

NATIONAL PRESS CLUB LUNCHEON WITH FBI DIRECTOR ROBERT MUELLER

SUBJECT:

RELATIONS BETWEEN THE FEDERAL BUREAU OF INVESTIGATION AND THE U.S.
MEDIA

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MS. SMITH: Good afternoon, and welcome to the National Press
Club. My name is Sylvia Smith. I'm the Washington editor of the Fort
Wayne Journal-Gazette and president of the Press Club.

I'd like to welcome Club members and their guests in the audience
today, as well as those of you who are watching on C-SPAN. We're
looking forward to today's speech, and afterwards I'll ask as many
questions from the audience as time permits.

Please hold your applause during the speech so that we have as
much time for questions as possible. For the broadcast audience, I'd
like to explain that if you do hear applause, it may be from guests
and members of the general public who attend our events, not
necessarily from the working press.

I'd now like to introduce our head table guests and ask them to
stand briefly when their names are called.

From your right, Jason Dick, managing editor of CongressDaily AM
and a new member of the National Press Club; Christopher Isham, vice
president and Washington bureau chief of CBS News; Mike Hempen (sp) of

the Associated Press; Donna Leinwand of USA Today and vice president of the National Press Club; Dale McFeatters of Scripps-Howard News Service; Bruce Alpert of the New Orleans Times-Picayune; and skipping over the podium, Angela Greiling Keane of Bloomberg and chairwoman of the NPC Speakers Committee. And we'll skip our speaker for a moment. Melissa Charbonneau of CBN News and vice chairwoman of the Speakers Committee; Steven Koss (sp), Washington bureau chief of the Cleveland Plain Dealer; Rob Schmidt of Bloomberg; Tony Mauro of Legal Times; and Randall Nicholson (sp) of Reuters. Welcome. (Applause.)

FBI Director Robert Mueller took office only one week before the September 11th attacks. Since then, he's had the daunting task of refocusing his agency from traditional crime-fighting and spy-hunting investigations to antiterrorism investigations. To date, his agency has successfully thwarted new attacks against the homeland -- some that we know about; others that remain secret.

In the years since the September 11th attacks, many elements of the federal government have been retooled or reorganized, and the process is still going on. If we have learned anything as a nation, it's that devastation may take minutes; recalibrating governmental institutions takes far longer. And the FBI is no exception.

Earlier this month, the Senate Intelligence Committee released a report in which it concluded that the FBI has yet to make the dramatic leaps necessary to deal with terrorist threats. The report says only a third of special agents and intelligence analysts have access to the Internet at their desks.

It also concluded that a new weapons-of-mass-destruction directorate in the Bureau is poorly positioned to work across FBI programs that are likely to encounter WMD threats and investigations.

The FBI's use of national security letters and the ultra-secrecy surrounding these self-issued subpoenas has also been challenged, especially by those in my profession. But terrorism is not the only arena for the FBI, which has opened a new mortgage fraud division in reaction to the news that we've all been listening to.

These and other issues have put the FBI in the spotlight during its 100th year, an anniversary it shares with our own National Press Club. Over that shared century, the relationship between journalists in the NPC and the FBI has run the gamut. Sometimes the press has glorified the FBI and its agents. Sometimes, such as when the FBI has sought reporters' phone records, relations were more rocky.

Today Mueller will discuss the relations between his agency and the news media, including the challenges of protecting the public safety, civil rights, and the need to know in an era of international terrorism.

Robert Mueller grew up outside of Philadelphia, entered the Marine Corps after college, served in Vietnam, and then went to law school. He has been both a litigator and a prosecutor, specializing in white-collar crime and terrorism cases. He was the U.S. attorney in San Francisco in the latter part of the Clinton administration, a position he held until being asked by President Bush to head the FBI

in 2001.

Please help me welcome to the National Press Club podium the director of the FBI, Robert Mueller. (Applause.)

MR. MUELLER: Good afternoon, all. It's indeed good to be with you here today.

I'll start off by quoting one of your own. New York Times columnist Maureen Dowd once said, "Wooing the press is an exercise roughly akin to picnicking with a tiger. You might enjoy the meal, but the tiger always eats last." And, yes, I did enjoy the meal I had here before stepping to the podium, but I am struck with the notion that I am now at the podium and many of you still look quite hungry. (Laughter.)

Those of you who have had the opportunity to hear me speak before know that I often talk about our top priorities in the FBI are about a particular program, whether it be terrorism or cyber crime. But today I want to take a somewhat different tack.

This summer the FBI will celebrate our 100th anniversary. And coincidentally, as was pointed out, the National Press Club also celebrates its 100th anniversary this year. With that backdrop, I thought it appropriate to talk about what the FBI and the media, the press, have in common, which is a mission to serve the public good.

The Newseum opened here in Washington just a few weeks ago, and the Newseum's facade features the words of the First Amendment: "Congress shall make no law abridging the freedom of speech or of the press." In seeing these words displayed so prominently on Pennsylvania Avenue reminds us of their profound impact on our history and on our heritage.

The Founding Fathers recognized the need for free speech and freedom of the press. They sought to strike a balance between liberty and security. Thomas Jefferson, one of the principal drafters of the First Amendment, was a fierce protector of a free press, although he often found himself the target of what he thought was biased and inaccurate reporting.

Jefferson believed that a free press was not a privilege but a necessity in a democratic society. And yet he understood, as we do, that with freedom of the press comes an inherent tension between government and the media. Those of us in government appreciate that tension as one of the positive aspects of an open and a free society, though I sometimes have to remind myself of that when I do pick up the newspaper in the morning and read some of the stories that have been written about the Bureau.

As you pointed out, in the early days J. Edgar Hoover knew that the FBI would need the support of the American people to be successful. And Hoover certainly realized the press would be an important factor in that equation, and he carefully cultivated that relationship.

And one could argue that the media played a large role in

crafting the FBI's public image in those days. Indeed, one of our best and longest-running publicity programs, the Top 10 Most Wanted List, was the creation of one of your own. In 1949, reporter James Donovan asked the FBI to identify, as he called them, the toughest guys we were investigating at the time. And we provided him with the photos of 10 dangerous fugitives, which he then published on the front page of the Washington Daily News.

This so-called Top 10 List was wildly popular, and several fugitives were captured as a result. The next year the Bureau formalized the Top 10 program which, since 1950, has led to the capture of more than 450 of our nation's most dangerous criminals.

Members of the press have also played roles in specific investigations. For example, in 1937, famed gossip columnist Walter Winchell brokered the surrender of notorious gangster Louis Lepke to J. Edgar Hoover himself. A little comment: The times have indeed changed, because so far in my time and tour as director, these are not the types of calls that I'm getting from reporters. (Scattered laughter.)

But I will say, in recent years, as we look forward, globalization and technology have changed the rules of the game for all of us. Today we are part of a never-ending news cycle, one that spans the globe. When a story is filed, that one story posted on the Internet may be picked up around the world.

And unfortunately, criminals and terrorists are using the same technology to their advantage. Criminals no longer need to be in the same room or even the same country to commit large-scale crimes, from computer intrusions and child pornography to large-scale financial frauds.

Terrorists no longer really need training camps. They need only have a laptop and an Internet access to learn how to make a bomb or how to mix industrial chemicals into weapons of mass destruction.

And with all this technology, we both face an overwhelming amount of information. But sometimes real knowledge is scarce. We both have to sift through vast and varied information to discover that which is of value, and we both seek out the truth wherever it may lead.

And like globalization and technology, the terrorist attacks on America impacted the way we view our respective jobs. September 11th taught us that today the stakes may be much higher and the danger that

much greater. The old old calculus was not a question of if, but when. The contemporary calculus is not a question of when, but how, and of how much damage.

We in the FBI must keep in mind our mission. And yet, at the same time, we must keep in mind the words of the First Amendment and the civil liberties granted to each and every American.

We in the FBI are sworn to protect liberty but also to ensure security. We must ask ourselves many times a day: If a terrorism lead points us to an individual and we collect information on that

person, do we risk violating their privacy? And if we do not pursue that lead, are we missing an important piece of information that might save lives?

Among FBI employees, there are none who do not take these questions seriously. We must constantly ask ourselves: What are the capabilities we have in a given case and what are the laws that governed those capabilities?

We understand that in the end, if we in the FBI safeguard our civil liberties but leave our country vulnerable to terrorist attack, we have lost. If we protect America from terrorism but sacrifice our civil liberties, we have also lost. And every day the men and women of the bureau must strike this balance.

We recognize that if we are to be successful as a global law enforcement and intelligence organization, we must be as transparent as possible. We welcome scrutiny from Congress, the American public, and indeed the press. And yes, this scrutiny is sometimes painful. But in the long run we acknowledge that it makes us better because we understand that our ability to protect the American people depends in large part on the people's trust in the FBI.

An upcoming exhibit at the Newseum called "G-Men and Journalists" depicts some of the stories borne out of some fairly complex decisions made not only by the FBI, but also by the press in crisis situations. In each of these stories, the (armature ?) was the same -- how we both can effectively serve the public interest.

For example, in the Unabomber case, we had followed thousands of leads around the world but could not identify that individual who was the elusive bomber. And when he demanded that The Washington Post and The New York Times print his rambling manifesto, neither newspaper was comfortable in doing so. Both the FBI and the editors ultimately realized, however, that printing that lengthy text might save a life and might yield clues. Printing the manifesto was not an easy decision, and yet it quickly led to the identification and capture of Ted Kaczynski.

In yet another example, when snipers John Muhammad and Lee Boyd Malvo held the Washington area hostage for more than three weeks in 2002, it was a member of the public who pinpointed the whereabouts of those two men after he'd heard a newscast that publicized a police bulletin.

And today, when it comes to mortgage fraud, Internet fraud, child predators who roam the darkest corners of cyberspace, it is the attention the press devotes to those cases that prevents thousands of others from falling victim. And these same stories deter other wrongdoers around the world.

And yes, the news stories that you published about those purported e-mails from me claiming that I'm holding your million-dollar prize in Nigeria hopefully stopped some individuals from losing a great deal of money. (Laughter.)

We in the Bureau have a responsibility to serve the public, and

yet we recognize the unique ability of the media to cast a wider net within the public. We can send agents out to visit a thousands homes to find a witness; the press can visit a million homes in an instant.

And we frequently need your assistance in seeking information from the public. We post Amber Alerts when children go missing, and we are using digital billboards now across the country to publicize fugitives and missing persons.

We have been working with John Walsh and "America's Most Wanted" to track down fugitives since 1988, and to date those efforts have resulted in the arrest of 1,000 fugitives, 16 of whom were included on the FBI's Top 10 list.

Nearly three years ago, Oprah Winfrey approached us for information on the most dangerous child predators. She featured 14 such predators on her television show and offered a reward for every arrest. Citizen tips led to the capture of six such predators, for which Ms. Winfrey paid a substantial reward out of her own pocket. And for her efforts, we recently presented her with an award for exceptional community service.

Over the past 100 years, we have both grown. Our responsibilities have become more complex. But by and large, we understand one another and we recognize the vital role each of us plays.

Where will the FBI and the press be 100 years from now? it is impossible to predict the challenges we each will face. The landscape in which we both operate will likely continue to change, the technology we both use will most certainly change, and the threats we face as citizens will become more diverse and more dangerous.

But what will not change is our common denominator, and that is that we both serve the same public. Freedom of speech is a hallmark of democracy, and we in the FBI have great respect for a free and a fair press.

Mark Twain once said that there are two forces that can carry light to all corners of the globe, and only two: That is the sun in the heavens and the Associated Press down here. (Laughter.) And we understand that it is your mission to carry light to all corners of the globe, to inform the American people about the issues that impact their daily lives, and we also believe that the more informed the American public is about what the FBI does, the stronger their support for our mission will be.

I want to thank you for having me here today. Happy anniversary to the National Press Club, and may you enjoy another century of success.

And now I'd be happy to answer whatever questions you might have.

(Applause.)

MS. SMITH: For this academic year, what grade do you give the

FBI in achieving that balance you referred to between the First Amendment and aspects of doing your job?

MR. MUELLER: I probably -- to be fair, I could not give it an A. I wouldn't give it a C or a D. Probably around a B.

Inevitably, there are tensions. There are tensions between intelligence and law enforcement; there are tensions between the media and law enforcement, media and intelligence. And particularly in an era of heightened threats, those tensions are going to be exposed, and should be and are the subject of debate.

And we in the Bureau understand that there has to be a balance between security and civil liberties, and civil liberties certainly includes freedom of the press. I think we've done a pretty fair job in undertaking, understanding that balance and executing on that balance.

MS. SMITH: Is the FBI being more selective in issuing national security letters? Are you confident that problems with the NSLs have been corrected?

MR. MUELLER: Yes. I believe it's not a question of being selective in terms of NSLs. Our failures were attributable to a failure to follow our own guidelines. And by that I mean our own protocols for the issuance of letters. And we have dramatically changed that over the last several months.

To recount some of the steps we have taken, we have a new IT package that assures that we get the information we need prior to the issuance of each NSL. Each request for NSL is reviewed by a lawyer in our offices. There've been training, there's been -- we have changed our makeup to include a compliance section so that not only do we put in procedures prior to the issuance of an NSL, but we also have a compliance section to assure that we complied with those procedures, which is what we did not have before. And we've stopped the issuance of action letters, and I believe that has, for the most part, been resolved.

I will finish with one point, and that is national security letters are tremendously important for us to gather information relating to a communication, not necessarily -- not the communication itself, but information relating to the time duration and numbers of a communication. And it is the building block for our ability to prevent additional terrorist attacks in the United States.

MS. SMITH: To what would you attribute the amount of time it took to impose those safeguards and procedures? Shouldn't that have been part of the process from day one?

MR. MUELLER: I don't disagree with that. It should have. We should have had -- and I thought myself we should have had in place earlier on a compliance program that would supplement what we call an inspection process where we go out every three years and evaluate an office.

We need to -- we needed to, and now have put in place a process where we second-guess ourselves on every procedure we put in place. I wish we had done it earlier, and perhaps I would not be answering these questions. (Laughter.)

MS. SMITH: Perhaps. (Laughs.) And is what you just described the reason that the FBI settled a lawsuit that was filed by the nonprofit library that had been a subject of the -- an NSL record?

MR. MUELLER: Well, there were a number of factors that went into that. And because it's, I believe, sealed, I can't get into the details. Suffice it to say that when we issue national security letters -- and I am going to speak generally -- it is with a reason and an understanding we need the information for a purpose.

Upon occasion we will resolve the issue, making that moot. On other occasions, we'll see that in a very tricky area, particularly with communications not being as simple as they had been in the past. There is additional information that warrants us reevaluating NSLs -- and again, I'm speaking generally.

MS. SMITH: I have a couple of questions about the subprime, the mortgage fraud investigations. You were quoted as saying the agency's mortgage fraud caseload has surged because of the subprime loan meltdown. I believe there were 19 investigations of Wall Street banks, mortgage lenders and other financial institutions.

And you told the Senate Appropriations Committee the inquiries have strained the FBI's resources. How much broader do you expect the investigations to go, and how serious is that strain?

MR. MUELLER: Well, let me just start out and say there are a number of -- as everybody understands, a number of contributing factors to the high foreclosure rate, the mortgage fraud crisis that we are in. A contributor would be fraudulent schemes. Our caseload has grown to over 1300, and we have several hundred agents -- over 200 agents addressing mortgage fraud cases now. And when I say 1300, those are mortgage fraud schemes.

We have another -- I think it's up to 19 cases of large institutions we are looking at, who may have contributed also to this crisis. We have not put -- and excuse me for putting it this way, but we have not set up a new division, however we have approximately -- I think it's up to 33 task forces around the country addressing this problem.

Clearly, in the last couple of years we've seen a substantial increase in mortgage fraud cases, and my anticipation is that we will continue to see that increase. But we have gone through this in the past with the savings and loan crisis. And the '90s we had the beginning of -- in the wake of 2000-2001 we had a number of cases that were also required us putting together "fly teams," and the like.

Those were the Enron, the Quest, WorldCom, a number of those large cases that were on the front headlines for a period of time. And we have addressed those, and my expectation is we'll continue to address the mortgage fraud cases in the same way we've addressed other

peaks in financial crimes in the past.

MS. SMITH: A questioner wants to know: In the mortgage industry investigations, are you seeing deliberate malfeasance by corporations, or are the problems more attributable to bad business decisions? And, do you expect an Enron-type company to emerge as the criminal emblem of this crisis?

MR. MUELLER: Well, I generally stay away from commenting on investigations, as you could well understand. I think it's a little bit too early to tell, and that we would have to look at those cases -- if and when charges are brought down the road, to get a better handle on an answer to that question.

MS. SMITH: Somebody in the audience wants to know: What was it like at the FBI on September 11th, it being one of your first few days in office? Can you describe that in personal terms?

MR. MUELLER: Well, the -- it's not something I'd anticipated, I can assure you. Before I took over I had some thoughts about what needed to change in the Bureau, based on my experience as a prosecutor and working with the Bureau over a number of years. And the advent of September 11th dramatically changed my perception of what needed to be done in the FBI. And that day -- you think back of it, and probably large parts of it I will not remember because it went so fast. I was blessed, lucky to have great individuals in the deputy director, the head of Counterterrorism who had been through this before and who knew how to ramp-up and run the investigation.

I'll tell you, there were a number of difficult decisions that had to be made. One such is when do you put the planes in the air. We did not know who was responsible for those planes going down. And so, arriving at a point where you are operating, to a certain extent, in ignorance because you don't know exactly how it happened -- you know it happened, but taking that step was a dramatic step that very shortly afterwards was taken. In the days afterwards, we anticipated there would be a second strike -- all the indications that there would be a second strike, and so we were on pins and needles for a period of time.

In terms of the Bureau, there are two things that -- two things that were brought home then. One is that we could no longer be content, as a Bureau, to believe that we could secure the United States by focusing solely in the United States. This was individuals outside, who had planned, financed, undertaking the attack from outside the United States, only coming into the United States when they were ready to undertake the attack.

That was number one. Now we have over 60 legal attache offices. Thanks to the Patriot Act, we are very closely associated with the CIA. We exchange information in ways we could not in the past.

The second big change was, we, I think -- and appropriately so, have done a very good job in investigating cases after they happen, whether it be terrorist attacks, or kidnappings, or financial frauds. But the American public no longer was content to have the FBI investigate after a terrorist attack. The American public expects us

to prevent the next terrorist attack.

That is a lot different than investigating after an attack has occurred. And developing that capability; integrating the intelligence and the information from around the world through the various intelligence agencies; and understanding that our success is, in large part, dependent on our relationships with our counterparts in the intelligence agencies, but also with state and local law enforcement, was a new perspective for us as a Bureau, all brought home by what happened on September 11th.

MS. SMITH: What is your most daunting challenge, as you see it, to transform the Bureau from a law enforcement agency to an intelligence-centered organization?

MR. MUELLER: Part of that -- we have put into place the foundations of the intelligence -- augmenting our capabilities with intelligence. That means putting in place additional databases; it means the search tools and databases; it means hiring -- we've hired over 2,000 analysts; it means training those analysts.

It also, it means integrating ourselves in the intelligence community, and understanding that our task is to find that Mohamed Atta -- who may be swimming in the oceans of 300,000 Americans, before that individual can undertake an attack. And that is daunting.

It also -- as I've said in my remarks, we understand that we have to do it by assuring the privacy interests and civil liberties of the American public. And continuously we are struck by the necessity of that balance. We have to secure the United States, but we have to do so, at the same time, assuring civil liberties.

Our number one priority on the criminal side is public corruption, but our number two priority on the criminal side is civil rights -- protection of civil rights. And we take that exceptionally seriously. And to the extent that there have been civil rights abuses in the country over a period of time, it has been our responsibility, and continues to be our responsibility, to address the abuse of civil rights.

And, consequently, it is on our mind from the criminal context, but also on our minds from the perspective of balancing the necessity of securing the United States while also assuring that we don't adversely impact civil liberties.

MS. SMITH: Has the FBI adopted all the recommendations of the 9/11 Commission? And, if not, why not?

MR. MUELLER: I'd have to go back, but I believe we've adopted just about every one of the recommendations of the 9/11 Commission. We sought to -- I keep a, basically, a checklist there, and I haven't looked at it for a couple months, but we're pretty far up there.

There are very few recommendations -- well, I can't think of a recommendation that was made by the 9/11 Commission that we have not followed.

MS. SMITH: There are a couple of questions in this theme. The questioner says: Before September 11th, the CIA and FBI worked parallel investigations yet rarely communicated. Congress passed laws, as you had mentioned, to make it easier for agencies to share information. How's it working out? And what can you -- what can you do to ease the competition between the agencies?

And a similar question: News accounts and -- (inaudible) -- by members of Congress indicate that the ordered merger of the FBI and the Bureau of Alcohol, Tobacco and Firearms has been met with lack of cooperation and duplication of resources. In 2004, then attorney general, John Ashcroft, decreed that the bomb data centers, and most explosive trainings will be consolidated under the ATF, and that the agency would train all the Justice Department bomb-sniffing dogs. Has that happened in totality?

MR. MUELLER: Well, let me take the CIA aspect of it first. Not only was there a wall between the FBI and CIA, in terms of exchanging information, but within the Bureau itself, those who were in national security side of the Bureau could not exchange information with those on the criminal side of the Bureau. It's one of the aspects of what happened prior to September 11th that the 9/11 Commission focused on, and which was changed by the Patriot Act.

And since then there has been a seismic shift in terms of, I would say, the institutional attitudes of, not only the FBI vis-a-vis the CIA, but the NSA and DIA, other elements of the intelligence community.

We understand that in order to protect the American public, not only from terrorist attacks but from cyber attacks, from international organized crime, there has to be an exchange of information.

We collect information under different authorities. That must remain the same. And you cannot commingle those. They're different authorities. We operate under constitutional statutes, the attorney general guidelines of the United States. The agency and others operate under different guidelines outside. But there has been dramatic closure of that gap or breaking down of that wall in exchange of personnel and information since then.

You're referring in terms of ATF because of a recent article in The Washington Post about ATF and the FBI. It is not a merger. There had been issues over a number of years between ourselves and ATF. That has been reduced dramatically over the last couple of years.

I'm very good friends with Mike Sullivan, who is the acting director of ATF. Our deputies get together all the time. There are a couple of issues that have to be resolved and they're on the table to be resolved. But I do believe that our relationship is as good as it's ever been, certainly institutionally.

I will tell you that in any institution such as ours, whether it be ourselves or the CIA, institutionally we get along fine. There are occasionally individuals who have personality issues. And it could be

mine, it could be ATF, and it could be CIA. But in any organization, we have that. And when we see that, whether it be my persons or Mike Sullivan's persons or Mike Hayden's persons and we find somebody that has that problem, then we move very quickly to reduce it.

MS. SMITH: The administration recently implemented a new policy effectively banning use of terminology like jihadist when referring to terrorists. What impact do you think that will have on the War on Terror?

MR. MUELLER: Well, I do think terminology is important. I'm not certain that it will have a dramatic impact. One of the things that is important for all of us, as one looks at the threats from around the globe, is to understand the source of the threats, understand the philosophy or ideology, to understand and address the heart of that radical or extremist ideology, and do it effectively.

And in some areas, terminology does make a difference, not specifically tactically or even indeed strategically against

particular individuals who seek to undertake attacks, but those who give them succor, those who would support them. One has to have an understanding of the ideology and utilize the appropriate terminology in addressing it.

MS. SMITH: You have differed with CIA Director Hayden over the usefulness of waterboarding and other harsh interrogation techniques. Do you see the need for a national standard to set a clear policy?

MR. MUELLER: What I have attempted to talk about is the policy of the Bureau, which is not to use coercion, a policy we have followed in our protocol from before September 11th to this day. That is our protocol and that's what we stick with.

MS. SMITH: But do you think it would be helpful if Congress, in fact, made it illegal and if the administration or the president issued an executive order on that effect?

MR. MUELLER: I will tell you, I will speak for the FBI.

MS. SMITH: A questioner asks, "Why is it taking so long to fill vacancies in your antiterrorism ranks? Are qualified people unavailable? Do you need more money for salaries? Or is the premise of the question incorrect?"

MR. MUELLER: Well, I would say on this one the premise of the question is not exactly on target. We have a great number of individuals who have come into the ranks and have switched over from, say, criminal or other programs in the Bureau to counterterrorism in the wake of September 11th. We have great leadership there.

Yes, do I face the prospect of individuals leaving the Bureau to go to higher-paying jobs? Absolutely. And, yes, if you could fix that for me and obtain higher salaries for our people, that would be great. I don't think it's going to come down the road.

It's interesting to see persons leave the FBI. We have

unbelievably dedicated people. It is not unusual for me to give small pins to individuals who have spent 40 years, 35 years, 30 years in the FBI. And individuals who have worked 20 or 30 years in the FBI, long hours, long nights, long weekends, can retire at age 50 with 20 years of service in and often are looking at a different career, and a different career can pay far more than we in the Bureau can. But we retain any number of persons who are tremendously dedicated beyond that time because they love serving.

MS. SMITH: Have you considered changing that rule that allows them to retire at age 50?

MR. MUELLER: If I could change that rule, not only would I be hung in effigy, but there are a number of people in the organization who would be less than happy with me messing around with their 20 years of service as a law enforcement officer. I would ask Mike Mullen if he'd change that in the military. He would face the same problem I would have.

You can say -- our mandatory retirement is 57. And you can retire at 50 after 20 years of service. Mandatory retirement is at 57. I've thought about changing that, and I do have the ability to keep persons on after 57 if we see the need. So we're doing very well.

I will tell you that at this juncture, in our SES ranks, we are at the same level we were, say, eight or 10 years ago in terms of longevity in those ranks.

MS. SMITH: A questioner asks, "Are FBI agents still participating in interrogations of enemy combatants? And when are FBI agents advised to leave the interview? In other words, how do you define coercion?"

MR. MUELLER: I'm not going to get into details. We still are participating in the preparation of cases in Guantanamo. And, yes, we are participating in debriefings elsewhere in the world, but I'm not going to get into details.

MS. SMITH: Would you say something about the FBI's experience in keeping up with technology challenges? There was a reference from the Intelligence Committee about Internet access not being available on all desks. Do you have the capacity you need in terms of expertise? And, if not, what plans do you have to enhance technology capabilities?

MR. MUELLER: We have made substantial strides since September 11th. We have built up our -- the chief information officer. We have the capability. We have the expertise. We are in the second phase of a four-phase program called Sentinel. We finished the first phase on time, on budget.

With regard to Internet access, we operate in three enclaves -- top secret, secret and unclassified. And that is a particular challenge to operate in these three enclaves, understanding that you cannot go back and forth. Everybody has access to the Internet.

We've had what we've called Internet cafes. What we are finishing up this year, and probably six months in next year, is having everybody have Internet access on their desktop, which requires a separate computer. And we'll finish that off probably in another 12 months.

We also have 18,000 BlackBerrys that our persons have with Internet access. So it's not as if we have not made substantial strides in bringing ourselves into the 21st century. What you do find is that technology has changed so quickly that it is somewhat difficult in the government, given the acquisition of rules and the like, to continue to keep up with that and be in advance of the next technology advance.

But I think we are doing a good job. I'm always frustrated. I would like to be further than we are, but we are doing a good job in becoming, as an organization, as computer-literate as any other organization around.

MS. SMITH: I just have to ask this question. On those shows like "Criminal Minds," where they have the technology gurus who, with the push of a button, can access just about any data base there is and get any information in seconds, can you really do that? (Laughter.)

MR. MUELLER: I'll treat that as a two-part question. Do we have the people capable of doing that? Yes. Do we respect the privacy rights of our citizens by only accessing those data bases which we're authorized to access? Yes.

This computer age -- part of it, we have "CSI" out there on the forensics, and you have "Criminal Minds" and other programs out there that inevitably show those who are going to stop the bad guys, solve crimes, have access to just about everything, whether it be cell phone information or e-mail traffic or what have you. It's not that simple. It's not that easy.

And so in answer to the second part of that question, we obtain that information which we're authorized to retain and that is readily available, yes.

MS. SMITH: (Laughs.) Thank you.

If the FBI could be given significant new funding to fight terrorism, what specifically would you spend it on?

MR. MUELLER: That's not something -- I will tell you the area, and I'll be very general on this, but in technology -- in terms of the ability to capture not only the information about communications, but with technology changing so dramatically with the cell phones, with e-mail traffic, with the Internet and the like, there are areas there that we would want some more funding.

And I'll tell you the other thing is, as we build up the intelligence side of the house, additional training facilities, additional training capabilities to build up that portion of it would be something that we're working on with Congress now to fund, but it's something that would be tremendously helpful.

MS. SMITH: The FBI has, the questioner says, frequently sought the advice of or met with Islamic advocacy groups like CAIR, groups some critics say have links to radicals and extremists. What do you say to those critics?

MR. MUELLER: Well, I would tell you one of the things -- and I think it was Senator Lieberman said the other day that one of the more effective outreach programs in the United States has been the outreach program of the FBI. Immediately in the wake of September 11th, the -- all of our field offices, we have 56 field offices, our special agents in charge and assistant directors in charge, immediately undertook outreach to the Muslim communities in the United States -- Arab American, Sikh American, Muslim American -- communities. And we have developed those relationships over the last seven years. I meet periodically with leaders of the -- national leaders of various Muslim groups.

And the thing that we both recognize is that the worst thing that could happen for such groups in the United States is to have another terrorist attack, and we work together to make certain that that does not happen.

Many of our investigations and cases that have been successful in identifying individuals who have adopted the extremist ideology have come from members of the Muslim community who see this as a threat to their communities.

And consequently, the outreach, both on the part of the FBI, but also on the Muslim communities, has been tremendously beneficial and we will continue it. It is absolutely essential to our success in the future.

And the fact of the matter is 99.999 percent of members of the Muslim or the Sikh American, Arab American communities are every bit as patriotic as anybody else in this room or in this country.

MS. SMITH: What percentage of your agents are Arab Americans?

MR. MUELLER: The question is usually asked in terms of Arabic speakers. I probably could not tell you what percentage -- it would be a very small percentage are Arab American by heritage.

We have, depending on your levels, certainly over 100, more than 100 who have some level of proficiency in Arabic. We have far fewer that are at the level of proficiency of a three or four.

And I'll use this opportunity as an outreach to those who speak such languages that we're always anxious to have you in the FBI in a variety of capacities, and we've made a tremendous effort and tried to recruit and to hire and to bring into the Bureau individuals with backgrounds and heritages from the Middle East, as we do from -- with backgrounds, heritages, through all segments of American society.

MS. SMITH: Questioner wants to know what country or countries pose the greatest spy threats to the U.S. and why do you suppose that allies of the U.S., such as Israel, spy on us?

MR. MUELLER: Well, I'll probably not address the last piece of that. In terms of the threats, there are a number of countries -- I hesitate to be more specific, but I think we all understand that there are a number of countries out there who want to steal our secrets: Russia, Iran, China. I hesitate to identify one as more of a threat to another, but they're -- in our counterintelligence capacity, preventing those from stealing our secrets, those are some of the countries quite obviously that would present a risk.

MS. SMITH: Questioner asks today's audio tape of Osama bin Laden prompts this question about al Qaeda's communication capabilities. How is the U.S. addressing and stopping that capability?

MR. MUELLER: Well, there is a difference between al Qaeda's ability to communicate internally and al Qaeda's ability to post a message on the Internet. As we all know, the Internet is so broad, or the access is absolutely open that just about anybody can post material on the Internet.

Indeed, there's a video on YouTube called "Did you know?" in which it talks (at ?) various statistics about the exponential times that we are in. And one of the factoids in there is something like 50 percent of 21-year-olds in the United States have posted material on the Internet. And I go around my offices when I visit and I say, how many of you have posted material on the Internet? And not as many hands will go up as will go up about 10 years from now.

But the ability to post material on the Internet is fairly widespread, and consequently it is difficult to prevent communications being posted on the Internet.

On the other hand, we quite obviously are very interested in communications internally and do our level best to either be able to intercept those communications or, in certain circumstances, disrupt them.

MS. SMITH: Have you every posted something on the Internet?
(Laughter.)

MR. MUELLER: That's a good follow-up question to which the answer is no, but I will when I get back to the office just so I have a different answer the next time this question's asked. (Laughter.)

MS. SMITH: So I guess I can't invite you to be my Facebook friend. (Laughs.)

(Laughter.)

MR. MUELLER: No. (Laughs.)

(Laughter.)

MS. SMITH: More seriously --

MR. MUELLER: But I will go look you up on Facebook --

(Laughter.)

MS. SMITH: You'll love the picture.

Has the harm from the Robert Hanssen spy case become a thing of the past, and what are you doing to prevent future internal spy cases?

MR. MUELLER: Well, you always suffer from the acts of somebody like Robert Hanssen and the treason that he undertook.

And we put in place -- there were a number of reports that were done afterwards on what we could do to upgrade our security. Things like financial disclosure statements, like monitoring our networks. We do a fair amount of polygraphing, both persons before they come in the Bureau as well as on re-up. So there are a number of steps that we have taken to try to ferret out those who would sell our secrets to others.

But the fact of the matter is there is always that temptation out there. You've got hundreds of thousands of individuals who have access to a number of the classified programs, not just in the FBI, but in the intelligence community, the military. And we actively seek to identify those persons and to put them behind bars -- including our own, where that might be the case.

MS. SMITH: I've got a couple of questions about public corruption cases. This questioner says, recently the special agent in charge in New Orleans was recalled to Washington for making political statements to the media. What impact will his resignation have on public corruption investigations underway in Louisiana?

MR. MUELLER: The special agent in charge -- and let me start off in New Orleans -- did a terrific job in the wake of September 11th (sic), a very difficult time. And I would like to think that we contributed to the stability, law and order, in New Orleans in the wake of that flood.

What caused him to be recalled was he had indicated in the media a day or so before that he was contemplating running for mayor and did not, I think -- did not come out exactly the way he wanted it.

But the belief is that we as an organization have to be not only objective and independent in our investigations, but have to be perceived as objective and independent in our investigations. And somebody who may be somewhat -- not purposefully and not thinking it through makes a statement like that, then it adversely impacts the perception of independence in our cases, and consequently he was recalled for that and has subsequently filed his retirement papers.

MS. SMITH: Questioner asks what are your concerns or worries about the upcoming election season as a potential target for al Qaeda? And sort of as a corollary to that, do you think the prospect of having the country's first black presidential candidate would pose unusual challenges for the FBI in protecting him?

MR. MUELLER: To the last question, in terms of the protection, Mark Sullivan, Secret Service is in large part -- and is responsible for the protection of the candidates. All candidates face a threat in

this day and age. Mark and the Secret Service do a remarkable job in according protection.

We work very closely with the Secret Service. We have set up and had set up a task force some months ago to address not only protection, but the possibility of attacks in the run-up to the elections, as we have in the past in similar circumstances.

And my hope and my belief is that as we work closely together in that task force elsewhere that we will protect not only the United States from attacks, but also the candidates.

We tend to focus on the international threat, but we still have in the back of our mind what happened in 1995 in Oklahoma City and the threat of domestic terrorism. Until September 11th, the attack in Oklahoma City was the greatest loss of American lives, and consequently we've got an eye not only on the international terrorism from al Qaeda, but also on the prospects of -- the possibility of individuals in the United States wanting to undertake an attack such as we saw by McVeigh.

MS. SMITH: Couple of questions on this theme. Do you intend to serve your full 10-year term, even if a Democrat is elected president? And apparently there are rumors every other month about your imminent retirement. Is it?

MR. MUELLER: Well, I will concede the rumors about -- every other month about my imminent retirement, all of -- not true. And I'll stay as long as I believe I can contribute to the Bureau, up to the 10-year max, which is another three and a half years away.

MS. SMITH: So the political affiliation of the next president would not have any bearing on your decision?

MR. MUELLER: No. (Scattered laughter.)

MS. SMITH: I always like to (be specific there ?).

We're almost out of time, but before asking the last question, I have a couple of things to take care of. First, let me remind our members about upcoming speakers. On May 20th, we have James Peake, the secretary of the Veterans Administration. He'll discuss the VA, honoring our commitment and meeting needs of the 21st century veterans. On May 23rd we follow that with former senator Bob Dole, who'll assess the changes being made to improve care for today's wounded veterans, and on May 27th we have the president of the Czech Republic, Vaclav Klaus.

Second, I'd like to present our guest with our centennial mug, and we have a postage stamp of Eric Sevareid on one side; a nice, big coffee mug.

MR. MUELLER: Thank you.

MS. SMITH: Thank you.

And my last question for you today is you didn't mention the most

famous FBI-press tie, Deep Throat. Have you ever met Mr. Felt?

MR. MUELLER: No, the closest I've come is I worked with the attorney who represents him. (Laughter.) No, I have not met him.

MS. SMITH: Okay.

MR. MUELLER: Thank you very much.

MS. SMITH: Thank you so much.

(Applause.)

I'd like to thank Director Mueller for being here today and being a good sport in some of those questions. I'd also like to thank the National Press Club staff members Melinda Cooke, Pat Nelson, Jo Ann Booze and Howard Rothman for organizing today's lunch. Also, thanks to the NPC Library for its research.

The video archive of today's luncheon is provided by the National Press Club Broadcast Operations Center. Press Club members can also access free transcripts of our luncheon at our Web site, www.press.org. Non-members may purchase transcripts, audio and video tapes by calling 888 343-1940. For more information about joining the Press Club, contact us at 662-7511.

Thank you, and if -- I will ask you to remain in your seats until the director leaves us, we will adjourn. (Strikes gavel.)
(Applause.)

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