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BEFORE THE
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AND GOVERNMENTAL AFFAIRS
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Good morning, Chairman Lieberman, Senator Collins, and members of the Committee. I appreciate the opportunity to be here today to discuss the terrorist threats facing our nation and the measures the FBI has undertaken to confront them.

It is appropriate that this hearing takes place on the eve of September 11. The horrendous events that took place six years ago tomorrow have changed forever the way we look at threats and how we respond to them. As painful as it is to recall, we cannot let the memory of that day fade. Rather, remembering it inspires us to greater efforts to protect the Homeland.

In response to those attacks – and to other acts and threats of terrorism – the FBI realigned its priorities – making counterterrorism, counterintelligence, and cybersecurity its top three priorities – and shifted resources to align with those priorities. Since 9/11, the FBI has set about transforming itself into a national security agency, expanding our mission, overhauling our intelligence programs and capabilities, and undergoing significant personnel growth. Indeed, the last six years have been a time of unprecedented change for the FBI.

Although we recognize that there is much more work to be done, we have made remarkable progress. Today, the FBI is a stronger organization, combining greater capabilities with our longstanding commitment to the security of the United States, while upholding the Constitution and protecting civil liberties.

Threats Facing the U.S. Homeland

As the July 2007 National Intelligence Estimate (NIE) on terrorist threats to the U.S. Homeland found, al-Qa'ida remains the most serious terrorist threat to the Homeland, and will continue as such for the foreseeable future. Although the United States and our partners have had successes in weakening al-Qa'ida's capabilities, the group continues to persist and evolve.

Al-Qa'ida has been resilient in rebuilding its leadership and creating new safe havens. The group's ability to recover from successful U.S. government efforts targeting its personnel and infrastructure and its mergers with regional groups, such as Iraq's Jama'at al-Tawhid wal-Jihad and the Algerian-based Salafist Group for Predication and Combat (GSPC), which became al-Qa'ida in Iraq and al-Qa'ida in the Islamic Maghreb, have created a more diffuse violent Islamic extremist threat that complicates the task of detecting and deterring plots against the Homeland.

As has been noted in many fora, the most serious threat to our security would result from terrorists acquiring Weapons of Mass Destruction, such as chemical, biological, radiological, and nuclear (CBRN) weapons. Such weapons could enable adversaries to inflict massive harm against Americans, our military forces at home and abroad, and our

friends and allies. The NIE assesses that al-Qa'ida will continue to try to acquire and employ CBRN material in attacks and would not hesitate to use them if it develops what it deems is sufficient capability.

Al-Qa'ida's message of violence has inspired followers around the world and is evidenced by its merger with the GSPC, which created AQIM. Following the merger, the GSPC, who used to focus on their own agendas, are now publicly declaring their allegiance to al-Qa'ida and may be more willing to assist al-Qa'ida in carrying out attacks against the Homeland. Al-Qa'ida is also inspiring individuals with no formal links to the group. The threat of homegrown terrorists or extremists, acting in concert with other like-minded individuals, or as "lone wolves," has become one of the gravest domestic threats we face.

In 2007, the FBI, working with our federal, state, and local partners, disrupted several attack plans that reflect the broader problem of the homegrown threat: On June 1, 2007, the United States Attorney's Office for the Eastern District of New York charged four individuals with conspiring to attack John F. Kennedy International Airport by planting explosives to blow up the airport's major jet-fuel supply tanks and pipeline. The leader of this group, U.S. citizen Russell Defreitas, was arrested by the FBI Joint Terrorism Task Force (JTTF) in New York City on June 1, 2007. On June 28, 2007, a six count indictment was returned charging Defreitas and three others with conspiracy to: attack a public transportation system; destroy buildings; attack aircraft and aircraft materials; destroy international airport facilities; and attack a mass transportation facility. The indictment also charges Defreitas and another with surveillance of a mass transportation facility.

On May 7, 2007, the FBI Philadelphia JTTF, in cooperation with state and local agencies, arrested six individuals, disrupting an alleged plot to attack Fort Dix, New Jersey. The group includes a Jordanian-born, naturalized U.S. citizen, Mohammed Shnewer. Also in the group were two legal resident aliens: Serdar Tatar, born in Turkey; and Agron Abdullahu, a Kosovar Albanian, who entered the United States as a refugee in 1999. Three Albanian brothers, Shain, Eljvir, and Dritan Duka – all of whom were born in Macedonia, and entered the country illegally – were also among those arrested. All except Abdullahu were charged with conspiracy to murder members of the uniformed services and other charges related to their plans to kill as many soldiers at the Army post as possible. Abdullahu was charged with aiding and abetting the Duka brothers.

As these cases illustrate, the diversity of homegrown extremists and the direct knowledge they have of the United States makes the threat they pose potentially very serious.

FBI Participation in the NIE Process

The FBI played an integral role in the drafting of the NIE, and concurs fully in its judgments. Based on those judgments, the FBI produced its yearly National Threat Assessment (NTA) for international terrorism, which is tailored to address the FBI's specific counterterrorism mission. This yearly assessment provides strategic warning of the most critical threats facing the U.S. Homeland, identifies critical intelligence gaps, and highlights emerging operational trends that require immediate collection and analysis to counter possible future threats. Furthermore, it helps shape our strategic response to identified threats.

FBI Response to Identified Threats

Fighting terrorism is a team effort that requires a collaborative response from all levels of government. As we have crafted our response to the threats identified in the NIE, we have engaged our federal, state, local, and community partners.

Al-Qa'ida - The changing nature of the threat from al-Qa'ida was apparent well before the publication of the NIE, and we began taking steps to address the information on the heightened threat as we received it. We have been working closely with the National Counterterrorism Center and our partners in the Intelligence Community in developing our operational responses to specific threat reporting. As with any potential threat to our national security, we identify information related to threats, launch investigations based on that information, and work with our partners in federal, state, and local law enforcement to identify suspicious activities that may be signs of pre-operational activity. Every day, we and our partners receive numerous reports of threats, the vast majority of which turn out to have little or no basis in fact. Nevertheless, we treat every threat report seriously and leave no stone unturned in resolving the threat.

In response to the assessments outlined in the NIE and the FBI's National Threat Assessment, our Counterterrorism Analysis Section generated more than 900 distinct actions, products or responses in support of internal and external customers that were designed to add clarity to threats to the Homeland and to identify and request collection in areas where more insight is needed. These included Intelligence Assessments and Bulletins (over 170), Current Intelligence Reports, collection taskings, and briefings to other FBI personnel, other Intelligence Community agencies, Congress, the Executive Branch, and foreign liaison services.

We are mindful of the new nature of the threat posed by al-Qa'ida and the more diffuse Islamist extremist threat, and are expanding our efforts to cover the new range of potential threat operators or actors. In particular, al-Qa'ida's attacks on the United Kingdom and on other overseas allies, along with the NIE's assessment that al-Qa'ida has created new sanctuaries, have led us to reinforce and expand our global partnerships.

Homegrown Radicalization – Much of the U.S. government's attention focuses on al-Qa'ida. However, as the terrorist plots we have dismantled this year indicate, we also have a problem with homegrown radicalization inside the United States. Although we assess that the level and intensity of extremism inside the United States does not equal that in the United Kingdom or elsewhere in Europe, we are well aware that we have extremists in the United States who wish to do us harm. As with any intelligence we receive on overseas threats, we also employ our own intelligence capabilities and leverage those of our federal, state, and local law enforcement partners to uncover plots by extremists in the United States.

Identifying these individuals and groups is a tremendous challenge, and the role of our law enforcement partners is critical in these efforts. Local police officers on the streets are the frontline of the war on terrorism. They may often be the first to detect potential terrorists. The vast jurisdiction of state, local, and tribal officers brings invaluable access to millions of people and resources, which can help protect the nation and its citizens.

The information gathered on the street and in our communities is one of the most powerful tools we have. The 18,000 state and local police departments and 800,000 full time sworn state and local police officers in the United States serve as a tremendous force multiplier in our efforts to protect the Homeland from terrorist attack.

Recognizing the crucial role they play in our counterterrorism mission, we have greatly enhanced our law enforcement partnerships by expanding the number and staffing of our Joint Terrorism Task Forces (JTTFs) and increasing our participation in state and regional fusion centers.

The JTTFs are multi-agency task forces around the country that the FBI established to address terrorism. In more than 100 locations nationwide, the JTTFs comprise local, state, and federal law enforcement and intelligence agencies that share information and conduct operations to prevent and dismantle terrorist plots.

In addition to the JTTFs, the FBI is committed to participation in all leading state-wide Fusion Centers, select Multi-Agency Intelligence Centers (MAICs), and the Antiterrorism Advisory Councils (ATACs) in federal judicial districts. More than 250 FBI personnel are currently assigned to 36 fusion centers throughout the United States. We have established connectivity to the FBI's SECRET-level computer network in 25 of the 36 supported fusion centers, and have obtained security clearances for 520 state and local law enforcement officers assigned to fusion centers.

Sixteen of the 36 fusion centers in which the FBI is involved are co-located with the FBI's respective Field Intelligence Groups (FIGs), leading to even stronger partnerships. The FIGs provide an intelligence link to the JTTFs, FBI Headquarters, and the U.S. Intelligence Community.

Among the ways the FBI makes national intelligence more readily available to state, tribal, and local law enforcement agencies is through the Law Enforcement Online (LEO) network.

Since 2002, the FBI has produced and disseminated more than 266 timely threat assessments and situational awareness bulletins geared toward state, local, and tribal law enforcement highlighting the tactics and vulnerabilities of international and domestic terrorist groups, as well as potential indicators of terrorist activity. Because it is important that the federal government speak with one voice on terrorism, 80 percent of the assessments and bulletins issued in FY 2007 were produced jointly with the Department of Homeland Security.

The FBI's Terrorist Screening Center (TSC) also plays a crucial role in providing actionable intelligence to state and local law enforcement. TSC was created to consolidate the government's approach to terrorist screening and to create a single comprehensive watch list—the Terrorist Screening Data Base (TSDB)—of known or suspected terrorists. The TSC makes its records available to the National Crime Information Center (NCIC) for access by government investigators, screeners, agents, and state, local, and federal law enforcement officers. This ensures that local, state, and federal terrorist screeners have ready access to information and expertise they need to respond quickly when a known or suspected terrorist is encountered within the United

States, at U.S. borders and ports of entry, and outside U.S. borders or at American Embassies and consulates.

In addition to reinforcing our relationship with the Law Enforcement Community, fostering good relations with Muslim and South Asian communities can play a key role in assisting us in identifying potential operatives al-Qa'ida may have sent to conduct operations against the Homeland. Members of these communities are well-placed to detect suspicious activities by newcomers to the community. They may also know of radicalization of individuals toward violent Islamic extremism within their communities.

The FBI has been developing an extensive outreach program to Muslim, South Asian, and Sikh communities to develop trust in those communities and to dispel myths about the FBI and the U.S. Government and to address concerns in those communities.

Initiatives in this outreach program include the following:

- Special Agents in Charge in all 56 FBI field offices conduct Town Meetings with Arab and Muslim communities across the country. Major events have been held in New York, Washington and Los Angeles, as well as Springfield, Detroit, and Chicago.
- I meet periodically with members from the major Muslim and Arab community based organizations and civil rights groups.
- The Assistant Director for Public Affairs and the FBI's Community Outreach Program conduct regular conference calls to deal with issues of mutual concern with national Muslim leaders. The calls occur bi-monthly, with action items recorded and progress updated. The same group can be called together for a conference call on short notice in the event of a major incident and or controversy.
- Members of the Arab-American community attend the Citizens' Academy, a popular eight-week program designed to give community leaders an overview of the FBI and Department of Justice policies and procedures.

The members of these communities have an equal stake with the rest of American society in ensuring that terrorists are not able to threaten our way of life. The goal of our outreach efforts is to ensure that we are one community in the fight against terrorism.

Hizballah - The NIE also mentions the potential threat from Hizballah, which, before 9/11, killed more Americans than any other terrorist group. The FBI actively addresses Hizballah activities in the United States that potentially pose a threat to our nation. The FBI and the Department of Homeland Security's Immigration and Customs Enforcement (DHS-ICE) have had success using a combination of criminal and immigration laws to augment existing intelligence investigations of U.S.-based Hizballah matters.

"Single Issue" Groups/Domestic Terrorism - The terrorist threat does not just emanate from violent Islamic extremists. Domestic terrorists, such as white supremacists, anarchists, and eco-terrorists, remain a concern. The FBI continues to develop and maintain close liaison with law enforcement, the private sector, and the Intelligence Community to maximize the exchange of analysis and intelligence to counter these domestic terrorism threats. We use a variety of investigative techniques to gain

intelligence to deter, dismantle, and prevent attacks by domestic terrorists, and we are enhancing our nationwide networks of FBI Special Agents, analysts, and JTTF investigators dealing with domestic terrorism. We are also disseminating analytic products and providing domestic terrorism briefings to DHS, JTTFs, potential targets of domestic terrorism, and state and local law enforcement entities.

Improvised Explosive Devices – The Intelligence Community has identified IEDs and explosives as the most likely threats we face from terrorist groups. We have successfully disrupted significant plots to attack the United States and its interests, including the recently foiled plot in Germany. As IEDs are likely to be one of the most serious threats that we will continue to face, the need for a more unified national approach is clear. At the request of the Attorney General, the FBI took the lead role within the Department of Justice in response to Homeland Security Presidential Directive 19 to formulate a strategy with recommendations on how to best address potential use of explosives by terrorist groups with the homeland. We work closely with our counterparts at the Department of Homeland Security and the greater law enforcement and intelligence community to detect and interdict bombing plots in their planning and execution stages.

Weapons of Mass Destruction – Among the efforts the FBI has undertaken in response to the WMD threat identified in the NIE is proactive outreach to those in the private sector, academia, and the research community who work with potential WMD elements to educate them on the FBI's WMD-prevention goals and to foster stronger relationships.

Our historical relationship with local law enforcement also enhances the FBI's WMD programs and our national efforts to respond to these threats. Within our field offices, we have established WMD coordinators who foster consistent and substantive liaison relationships with local law enforcement personnel and emergency first responders. These coordinators also build partnerships with the scientific community, industry, academia, and other entities with a role in WMD-related investigations and incident response. Cohesive relationships in this area are critical for a timely, coordinated, and effective FBI response to WMD incidents.

Alignment of the FBI to Effectively Combat Threats

In addition to the measures we have taken to counter specific threats, the FBI has enhanced its ability to succeed in our broad national security mission by aligning our organization and programs to most effectively counter the post-9/11 threat.

Chief among the changes we have implemented is the development of an enhanced intelligence program, which we began implementing in early 2002. In 2003, we created an Office of Intelligence, which was charged with creating a single program to manage all FBI intelligence production activities. We also expanded our analytic, reporting, and intelligence capabilities.

Our efforts were communicated to Congress, the 9/11 Commission, and the WMD Commission. They offered additional recommendations and guidance on how to further strengthen the FBI's intelligence program. In response, the FBI in February 2005 officially established the Directorate of Intelligence as a dedicated and integrated intelligence service within the FBI. In September 2005, we implemented a Presidential directive based on the WMD Commission's recommendation to establish a "National

Security Service” that integrates the FBI’s national security programs under the leadership of an Executive Assistant Director. The National Security Branch (NSB) comprises the FBI’s Counterterrorism Division (CTD), Counterintelligence Division (CD), the Directorate of Intelligence (DI), and the Weapons of Mass Destruction (WMD) Directorate. The WMD Directorate was created in July 2006 to consolidate and integrate WMD-related entities within the FBI and to provide a comprehensive approach to issues having a WMD nexus.

The FBI’s national security mission is to lead and coordinate intelligence efforts that drive actions to protect the United States. Our goals are to develop a comprehensive understanding of the threats and penetrate national and transnational networks that have a desire and capability to harm us. Such networks include: terrorist organizations, foreign intelligence services, those that seek to proliferate weapons of mass destruction, and criminal enterprises.

To be successful, we must understand the threat, continue to integrate our intelligence and law enforcement capabilities in every FBI operational program, and continue to expand our contribution to the Intelligence Community knowledge base.

A key development in the evolution of the FBI’s intelligence program was the establishment of Field Intelligence Groups in each of the FBI’s 56 field offices. The FIGs manage and coordinate the FBI’s intelligence collection and reporting efforts in the field. From an information-sharing perspective, the FIGs are the FBI’s primary component for receiving and disseminating information. They complement the JTTFs and other squads and task forces. The FIGs play a major role in ensuring that we share what we know with others in the IC and our federal, state, local, and tribal law enforcement partners.

As part of the FBI’s efforts to enhance our understanding of the national threat picture, we are implementing a Desk Officer Program. The FBI’s Desk Officers will assess and adjust collection efforts; identify collection gaps; target collection and source development against these gaps so they are consistent with priority national intelligence requirements; collaborate with partners; and convert and broadly disseminate the consolidated results, leading to enhanced knowledge of the threat environment.

The FBI’s desk structure is based on country and topical priorities, as set forth in the National Intelligence Priorities Framework. The Desk Officer Program will focus not only on the management and advancement of existing cases but also on maintaining a networked and coordinated national collection effort. Over time, this program will enhance our confidence that we understand and have penetrated terrorist, criminal, cyber, and foreign intelligence threats.

Another critical element of our enhanced intelligence capability is our Confidential Human Source Program. The FBI, in collaboration with the Department of Justice, is completing a Confidential Human Source Re-engineering Project to enhance and improve the administration and operation of the FBI’s Human Source Program.

As part of the Re-Engineering Project, the FBI and DOJ have worked to update guidelines on human source policy and human source validation. The ultimate goals of the Re-engineering Project are to streamline, consolidate, and update all human source guidelines; develop a “one source” concept; and strengthen the validation of human sources.

The release of the new Attorney General's Guidelines Regarding the Use of FBI Confidential Human Sources signed on December 13, 2006, marked a pivotal milestone to accomplish the one-source concept. Complementing these guidelines are two manuals: the Confidential Human Source Policy Manual (Policy Manual) and the Confidential Human Source Validation Standards Manual (Validation Manual). The Policy Manual governs source administration including compliance with the AG Guidelines, while the Validation Manual standardizes the FBI's source validation review process. These manuals, along with the new AG Guidelines, took effect on June 13, 2007.

To prepare our national security workforce to work collaboratively against national security threats to the United States, we continue to strengthen our training. As part of these efforts, New Agent Training has been recently modified to provide 100 additional hours of training in all national security-related areas. This includes 50 hours in counterterrorism training and additional instruction in counterintelligence, counterproliferation, and weapons of mass destruction. The additional training hours are designed to add to the flexibility and adaptability of all Special Agents to enable them to work the varied programs required of them.

We have undertaken a comprehensive restructuring of our approach to intelligence training. In addition to augmenting New Agents training so that our Agents understand their role in the intelligence mission, in the past eight months we have developed and are delivering a course targeting FBI Reports Officers (ROs) who play a central role in the intelligence cycle. We are on an aggressive schedule that will reach every "RO" by the end of this calendar year. We piloted and have run multiple iterations of a course for managers of intelligence analysts that is designed to give supervisors, many of whom are Special Agents, the skills and awareness to optimize their role in the intelligence cycle.

Working with the DNI and the Kent School at CIA, we developed and taught the first iteration of a 10-week Intelligence Basic Course that provided 24 analysts foundational skills in critical thinking, writing, and speaking – core competencies of the analytic art. The next course will take place in October. In addition to an intermediate version of this course, we are developing a shorter field version that we plan to deploy in early 2008. This field version is designed as a "refresher course" for analysts to maintain their critical skills.

National training seminars reaching every field office were held to address Field Intelligence Operations, Foreign Intelligence Collection, and Human Source Management and Validation. Beginning last month, the NSB leadership began a series of small group workshops for Assistant Directors-in-Charge (ADICs) and Special Agents-in-Charge (SACs) focused exclusively on decision making and managing field intelligence operations. We continue our successful partnership with the Kellogg School at Northwestern University to train senior and mid-level managers in leading the change that comes with our intelligence responsibilities.

In September 2006, we launched a new Human Source Targeting and Development course, which introduces agents to a systematic approach to identifying, developing, and recruiting human sources. The course incorporates relevant elements from tradecraft

used by other Intelligence Community agencies into a framework for a curriculum that is tailored to the FBI's unique jurisdictional authorities and mission.

Conclusion

With national security at the forefront of our mission to protect America, the FBI has been actively involved in assessing the threats to our nation, which in the case of al-Qa'ida and like-minded groups, remain serious.

In response, the FBI has developed multiple initiatives to counter particular threats, and has realigned our organization to enhance our ability to succeed in our overall national security mission.

Perhaps the gravest danger the United States faces is complacency as the years since 9/11/2001 pass. I can assure you, Mr. Chairman and members of the Committee, that the men and women of the FBI are determined never to forget the horrible attacks of that day. And we will use that memory to spur us on as we carry out our mission to protect the Homeland from terrorist attack while upholding the Constitution and the civil liberties of all Americans.