy, which is a professional course for U.S. and international law enforcement officers to raise law enforcement standards, knowledge and cooperation worldwide; is the venue for the FBI's Leadership Development Institute, which provides leadership development education to FBI employees; and is the locale for various other FBI training opportunities. The Academy is continuously operating at maximum capacity, which leaves little opportunity for both scheduled and unscheduled renovation – a necessity due to the age of the Academy. The FY 2010 budget includes \$10 million for an Architectural and Engineering (A&E) study, which will help us determine the full scope of renovations/construction necessary.

In addition, we are in dire need of a Central Records Complex (CRC), which will consolidate and digitize FBI records now dispersed among 265 FBI locations worldwide. The CRC will enable us to efficiently locate and access all of our records quickly, thus allowing us to more effectively process name checks, as well as provide critical case and administrative data that can be used for intelligence and investigative purposes. The FY 2010 budget includes \$9 million to prepare these records to be universally-searchable, accessible, and useful intelligence and investigative tools prior to relocation to the CRC.

CONCLUSION

Chairwoman Mikulski, I would like to conclude by thanking you and this Committee for your service and your support. Many of the accomplishments we have realized during the past eight years are in part due to your efforts and support through annual and supplemental appropriations. Unlike the FBI of 1908, today's FBI is much more than a law enforcement organization. The American public expects us to be a national security organization, driven by intelligence and dedicated to protecting our country from all threats to our freedom. For 100 years, the men and women of the FBI have dedicated themselves to safeguarding justice, to upholding the rule of law, and to defending freedom. As we look back on the past 100 years, we

renew our pledge to serve our country and to protect our fellow citizens with fidelity, bravery, and integrity for the next 100 years, and beyond.

From addressing the growing financial crisis to mitigating cyber attacks and, most importantly, to protecting the American people from terrorist attack, you and the Committee have supported our efforts. On behalf of the men and women of the FBI, I look forward to working with you in the years to come as we continue to develop the capabilities we need to defeat the threats of the future.