

Statement of
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Introduction

Good afternoon, Mr. Chairman and Members of the Committee. It is my pleasure to come before you today to discuss the FBI's Counterterrorism Analysis and Collection, with a particular focus on our analytic capabilities. As Director Mueller has said, the FBI has worked closely with the Commission and their staff throughout their tenure and we commend them for an extraordinary effort. Throughout this process, we have approached the Commission's inquiry as an opportunity to seek informed and impartial input from outside experts. We took their critiques seriously, adapted our ongoing reform efforts, and have already taken substantial steps to address their remaining concerns. We are gratified and encouraged that the Commission has embraced our vision for change, and recognize the progress that the men and women of the FBI have made to implement that vision.

As you are aware, the terrorist threat of today represents complex challenges. Today's terrorists operate seamlessly across borders and continents, aided by sophisticated communications technologies; they finance their operations with elaborate funding schemes; and they patiently and methodically plan and prepare their attacks. To meet and defeat this threat, the FBI must have several critical capabilities:

- First, we must be intelligence-driven. To defeat the terrorists, we must develop intelligence about their plans and use that intelligence to disrupt those plans.
- We must be global. We must continue our efforts to develop our overseas law enforcement efforts, our partnerships with foreign law enforcement, and our knowledge and expertise about foreign cultures and our terrorist adversaries overseas.
- We must have networked information technology systems. We need the capacity to manage and share our information effectively.
- Finally, we must remain accountable under the Constitution and the rule of law. We must respect civil rights and civil liberties as we protect the American people.

To achieve success in this war on terror, we have transformed the FBI's Counterterrorism (CT) program and integrated our investigative and intelligence operations; we have improved information sharing with other federal agencies and state

and local law enforcement entities; and enhanced our operational capabilities within FBIHQ and all local Field Offices.

The FBI today has a clear hierarchy of national priorities with the prevention of terrorist attacks at the top. We recognize that a prerequisite for any operational coordination is the full and free exchange of information. Without procedures and mechanisms that allow for information sharing on a regular and timely basis, we and our partners cannot expect to align our operational efforts to best accomplish our shared mission. Accordingly, we have taken steps to establish unified FBI-wide policies for sharing information and intelligence. This has occurred under the umbrella of the FBI's Intelligence Program.

Intelligence Program

The mission of the FBI's Intelligence Program is to optimally position the FBI to meet current and emerging national security and criminal threats by (1) aiming core investigative work proactively against threats to US interests, (2) building and sustaining enterprise-wide intelligence policies and human and technical capabilities, and (3) providing useful, appropriate, and timely information and analysis to the national security, homeland security, and law enforcement communities. Building on already strong FBI intelligence capabilities, Director Mueller created in January 2003 the position of Executive Assistant Director (EAD) of Intelligence and an Office of Intelligence. I was honored to join the FBI in May 2003 as the first EAD Intelligence.

Core Principles

We built the FBI Intelligence Program on the following core principles:

- *Independent Requirements and Collection Management:* While intelligence collection, operations, analysis, and reporting are integrated at headquarters divisions and in the field, the Office of Intelligence manages the requirements and collection management process. This ensures that we focus intelligence collection and production on priority intelligence requirements and on filling key gaps in our knowledge.
- *Centralized Management and Distributed Execution:* The power of the FBI intelligence capability is in its 56 field offices, 400 resident agencies and 56 legal attaché offices around the world. The Office of Intelligence must provide those entities with sufficient guidance to drive intelligence production effectively and efficiently, but no micro-manage field intelligence operations.
- *Focused Strategic Analysis:* The Office of Intelligence sets strategic analysis priorities and ensures they are carried out both at headquarters and in the field. This is accomplished through a daily production meeting that I chair.

- *Integration of Analysis with Operations*: Intelligence analysis is best when collectors and analysts work side-by-side in integrated operations.

Concept of Operations

Concepts of Operations (CONOPs) guide FBI intelligence processes and detailed implementation plans drive specific actions to implement them. Our CONOPs cover the following core functions: *Intelligence Requirements and Collection Management; Intelligence Assessment Process; Human Talent for Intelligence Production; Field Office Intelligence Operation; Intelligence Production and Use; Information Sharing; Community Support; Threat Forecasting and Operational Requirements; and Budget Formulation for Intelligence.*

Developing the Intelligence Cadre

The heart and soul of any intelligence program is its people. At the FBI I have been given personal responsibility for developing and ensuring the health of the FBI intelligence cadre. It is important to note that our intelligence cadre is not limited to intelligence analysts, but also includes agents, language analysts, surveillance specialists, and others. It takes all of these specialists to perform quality intelligence production at the FBI. My charge from Director Mueller is to create a cradle-to-grave career path for intelligence professionals at the FBI that parallels the one that has existed and functioned so well for our agents, and has been codified in our Concept of Operations (CONOP) for Human Talent for Intelligence Production.

In following the concepts of operations, the FBI has also standardized the Intelligence Analyst position descriptions, created one skill community for Intelligence Analysts (whether in the Field or FBI Headquarters), and standardized the Intelligence Analyst promotion procedures and criteria. There are three distinct work roles for Intelligence Analysts at the FBI. All FBI Intelligence Analysts will be certified in each work role to ensure maximum flexibility in deploying our analytic workforce. All analysts will have the opportunity to specialize in one of these work roles or in a particular subject matter, as well. Our work roles are as follows:

- *Operations Specialists*, who provide critical frontline intelligence/investigative support to investigations in the field and at headquarters, with a particular emphasis on carrying out collection tasking and gap analysis.
- *Reports Officers*, who identify and extract essential information and analysis from FBI investigations and intelligence products, and synthesize the information into disseminable reports. This information is shared with appropriate FBI entities, law enforcement agencies, and the Intelligence Community in a timely manner.

- *All-Source Analysts*, who have specific expertise, discern patterns of complex behavior, and provide accurate understanding of present and future threats.

The Office of Intelligence sets unified standards, policies, and training for analysts. We have implemented a strategic plan to recruit, hire, and retain intelligence analysts. The Bureau has selected veteran analysts to attend events at colleges and universities, as well as designated career fairs throughout the country. We executed an aggressive marketing plan, and for the first time in FBI history, we are offering hiring bonuses for FBI analysts.

From October 2003 to April 2004, the FBI participated in more than 10 recruitment events and plans to add at least five additional events through September 2004. A marketing plan also was implemented to attract potential candidates. In February 2004, an advertisement specific to the Intelligence Analyst position at the FBI was placed in *The Washington Post*, *The Washington Times*, and the *New York Times*, and has since been run several more times. Our National Press Office issued a press release that kicked off an aggressive hiring campaign.

The College of Analytic Studies (CAS), established in October 2001, is based at the FBI Academy in Quantico, Virginia. Since FY 2002, 264 analysts have graduated from the College's six-week Basic Intelligence Analyst Course. 655 field and headquarters analysts have attended specialty courses on a variety of analytical topics. 1,389 field and headquarters employees have attended specialized counterterrorism courses offered in conjunction with CIA University, and 1,010 New Agent Trainees have received an instructional block on intelligence.

The Basic Intelligence Course currently offered by the CAS is being revised and updated to incorporate key elements of our intelligence program. Upon completion of this effort, the course will be retitled: Analytical Cadre Education Strategy I (ACES I) as outlined in the Human Talent CONOPS. An intermediate course entitled ACES II is anticipated in the future that would target more experienced analysts. Practical exercises and advanced writing skills will be emphasized, as well as advanced analytical techniques.

The ACES I course will incorporate seven core elements of intelligence relevant for new agents and new analysts. Additionally ACES I will focus on assimilation, analytic tradecraft and practice, thinking and writing skills, resources, and field skills.

Complementing ACES I and ACES II, the Office of Intelligence, in coordination with the FBI Training and Development Division, will identify, facilitate, and exploit training partnerships with other government agencies, academia, and the private sector to fully develop the career choices of FBI analysts. Whether an analyst chooses the specialized, interdisciplinary, or managerial career path, s/he will have the opportunity to attend courses offered through the Joint Military Intelligence Training Center, other government training centers, and private companies.

The Office of Intelligence is also establishing education cooperative programs where college students will be able to work at the FBI while earning a four-year degree. Students may alternate semesters of work with full-time study or may work in the summers in exchange for tuition assistance. In addition to financial assistance, students would benefit by obtaining significant work experience, and the FBI would benefit through an agreement requiring the student to continue working for the FBI for a specific period of time after graduation. This program will be implemented in FY 2005.

An Analyst Advisory Group has also been created specifically to address analytical concerns. I established and chair the advisory group – composed of Headquarters and field analysts. The group affords analysts the opportunity to provide a working-level view of analytic issues and to participate in policy and procedure formation. They are involved in developing promotional criteria, providing input for training initiatives, and establishing the mentoring program for new FBI analysts.

The Career Mentoring Working Group of the Analyst Advisory Group is creating a career mentoring program to provide guidance and advice to new analysts. Once implemented, all new Intelligence Analysts will have a mentor to assist them. The career mentor will have scheduled contact with the new analyst on a monthly basis throughout the analyst's first year of employment.

As of this year, the Director's Awards will feature a new category: the Director's Award for Excellence in Intelligence Analysis. Nominees for this award must display a unique ability to apply skills in intelligence analysis in furtherance of the FBI's mission, resulting in significant improvements or innovations in methods of analysis that contribute to many investigations or activities, and/or overcoming serious obstacles through exceptional perseverance or dedication leading to an extraordinary contribution to a significant case, program, threat, or issue.

Turning to intelligence training for our agents, we are now working to incorporate elements of our basic intelligence training course into the New Agents Class curriculum. We expect that work to be completed by September. A key element of this concept is that agents in New Agents Training and analysts in the College of Analytic Studies will conduct joint training exercises in intelligence tradecraft. The first offerings to contain these joint exercises are expected in December of this year. In addition to this, we are in the process of changing the criteria on which agents are evaluated to place more emphasis on intelligence-related functions and information sharing. On March 22, 2004, Director Mueller also adopted a proposal to establish a career path in which new Special Agents are initially assigned to a small field office and exposed to a wide range of field experiences. After approximately three years, agents will be transferred to a large field office where they will specialize in one of four program areas: Intelligence, Counterterrorism/ Counterintelligence, Cyber, or Criminal, and will receive advanced training tailored to their area of specialization. In our Special Agent hiring, we have changed the list of "critical skills" we are seeking in candidates to include intelligence experience and expertise, foreign languages, and technology.

Based on the training initiatives described above, the FBI is also developing Intelligence Officer Certification criteria for FBI professionals. Director Mueller has

approved a proposal to establish a formal Intelligence Officer Certification that can be earned through a combination of intelligence assignments and training. Once established, this certification will be a prerequisite for promotion to the level of Section Chief or Assistant Special Agent in Charge (ASAC), thus ensuring that all members of the FBI's highest management levels will be staffed by fully trained and experienced intelligence officers. A single Intelligence Officer designation will identify intelligence professionals at the FBI—agents, intelligence analysts, linguists, surveillance experts, etc. We are basing these criteria on the Intelligence Community's Intelligence Community Officer Program. We expect to complete the criteria and begin implementation by October of this year.

Our language specialists are critical to our intelligence cadre as well. The FBI's approximately 1,200 language specialists are stationed across 52 field offices and headquarters, and are now connected via secure networks that allow language specialists in one FBI office to work on projects for any other office. Since the beginning of FY 2001, the FBI has recruited and processed more than 30,000 linguist applicants. These efforts have resulted in the addition of nearly 700 new linguists with a Top Secret security clearance. In addition, the FBI formed a Language Services Translation Center to act as a command and control center to coordinate translator assignments and maximize its capacity to render immediate translation assistance.

Counterterrorism (CT) Analysis

Our approach to CT is to be intelligence driven. We need to both react to what we know and understand what we don't know, but must know to prevent a terrorist attack.

We begin with requirements. Requirements are statements of what information is required by those who must act to defend the nation. We have issued our first ever FBI collection tasking for international threats, including international terrorism. We have based those requirements on the National Intelligence Priorities Framework and in cooperation with the IC have issued an unclassified version for our partners in state and local law enforcement.

We then inventoried our collection capability. We have created an on-line inventory of all our collection sources. This tells us what we could know about all threats.

We then compare requirements to our capabilities and identify gaps in our ability to produce information described in our requirements.

Dedicated targeting analysts at headquarters and the field then analyze how we could fill those gaps by developing new sources. Source development tasks are given to each field intelligence group to execute.

We then produce information – both raw intelligence reports and finished assessments in response to requirements. Each intelligence report requests customer feedback. Based on what we learn, we adjust collection and production.

We conduct daily production boards to ensure cross-program analysis of CT threats. Many of our CT cases begin as criminal cases. Increasingly, terrorists will use indigenous criminal enterprises to raise money and get equipment to carry out operations. Our criminal intelligence base is key to understanding the totality of the threat.

Our dedicated strategic analysis unit is devoted to “connecting the dots.” These analysts, rather than aggregating what has already been reported, posit hypotheses regarding CT threats, and then compile evidence to prove or disprove these hypotheses. This is a nascent capability at the FBI and is an attempt to move analysts from current reporting into strategic analysis. Our aim is to make our analysts actively inquire of data rather than have them be passive recipients of data which must both be reported and analyzed.

The FBI shares intelligence with other members of the Intelligence Community, to include the intelligence components of the Department of Homeland Security (DHS), through direct classified and unclassified dissemination and through websites on classified Intelligence Community networks. The FBI also shares intelligence with representatives of other elements of the Intelligence Community who participate in Joint Terrorism Task Forces (JTTFs) in the United States or with whom the FBI collaborates in activities abroad. FBI intelligence products shared with the Intelligence Community include both raw and finished intelligence reports. FBI intelligence products shared with the Intelligence Community include Intelligence Information Reports (IIRs), Intelligence Assessments, and Intelligence Bulletins. To support information sharing, there is now a Special Agent or Intelligence Analyst in the JTTFs dedicated to producing “raw” intelligence reports for the entire national security community, including state, municipal, and tribal law enforcement partners and other JTTF members. These reports officers are trained to produce intelligence reports that both protect sources and methods and maximize the amount of information that can be shared. It is the responsibility of the Field Intelligence Groups (FIGs) to manage, execute and maintain the FBI's intelligence functions within the FBI field office. FIG personnel have access to TS and SCI information so they will be able to receive, analyze, review, and recommend sharing this information with entities within the FBI as well as our customers and partners within the Intelligence and law enforcement communities.

Next Steps

We have made great progress, but we have much work to do. As the President indicated earlier this week, the FBI will continue to create a specialized work force for collecting and analyzing domestic intelligence on terrorism. We also look forward to continuing our cooperation and coordination with other intelligence agencies. The President has announced that a National Counter-Terrorism Center will be established to coordinate and monitor the counterterrorism plans and activities of all government agencies and departments. This Center will ensure that the federal government's efforts to combat terrorism are unified in priority and purpose. He has also asked Congress to create the position of the National Intelligence Director to serve as his principal intelligence advisor and to oversee and coordinate the foreign and domestic activities of the intelligence community. We believe that both of these reforms will help to create an integrated and unified national intelligence effort. Thank you for allowing me the

opportunity to testify before you today and I will be happy to entertain any questions you may have.