



U.S. Department of Justice

Federal Bureau of Investigation

Office of the Director

Washington, D.C. 20535-0001

February 1, 2013

The Honorable Barbara A. Mikulski
Chairwoman
Senate Appropriations Committee
United States Senate
Washington, DC 20535

Dear Chairwoman Mikulski:

I am writing in response to your letter dated January 18, 2013, requesting the impact of sequestration on the Federal Bureau of Investigation's (FBI) operations, employees, contractors, and state and local economies where the FBI operates. In short and in sum, sequestration will require immediate and significant reductions to the FBI and to its operations. Because sequestration calls for across-the-board cuts, the FBI would be required to do less in all its programs, including against Al Qaeda and its affiliated groups, as well as the growing and sophisticated threats from cyber attacks, foreign intelligence, and national and transnational criminal activities.

First, sequestration would have the net effect of cutting 2,285 employees – including 775 agents – through furloughs and a hiring freeze. Every FBI employee would be furloughed for 14 workdays, nearly three full weeks. By the end of the fiscal year, this translates to approximately 7,000 FBI employees not working each day. (For individual FBI employees, this would mean a 12 percent cut in pay over the 5-month period from May to September.) The hiring freeze would result in 2,275 vacant positions at the end of the year, including 350 Special Agents, 275 Intelligence Analysts, and 1,650 professional support staff, including forensic and computer scientists, electronic engineers and technicians, contracting officers, police officers, and victim specialists. The hiring freeze would also have lasting effects beyond the immediate loss of new employees because, for instance, extensive background checks and Top Secret security clearance requirements would keep the FBI from immediately hiring new personnel at the conclusion of the freeze. To put these numbers in perspective, the loss of work years from the furloughs and hiring freeze required by sequestration is the equivalent of shutting down three of the FBI's largest Field Offices – Chicago, Miami, and Baltimore.

Second, sequestration would require us to eliminate and/or reduce joint task forces and other partnerships with other federal, state, and local law enforcement. Federal, state, and local law enforcement have long relied on federal task forces as a means to share information and as force multipliers in the fight against terrorism and violent crime. Joint task forces would be required to do less.

The Honorable Barbara A. Mikulski

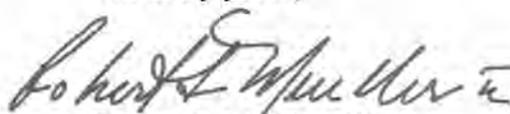
Third, sequestration would reduce the FBI's delivery of criminal justice services, including forensic and computer support that is often critical to cases involving child pornography and related trafficking in women and children. Critical civil services – including the timely completion of checks by the National Instant Criminal Background Check System (NICS) of persons seeking to purchase firearms – would also be affected. As you know, NICS is the national mechanism for licensed gun dealers to determine whether a person is prohibited from possessing a firearm (for instance, a convicted felon) at the point of purchase. When more than three days lapse after a dealer contacts NICS and NICS has not provided a determination to the dealer, the dealer is authorized by law to transfer the firearm without a final NICS determination.

Finally, it is important to understand that under the terms of the Continuing Resolution, the FBI is already operating on funding levels below the amount needed to maintain current services in FY 2013. Critical investments proposed by the Administration to address the growing cyber threat and other key initiatives remain unfulfilled. Sequestration adds over \$550 million to the operational shortfalls that already exist under the Continuing Resolution. The combined effects of the Continuing Resolution and sequestration would undercut the investments made by Congress in previous years to transform and build the FBI's national security, intelligence, and criminal investigative capabilities and capacities commensurate with the threats facing the Nation.

Enclosed are descriptions of specific program impacts. As outlined above and in the enclosure, sequestration will reduce the FBI's ability to keep communities safe from national security and criminal threats. We cannot afford to let our guard down in this way.

If you or your staff has any other specific questions about the impact of sequestration, please feel free to contact the FBI's Chief Financial Officer, Richard L. Haley II, at (202) 324-1345.

Sincerely yours,



Robert S. Mueller, III
Director

Enclosure

ATTACHMENT
Impacts of Sequestration by FBI Program

Sequestration will require immediate and significant reductions to the FBI's operations. Foremost, sequestration would have the net effect of cutting 2,285 employees through furloughs and a hiring freeze. Accordingly, the FBI would be required to do less. The programs potentially affected include:

National Security

- Cyber-intrusion and other computer-crime capabilities and initiatives would be impacted by a lack of personnel with the specialized skills and knowledge needed to investigate such incidents, the inability to acquire advanced technology used to analyze vast volumes of data and information that enables investigators to identify and trace individuals responsible for attacks, the inability to acquire contractor expertise to assist investigators, and the inability to develop and deploy tools to assist investigators and analysts in detecting and defeating new cyber-based threats and attacks.
- Counterterrorism operations and investigations would be impacted by the loss of investigative, intelligence, and other personnel needed to identify and assess individuals with known or suspected terrorist ties. Further, the FBI's ability to proactively penetrate and disrupt terrorist plans and groups prior to an attack would be impacted. High priority investigations would stall as workload is spread among a reduced workforce. Overseas operations would be substantially scaled back, including in-theater support in Afghanistan where U.S. military and coalition operations rely on FBI investigative and forensic programs.
- Translation of time-sensitive conversations intercepted in compliance with court orders and other materials would be delayed, potentially resulting in missed opportunities to identify and disrupt operations being carried out or planned. Backlogs of materials requiring translation and unprocessed raw intelligence would grow.
- State and local law enforcement participation in Joint Terrorism Task Forces and Field Intelligence Groups would be reduced due to funding constraints, resulting in less sharing of threat and intelligence information among agencies. Some Joint Terrorism Task Forces may be eliminated.
- Response times at the Terrorist Screening Center and the Foreign Terrorist Tracking Task Force would increase due to lack of personnel, potentially allowing individuals on watch lists to gain entry to the United States.
- Timely deployment of FBI Render Safe capabilities and resources – a critical component to the integrated U.S. response in the event of a domestic WMD incident – would be negatively impacted due to furloughs and inability to conduct replacement hiring of WMD specialists. Maintenance of operational capabilities and readiness would be affected by reduced funding for training and exercises.

- U.S. classified information and national defense information would be more vulnerable to compromise by foreign intelligence operations due to reduced counterintelligence staffing and operational capability. Proactive initiatives to create and maintain counterintelligence awareness would be reduced in scope.
- Deployment of sophisticated – but labor intensive – surveillance and digital forensic techniques will be reduced, resulting in missed opportunities to collect and analyze intelligence information on high priority national security targets. The number of unaddressed surveillance requests would grow and the FBI’s surge capability for 24/7 coverage would diminish.
- Reliability and availability of specialized operational technology systems and equipment will be more susceptible to break-down due to lack of maintenance and replacement of components.

Criminal Investigations

- Sequestration will cause current financial crimes investigations to slow as workload is spread among a reduced workforce. In some instances, such delays could affect the timely interviews of witnesses and collection of evidence. The capacity to undertake new major investigations will be constrained. Left unchecked, fraud and malfeasance in the financial, securities, and related industries could hurt the integrity of U.S. markets. In addition, the public will perceive the FBI as less capable of aggressively and actively investigating financial fraud and public corruption, which would undercut the deterrence that comes from strong enforcement.
- Sequestration will impede violent crime investigations as FBI-funded task forces such as Innocent Images, Safe Streets, and Safe Trails will need to be curtailed and/or eliminated. Such Task Forces successfully leverage limited federal/state/local/tribal resources. As a result, less information will be shared and in a less timely fashion among agencies, and agencies are more likely to duplicate effort as they work on common crime problems individually – rather than collaboratively. Identification and arrest of traffickers and producers of child pornography would be affected by a lack of resources, with the potential consequence of child victims being victimized for longer periods. On-going efforts and initiatives to curtail the sexual exploitation and trafficking of minors and women would be stymied by fewer Special Agents and Intelligence Analysts. State, local, and tribal law enforcement agencies will not be able to fill the void created by the loss of FBI funding, staffing, and intelligence.
- By reducing the number of Special Agents, Intelligence Analysts, and other FBI personnel focused on crime and corruption along the Southwest Border, sequestration will increase the risk of harm from violent crimes committed by Mexican Drug Trafficking Organizations affecting the United States. Fewer FBI resources will be available to deploy against public corruption threats in the Southwest Border region that only the FBI is positioned to address.

- Regional Computer Forensic Laboratory (RCFL) operations will be reduced and/or eliminated. Digital evidence extracted from computers, cellular telephones, removable storage media, and other devices has become more common and more critical to investigations at the federal, state, and local levels. RCFLs are joint FBI/state/local partnerships aimed at exploiting such evidence and items. The RCFL partnership is more cost-effective for state and local participants due to the high cost of establishing, operating, maintaining and staffing individual computer forensic laboratories. The loss of funding to operate and maintain RCFLs would shift the burden of computer forensics to state and local agencies which often do not have sufficient numbers of trained personnel, nor access to necessary examination tools and technology, to conduct their own computer forensic analyses.

Criminal Justice Services

- Timely processing and searching of National Instant Criminal Background Check System (NICS) requests for purchases of firearms would be affected by sequestration. On average, approximately 43,500 NICS searches are performed daily. The Brady Act requires the NICS checks to be completed in three business days or the Federal Firearms Licensee (FFL) can legally transfer the firearm to a purchaser – without a final NICS determination. The FBI is also mandated to provide an immediate determination no less than 90% of the time. Delays in processing and adjudicating NICS requests increases the risk of firearms being transferred to a convicted felon or other prohibited person which, in turn, would have a significant detrimental effect on public and law enforcement safety at a time when the NICS workload is expanding.
- Sequestration could negatively impact the timeliness of FBI criminal justice services depended upon by the Nation's law enforcement and criminal justice communities. On a daily basis, police and sheriff agencies query the National Crime Information Center (NCIC) approximately 8 million times for traffic stops, investigations, and related activities. Access to, and reliability of, NCIC could be impacted by lack of hiring for the Criminal Justice Information Services program, loss of contractor support staff, and the inability to provide routine maintenance and replacement of system hardware.
- The capacity of the FBI to receive and process nearly 51 million checks of electronic and paper-based fingerprints submitted by state and local law enforcement to the Integrated Automated Fingerprint Identification System (IAFIS) could be similarly impacted by lack of staff hiring, loss of contractor support, and the inability to provide routine maintenance and replacement of system hardware. As a result, criminals using false identities may go undetected or be released due to lack of a timely response. Further, fingerprints and criminal history information submitted to the FBI are used for background checks to assist in determining the suitability of persons seeking employment as school bus drivers, child care providers, teachers, law enforcement, bank tellers, and security traders, among others. Increased system downtime could also affect the ability of the FBI to process such requests.

Operational Technology

- All FBI operations and investigations are dependent on technology. Sequestration would reduce funding available for operating and maintaining the FBI's existing operational technology, as well as acquiring upgrades and new technology needed to address evolving threats and to counter the growing and sophisticated technology capabilities of terrorist, cyber, intelligence, and criminal adversaries. Deferral of routine maintenance or replacement of components would result in operational technology systems and equipment that are subject to more frequent breakdowns – with the potential consequence of lost opportunities to collect critical evidence or intelligence. Without adequate funding for maintaining existing operational technology, or investing in new technology, the FBI will fall behind in its ability to address existing and new threats to U.S. national security and investigate violations of federal criminal laws.

Operational Infrastructure

- To perform its vital and critical national security and criminal investigative missions, the FBI operates and staffs a network of 56 major Field Offices and approximately 370 smaller resident agencies in communities across the U.S., as well as a criminal justice services complex, a training academy, an operational technology facility, and a forensic laboratory. Additionally, the FBI operates and staffs 63 Legal Attaché posts in U.S. embassies around the world. If reduced or closed, the loss of overseas Legal Attaché posts would reduce cooperation and collaboration among foreign law enforcement partners. Connecting these locations are specialized information technology and communications networks and systems. Appropriate security measures are employed to ensure the safety of FBI employees, other agency, and contractor personnel and the physical protection of FBI work sites.
- Sequestration will hinder the FBI's ability to successfully investigate computer intrusions in a timely manner through court-authorized electronic surveillance due to reductions that would impact the funding levels of these supporting efforts. In addition, a reduction would impact the FBI's operational infrastructure that handles evidence regarding malware and intrusions. This ability is essential for enabling collaborative analysis across the FBI in support of computer intrusion investigations.
- Reductions to the Information Technology budget due to sequestration would not only extend the technology refresh rate, which has been drastically reduced from prior offsets, but also would increase the FBI's risk of technological and operational disruptions, including system failure due to aging software and hardware.
- Due to already constrained IT budgets, 8- to 12-year old data storage devices on FBI Net recently failed in multiple Field Offices and Divisions. Specifically, the Lab Division experienced an outage for over two weeks and could not process evidence critical to FBI operations, resulting in a back-log of critical tasks and loss of work-hours. Reductions from sequestration would impede the FBI's ability to complete implementation of a

Centralized Tiered Storage solution, which addresses these operational gaps. Data storage, backup, and replication are critical to the FBI's ability to accomplish day-to-day missions.

- In addition to reducing the FBI's ability to fix critical IT infrastructure issues, sequestration reductions would require the elimination of some key support contracts. Without these support and maintenance services, the FBI's systems are subject to even greater risks in that they provide critical security patches and anti-virus software that safeguard systems and networks.
- Sequestration would impact the FBI's operational infrastructure. It may become necessary, over time, to consolidate and/or close field locations, reducing access to FBI services in some communities. Maintenance of physical facilities would be deferred, resulting in more costly repairs in the future. Reliability of information technology and communications networks could be affected by an inability to provide routine maintenance and replacement of equipment that becomes obsolete or broken.