

**STATEMENT FOR THE RECORD OF
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BEFORE THE

**SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE**

AND THE

**PERMANENT SELECT COMMITTEE ON INTELLIGENCE
HOUSE OF REPRESENTATIVES**

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Introduction:

Good morning Messrs. Chairmen and members of the Committees. I am Dale Watson, the FBI's Executive Assistant Director for Counterterrorism and Counterintelligence and I am pleased to appear before you today with my colleague Cofer Black from the CIA. I plan to describe to you the FBI's counterterrorism role within the Intelligence Community prior to September 11, 2001, and to provide my observations of the changes made since then to better enable the Intelligence Community to detect and prevent future attacks. Late last week and earlier this week, the Committees heard, in great detail, about the FBI's actions relating to two of the September 11 hijackers - Khalid al-Mihdhar and Nawaf al-Hazmi; about Zacarias Moussaoui, and a July 2001 communication from our Phoenix FBI Office. While I will be glad to provide my perspective on those matters, in response to your questions, the majority of my testimony will highlight the FBI's interagency coordination and collaboration of counterterrorism activities within the Intelligence Community, the evolution of the FBI's response to the growing

international threat, and the FBI's future role in the war on terrorism.

History of the FBI Counterterrorism Program:

Before I can address where the FBI is today, I need to give you a short history of the FBI's Counterterrorism Program beginning in 1993.

In February 1993, an explosion occurred in the garage area beneath the Vista Hotel, located at the World Trade Center complex in New York City, New York, resulting in massive destruction, the death of six individuals and injuring a thousand others. Within the FBI and across the United States, this was a wake-up call that there were individuals in the United States who sought to do us great harm.

It was the April 1995, bombing of the Alfred P. Murrah Federal Building in Oklahoma City, Oklahoma, resulting in the death of 168 persons, that provided further confirmation that a terrorist strike could be committed on U.S. soil. Prior to this time, terrorism was perceived as an overseas problem, as indicated in the 1988 bombing of Pan Am 103 where all 259 passengers, mostly Americans, died.

The overseas trend continued in November 1995, with the bombing of the Office of Personnel Management, Saudi Arabian National Guard, resulting in the deaths of five servicemen. In 1996, the bombing of Khobar Towers resulted in the deaths of 19 servicemen.

In 1998, the Embassy bombings in Kenya and Tanzania resulted in the deaths of 12 Americans in Nairobi, Kenya. In November 2000, the *U.S.S. Cole* bombing resulted in the death of 17 Navy seamen. Then September 11, 2001, the mostly deadly terrorist attacks against the United States - which resulted in over 3,000 deaths.

In the early years, the FBI's Counterterrorism Program was a relatively low-priority

Program as demonstrated by its size, with approximately 50 people at FBI Headquarters, working on all aspects of terrorism. In May 1998, the FBI made Counterterrorism a Tier One priority and began focusing additional attention and resources. Throughout this period and as a result of our investigations of these above mentioned incidents, professionals in the FBI's Counterterrorism Program became aware of the threat posed by UBL and others like him. Subsequently, in 1999, the FBI created a separate operational unit focusing completely on UBL matters.

In 1998, when I became Deputy Assistant Director of the Counterterrorism Division after the East Africa bombings, I realized the FBI was reacting to these terrorist acts with no forward thinking to prevent them. In late 1998, it became clear that no matter how many resources the FBI put into the program, we were never going to stop every act of terrorism. The solution would be to position ourselves in the best proactive stance to counter this threat.

Beginning in late 1999, I began working on a initiative designed to get the FBI at its maximum capacity to address the Counterterrorism threat by the year 2005 (MAXCAP05). I convened a working group of Special Agents in Charge (SAC) to create a system to evaluate Counterterrorism capacity in the field offices and build that capacity to encompass prevention, as well as reaction. The main focus of this initiative was not cases, which are by definition reactive, but rather about knowing the environment. One of the by-products of this process was a report designed to aid decision-makers, fostering accountability, consistency and accuracy among FBI Executive Management regarding understanding and countering the terrorist threat. This initiative was a work-in-progress and I recognized it would take several years to achieve maximum capacity. It is important to note that we were in the midst of that process on

September 11, 2001, however, as a result of the work we had done, we had developed a management tool that attempted to quantify weaknesses based on a standard which was intentionally set fairly high. (i.e., maximum capacity)

FBI Relationship with the CIA:

Much has been made during these hearings about the relationship between the FBI and the CIA, and not without cause. There is a long history between these two proud organizations and I am pleased to be seated with Cofer Black during this hearing today to discuss the changes which have occurred from my perspective.

In 1996, as a result of an exchange program initiated by FBI Director Freeh and Director of Central Intelligence Deutch, I was the first Bureau official to participate in an exchange of senior personnel between the FBI and CIA in the Counter Terrorism arena. I was assigned as the Deputy Chief with line authority to the Counter Terrorism Center (CTC), and a senior CIA officer was assigned as the Deputy Section Chief in the Counterterrorism Section at FBIHQ. This exchange provided a foundation to solidify our future coordinated efforts and was extremely beneficial as it was top-down-driven.

Since that time and continuing today, the interaction between and the exchange of personnel, both agent and analytical, has increased significantly, particularly since September 11, 2001. This continues to contribute in a decisive way to the Intelligence Community's mission directed at the obtaining, analyzing and sharing of intelligence information, thereby enhancing the United States Government's efforts to identify, target and prevent terrorist activities.

During this period, the FBI initiated a training program in which new CIA Chiefs of Station are introduced to the FBI perspectives and capabilities on terrorism matters, and new FBI

Legats are provided the same training regarding the CIA. Overseas, communication and coordination are the hallmark of our relationship with other U.S. agencies.

While there might be individual examples where information was not shared, institutionally the barriers have come down and we are currently exchanging information daily, if not hourly, with our colleagues at the CIA.

Other Initiatives Supporting Counterterrorism Efforts:

During the 1990s, the changing perspectives at FBI Headquarters regarding the growing threat of international terrorism prompted then Director Freeh to expand the FBI's Legat Program. When Mr. Freeh became FBI Director in 1992, there were 16 Legats; when he left, there were 44. This expansion has put more people on the ground in more places, contributing to better investigations of terrorist acts abroad, and better coverage of leads generated in domestic investigations. Legats working with colleagues in the Departments of Justice, Defense and State have also facilitated extraditions of terrorists wanted for killing Americans, which must be the absolute cornerstone of America's message to foreign terrorists: anyone targeting American citizens and/or interests will face justice---no matter where that attack takes place or where that terrorist might hide.

The Legat Program's value became even more apparent with their tireless efforts during the investigation of the terrorist attacks of September 11, 2001. Their investigative efforts played a significant part in the FBI's understanding of the September 11, 2001 conspiracy, and will continue to pay dividends for years to come in identifying key terrorists and preventing future attacks.

The FBI is taking a leadership role in enhancing interagency cooperation and

communication through utilization of a proactive threat warning system. The National Threat Warning System (NTWS) ensures vital information regarding terrorism reaches those in the U.S. Intelligence and Law Enforcement Communities responsible for countering terrorist threats. The NTWS provides warnings to U.S. Government components and law enforcement agencies in the United States and Canada via the National Law Enforcement Telecommunications System. The FBI also provides Warnings to private security personnel via the "Awareness of National Security Issues and Response" Program.

The FBI continues to assess threats and issue warnings and advisories to the Intelligence and Law Enforcement Communities, and are still leading the multi-agency National Infrastructure Protection Center, a key force in protecting our nation's critical physical and electronic infrastructures.

There are currently over 56 established Joint Terrorism Task Forces (JTTFs) in operation, an increase of 45 since 1996. By integrating the investigative abilities of the FBI and local law enforcement agencies these JTTFs represent an effective response to the threats posed to U.S. communities by domestic and international terrorists.

Within the FBI, the FBI's Counterterrorism Center was established in 1996 and is designed to combat terrorism on three fronts: International terrorism operations, within the United States and in support of extraterritorial investigations; Domestic terrorism operations; and Countermeasures, pertaining to both international and domestic terrorism. Through the FBI's Counterterrorism Center, the FBI has enhanced cooperation with other US Government agencies. An exchange of working level personnel and senior managers at the headquarters level has also strengthened cooperation between the FBI and other agencies.

Prior to September 11, 2001, the FBI worked closely with all of the US Government through efforts of the National Security Council. Regular, if not daily meetings were held to discuss Counterterrorism matters. The core group participating in these meetings were the CIA, Department of Defense, Department of State, Department of Justice and other Federal agencies as needed to discuss and coordinate counterterrorism issues in the US Government.

Conclusion:

The continuing threat and the ever present reminder of the events since September 11, 2001, have reconfirmed my belief that the FBI and our partners in the Intelligence Community must continue to aggressively develop the capacity to identify, penetrate and prevent terrorist activities worldwide.

The FBI must be ready, in concert with our Intelligence Community partners and foreign services to respond to terrorism issues as they present themselves. In order to do this, we must 1) develop a strategic analysis program to recognize trends aimed at identifying and preventing terrorists activities; 2) develop a coordination program within the United States Intelligence Community and foreign services to identify persons who have attended the terrorist training camps in Afghanistan; 3) improve information sharing capabilities with State and local law enforcement; 4) improve methods and capabilities to track and remove terrorists from within our borders; 5) increase and improve the technology to obtain and analyze information; and 6) increase the number of analysts assigned and trained in terrorism matters.

In closing, let me stress-terrorism matters are the number one priority of the FBI. The FBI, along with the CIA and other members of the Intelligence Community, are working to coordinate multi-divisional and multi-agency investigations to establish a robust intelligence

base, with adequate and on-going analysis to identify and stop any future terrorist acts and strengthen our abilities to safeguard the American people and our interests, both at home and abroad.

I thank you for the opportunity to come before you today and am available to answer your questions.