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DEPARTMENTS OF STATE, JUSTICE, AND
COMMERCE, THE JUDICIARY, AND RELATED
AGENCIES APPROPRIATIONS FOR 1981

GOVERNMENT

MENTS

Storage

28 1980

HEARINGS

BEFORE A

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KANSAS STATE UNIVERSITY

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

NINETY-SIXTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENTS OF STATE, JUSTICE, AND
COMMERCE, THE JUDICIARY, AND RELATED AGENCIES

JOHN M. SLACK, West Virginia, *Chairman*

NEAL SMITH, Iowa
BILL ALEXANDER, Arkansas
JOSEPH D. EARLY, Massachusetts
JACK HIGHTOWER, Texas

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MARK ANDREWS, North Dakota

DEMPSEY B. MIZELLE and JOHN G. OSTHAUS, *Staff Assistants*

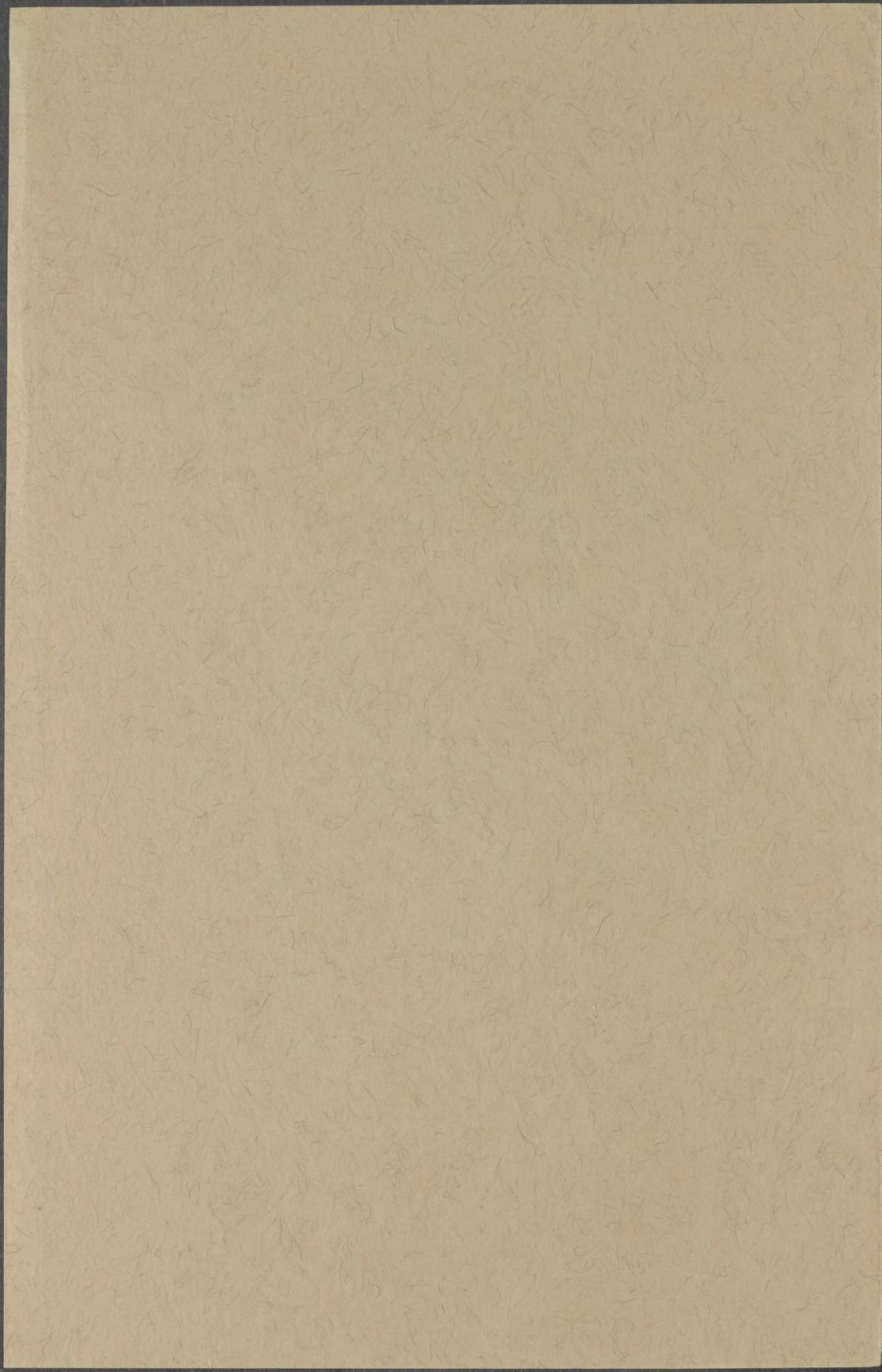
PART 7

DEPARTMENT OF JUSTICE

Federal Bureau of Investigation

Printed for the use of the Committee on Appropriations

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DEPARTMENTS OF STATE, JUSTICE, AND
COMMERCE, THE JUDICIARY, AND RELATED
AGENCIES APPROPRIATIONS FOR 1981

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U.S. GOVERNMENT PRINTING OFFICE

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WASHINGTON : 1980

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**DEPARTMENTS OF STATE, JUSTICE, AND COM-
MERCE, THE JUDICIARY, AND RELATED
AGENCIES APPROPRIATIONS FOR 1981**

WEDNESDAY, APRIL 2, 1980.

**DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION**

WITNESSES

WILLIAM H. WEBSTER, DIRECTOR

**HOMER A. BOYNTON, JR., EXECUTIVE ASSISTANT DIRECTOR—ADMINIS-
TRATION**

LEE COLWELL, EXECUTIVE ASSISTANT DIRECTOR—INVESTIGATIONS

**L. CLYDE GROOVER, JR., INSPECTOR—DEPUTY ASSISTANT DIRECTOR,
FINANCIAL MANAGEMENT BRANCH, ADMINISTRATIVE SERVICES DI-
VISION**

**WILLIAM D. VAN STAVOREN, DEPUTY ASSISTANT ATTORNEY GENERAL
FOR ADMINISTRATION**

Mr. SMITH. The meeting will come to order.

This morning we shall consider the 1981 budget request for the FBI. This request appears on page 38 of the Committee Print and under a separate tab in Volume 2 of the justification books from the Justice Department. We shall insert the justifications at this point in the record.

[The information follows:]

(1)

Federal Bureau of Investigation

Appropriation Summary Statement

Appropriation: Salaries and expenses

The long-range goal of the FBI is to reduce criminal activity, to investigate civil matters in which the United States Government has an interest, and to provide information to the Executive Branch relating to national security. Chapter 33 of Title 28, United States Code, contains the fundamental authority for the activities of the FBI. Certain auxiliary specific and general investigative responsibilities relating directly to the security of the Nation have been vested by the Attorney General and the President of the United States. Title 18, Section 3052, United States Code, as amended January 10, 1951, provides that, "The Director, Associate Director, Assistant to the Director, Assistant Directors, inspectors, and agents of the Federal Bureau of Investigation of the Department of Justice may carry firearms, serve warrants and subpoenas issued under the authority of the United States and make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such felony." The fiscal year 1981 appropriation request for the FBI amounts to \$636,971,000. This represents an increase of \$23,065,000 above the amount required for fiscal year 1980. The fiscal year 1981 request includes \$19,451,000 in uncontrollable increases, offset by \$8,245,000 in non-recurring items, \$152,000 transferred to the Department of State, and net program increases amounting to \$12,011,000. The program decreases are primarily in one budget activity, State and Local Assistance. Major decreases in the State and Local Assistance activity include reductions in the General Law Enforcement Training, Forensic Services - Non-Federal, and Fingerprint Identification programs. Funds requested for the fiscal year will provide for 19,306 permanent positions, a net loss of 132 positions.

1. Criminal, security, and other investigations:

Included in this activity, which will require \$402,416,000 or 63 percent of the FBI's appropriation request for fiscal year 1981, are such programs as Civil, Applicant, and Other Investigations; Organized Crime; White-Collar Crime; General Government Crimes; Personal Crimes, General Property Crimes and General Crimes Informants; Civil Rights; Fugitive; Terrorism; and Foreign Counterintelligence Investigations and Assets. Increased emphasis will be placed on organized crime and white-collar crime, which cost the American public billions of dollars each year. The White-Collar Crime Program is aimed at investigating, reporting, and giving assistance in the prosecution of criminals who violate laws which were enacted for the overall protection of citizens from economic loss. Among the major objectives of the Organized Crime Program is the use of innovative, responsive, and adaptive investigative techniques which will deprive the hoodlum element of lucrative sources of revenue, result in the successful prosecution of top racket figures, and disrupt syndicate activities whenever and wherever they are discovered. The FBI's authority and jurisdiction in the high priority area of foreign counterintelligence are based on statute; on the President's Constitutional powers and responsibilities to conduct foreign affairs and to protect each of the states against invasion; and on the authority of the Attorney General to order investigations regarding official matters under the control of the Department of State.

The FBI's authority and jurisdiction to investigate domestic subversion such as rebellion, insurrection, sedition, conspiracy, the advocacy of violent overthrow of the Government, and illegal weakening of the Government are based on statute.

2. Coordination of investigations:

The major objective of this activity is to provide services to the field investigative activities so as to afford overall direction to the FBI's basic mission--field investigative operations; to structure viable, effective investigative programs in the fields of White-Collar Crime, Organized Crime, Foreign Counterintelligence, and Other Criminal Programs; and to maintain formal liaison with various United States Government agencies and departments of the Executive Branch at the Headquarters level. This activity will require \$15,093,000 in fiscal year 1981, or two percent of the total requested.

3. Investigative support:

This activity, which will require 16 percent of the total 1981 request, or \$100,414,000, includes the Training Program for FBI employees, including new agents; Forensic Laboratory Services provided for the FBI and other Federal agencies in both criminal and civil matters; the Legal Attaches (foreign liaison) program; and the ADP and Telecommunications, Records Management, and Technical Field Support and Equipment programs, which collectively provide maintenance of all investigative and personnel records and the entire communications system of the FBI.

4. State and local assistance:

This activity includes training provided to state and local law enforcement officers; fingerprint identification services; forensic laboratory services provided in support of the state and local criminal justice system; and the Criminal Justice Data and Statistics Services program. Thirteen percent, or \$79,783,000, of the FBI's request will be required for this activity.

5. Program direction:

Included in this activity is the executive direction and control of the FBI, comprising audits, inspections, and financial management thereof, and administrative services, including reimbursement to employees for expenses, payment to vendors for services, supplies and materials, personnel management, preparation of payrolls, and the acquisition and management of space and property. Resources needed to insure compliance with the Freedom of Information and Privacy Acts are also included in this activity. A total of \$39,265,000 (six percent of the request) will be required for this activity in fiscal year 1981.

Federal Bureau of Investigation

Salaries and expenses

Justification of Proposed Language Changes

The 1981 budget estimates include proposed changes in appropriation language listed and explained below. New language is underscored, and deleted matter is enclosed in brackets.]

Salaries and expenses

For expenses necessary for the detection, investigation, and prosecution of crimes against the United States; including purchase for police-type use (not to exceed [one thousand two hundred] ^ for replacement only) and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; and not to exceed \$70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate: [\$384,408,000.] one thousand one hundred
\$636,971,000

None of the funds appropriated for the Federal Bureau of Investigation shall be used to pay the compensation of any employee in the competitive service.

Explanation of changes

The proposed change decreases the number of automobiles to be purchased for replacement due to current replacement standards.

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements
(Dollars in thousands)

Permanent Positions	Amount
19,738	\$584,408
***	29,498
19,738	613,906
***	-152
-300	19,451
19,438	-8,245
	624,960

Adjustments to base and built-in changes

1980 as enacted.....									
1980 Pay supplemental requested.....									
1980 appropriation anticipated.....									
Transfer to other accounts:									
Transfer to Department of State.....									
Uncontrollable increases.....									
Decreases (automatic non-policy).....									
Base for 1981.....									

1980 Estimates by budget activity	1979 Actual		1980 Anticipated		Base for 1981		1981 Estimates		Increase/Decrease	
	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
1. Criminal, security, and other investigations.	11,300	\$370,628	11,301	\$385,561	11,364	\$396,738	11,495	\$402,416	131	\$5,678
2. Coordination of investigations.....	433	11,418	456	14,238	456	14,459	486	15,093	30	634
3. Investigative support.	2,305	84,564	2,283	90,942	2,283	95,278	2,289	100,414	6	5,136
4. State and local assistance.....	4,481	78,255	4,349	84,986	3,986	79,220	3,687	79,783	-299	563**
5. Program direction.....	1,357	35,217	1,349	38,179	1,349	39,265	1,349	39,265	***	***
Total.....	19,876	580,082*	19,738	613,906	19,438	624,960	19,306	636,971	-132	12,011

*Excludes \$3,500,000 unobligated balance remaining available at the end-of-year for the construction of a Forensic Sciences Training and Research Facility at Quantico, Virginia (Public Law 96-38), and \$901,000 unobligated balance lapsing.

**Included in this budget activity are provisions for 208 permanent part-time positions for Fingerprint Identification. These positions will provide for the hiring of 416 part-time personnel in lieu of the 208 full-time positions proposed for reduction.

Federal Bureau of Investigation

Salaries and expenses

Summary of Changes
(Dollars in thousands)

	Permanent Positions	Amount
1980 as enacted.....	19,738	\$584,408
Supplementals requested:		
Pay increase supplemental requested:		Amount
Increased pay costs.....		\$29,981
Savings in administrative travel.....		-227
Other savings.....		-256
Net pay supplemental.....		29,498
1980 appropriation anticipated.....	19,738	613,906
Adjustments to base and built-in changes:		
Transfer to other accounts:		
Transfer to Department of State.....		-152
Uncontrollable increases:		
Annualization of 1980 pay increase.....		1,698
Within-grade step increases.....		3,856
Wage-board salary increases.....		381
Health benefits costs.....		313
Federal Employees' Compensation Act (FECA).....		221
Standard Level User Charges (SLUC).....		1,940
GSA recurring reimbursable services.....		334
Federal Telecommunications System (FIS).....		75
Travel costs - per diem and mileage.....		340
Travel costs - airfare increases.....		179
GPO printing costs.....		82
Foreign allowances.....		50
General pricing level adjustment.....		4,369
Gasoline cost increases.....		2,553

Federal Bureau of Investigation

Salaries and expenses

Summary of Changes

	Permanent Positions	Amount
Insurance claims and indemnities.....	...	\$30
Cost escalation - utilities.....	...	946
Cost escalation - communications.....	...	434
Cost escalation - replacement automobiles.....	...	850
Cost escalation - transfers.....	...	800
Total uncontrollable increases.....	...	19,451
Decreases:		
Non-recurring costs for 300 permanent positions allowed for a three-year period for the fingerprint automation effort.....	-300	-3,698
One less compensable day.....	...	-1,663
Non-recurring costs for equipment.....	...	-600
Non-recurring costs associated with AIDS.....	...	-2,284
Total decreases.....	-300	-8,245
1981 Base.....	19,438	624,960
Program changes:		
1. Criminal, security, and other investigations:		
Organized crime.....	59	1,594
White-collar crime.....	80	3,408
Fugitive.....	-30	-610
Personal Crimes.....	-15	-330
Terrorism.....	-9	-244
Other field programs.....	46	1,860
Subtotal.....	131	5,678

Federal Bureau of Investigation

Salaries and expenses

Summary of Changes

	Permanent Positions	Amount
2. Coordination of investigations:		
Coordination of investigations.....	30	\$634
Subtotal.....	<u>30</u>	<u>634</u>
3. Investigative support:		
Forensic services - Federal.....	5	928
ADP and telecommunications.....	7	4,282
Legal attaches.....	-11	-629
Technical field support and equipment.....	5	555
Subtotal.....	<u>6</u>	<u>5,136</u>
4. State and local assistance:		
General law enforcement training.....	-60	-660
Forensic services - Non-Federal.....	-31	796
Fingerprint identification.....	-208	427
Subtotal.....	<u>-299</u>	<u>563</u>
Total program changes.....	-132	12,011
Total 1981 request.....	<u>19,306</u>	<u>\$636,971</u>

Federal Bureau of Investigation

Salaries and Expenses

Adjustments to Base and Built-in Changes
(Dollars in thousands)

	<u>Permanent Positions</u>	<u>Permanent Work-Years</u>	<u>Amount</u>
.....	-\$152

Transfer to other accounts:

This item relates to a Government-wide policy change requiring appropriate amounts to be transferred to the Department of State for costs of operating Government - owned embassy buildings overseas.....

Uncontrollable increases:

1. Annualization of 1980 pay increase.....	...	...	1,698
This provides for the annualization of the October 7, 1979, pay increase resulting from Executive Order 12165, dated October 9, 1979.			
2. Within-grade step increases.....	...	...	3,856

The amount required for within-grade step increases is \$3,856,000. Computation of this amount (\$3,544,000 personnel compensation and \$312,000 for applicable personnel benefits computed at 8.8 percent of personnel compensation) was based on within-grade step increases granted to General Schedule employees in fiscal year 1978. The additional personnel compensation required represents approximately one percent of the personnel compensation for General Schedule employees contained in the fiscal year 1981 request.

3. Wage-board salary increases.....	381
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This item is requested to provide for the annual salary increases granted to employees who are paid in accordance with prevailing wage rates. These employees are engaged in printing, automotive maintenance, and similar functions. The amount required is based on the salaries (\$4,677,899) of those employees on the rolls of December 31, 1978, and was computed as follows:

Permanent Positions Permanent Work-Years Amount

Salaries of wage board employees on rolls December 31, 1978: \$4,677,899 + \$322,705 requested for fiscal year 1980 = \$5,000,604 x .07 = \$350,042 plus \$30,804 (related personnel benefits at 8.8 percent) = \$380,846.

\$313

4. Health benefits costs.....
 The Federal Employees' Health Benefits Act (PL 93-246) provided that the Government's share of health insurance would be 60 percent of the total rate commencing in 1975. Effective January 1, 1979, the health insurance carriers raised their rates which had a direct impact on Government costs. The requested increase of \$313,000 provides for payment of the average rate increase of six percent.

221

5. Federal Employees' Compensation Act (FECA).....
 The increase reflects the billing provided by the Department of Labor for the actual costs in fiscal year 1979 of employees' accident compensation. The fiscal year 1981 billing will be \$1,742,722 or \$221,000 over the fiscal year 1980 estimate.

1,940

6. Standard Level User Charges (SLUC).....
 PL 92-313, Public Building Amendments Act of 1972, authorizes and directs the Administrator of the General Services Administration to charge for the use of space furnished. The FBI received no increase for such payment in fiscal year 1980 and the increased cost was absorbed. A total of \$34,807,000 is required to support the fiscal year 1980 base program into fiscal year 1981. The \$1,940,000 being requested will help to provide for the same quality and quantity of space in fiscal year 1981 as in fiscal year 1980.

334

7. General Services Administration (GSA) recurring reimbursable services.....
 The General Services Administration (GSA) provides additional heating, ventilation, air conditioning (HVAC), and guard service on a reimbursable basis. The requested increase of \$334,000 will insure the same level of service in fiscal year 1981 as in fiscal year 1980.

Permanent Permanent
Positions Work-Years Amount

... ... \$75

8. Federal Telecommunications System (FTS).....
 An additional \$75,000 is required for FTS. This represents an eight percent increase over the \$993,000 available for FTS in the fiscal year 1980.

... ... 340

9. Travel costs -- per diem and mileage.....
 The increased cost in high rate areas applies to an estimated 45 percent of per diem travel expenses. Additionally, pursuant to PL 94-22, the Administrator of GSA has raised the mileage rate from 17 cents to 18.5 cents per mile. As a result of these two increases, an additional \$340,000 is required for fiscal year 1981.

... ... 179

10. Travel costs -- airfare increases.....
 Although airline fares are subject to less regulation as a result of the Deregulation Act, and regulation of fares will disappear entirely after fiscal year 1983, the Civil Aeronautics Board estimates that regular fares will continue to increase overall at a rate of about five percent per year. An uncontrollable increase reflecting the five percent growth in airfares results in an increase of \$179,000.

... ... 82

11. GPO printing costs.....
 An additional \$82,000 is required for increased costs for contract printing or other printing under the control of the Government Printing Office (GPO). The most recent estimate for the expected increases in overall GPO costs for fiscal year 1981 is nine percent. Nine percent of the \$906,124 included in the fiscal year 1980 request amounts to \$81,551.

... ... 50

12. Foreign allowances.....
 An additional \$50,000 is requested for payment to the Department of State for the FAAS Program.

Permanent Positions	Permanent Work-Years	Amount
...	...	\$4,369

13. General pricing level adjustment.....

This request applies to OMB pricing guidance of August 1979 to selected expense categories. The increased costs identified result from applying a factor of 8.3 percent against those subject classes where the prices that the Government pays are established through the market system instead of by law or regulation. Generally, the factor is applied to supplies, materials, equipment, contracts with the private sector, transportation costs, and utilities. Excluded from the computation are categories of expense where inflation has already been built into the fiscal year 1981 estimates and where unobligated balances are brought forward from prior years.
14. Gasoline cost increases.....

The fiscal year 1980 budget contains approximately \$4.8 million for gasoline. In view of the escalating cost of gasoline, an uncontrollable increase of \$2,553,000, or approximately 53 percent is being requested.
15. Insurance claims and indemnities.....

The FBI was funded \$82,000 for insurance claims and indemnities for the 1979 fiscal year and the same amount is in the pending request for fiscal year 1980. Actual expenditures for fiscal year 1978 were \$96,000. Based on the actual obligations through July, \$155,000 will be required for the fiscal year 1979.

The additional \$30,000 being requested will provide funding more in line with the amount being expended.
16. Cost escalation - utilities.....

Utilities costs, including water, sewage, etc., for the FBI Academy continue their upward trend. An increase of \$242,000 was provided for this purpose by means of supplemental funding in fiscal year 1976. The identical amount was allowed as an uncontrollable item in the fiscal year 1978. No further increases have been requested; however, the FBI can no longer absorb these escalating costs. Due to the ever-increasing cost of fuel and electricity, it is projected

...	...	2,553
...	...	30
...	...	946

<u>Permanent Positions</u>	<u>Work-Years</u>	<u>Amount</u>
<p>that \$1,372,000 will be required for the fiscal year 1981. These utility costs are not under the GSA recurring reimbursable services. Funds available for utilities at the FBI Academy amount to \$426,000; therefore, an uncontrollable increase of \$946,000 is being requested.</p>	...	\$434
<p>17. Cost escalation - communications.....</p> <p>Communication costs pertaining to basic commercial services and toll charges show a historical increase of 12 to 14 percent per year. However, being mindful of the President's guidelines concerning price increases and in view of the fact that only an eight percent increase was considered as being applicable to FTS payments to GSA, an eight percent increase over the \$5,421,000 available for these items in the fiscal year 1980 is being requested.</p>	...	850
<p>18. Cost escalation - replacement automobiles.....</p> <p>In order to maintain a safe and adequate fleet of motor vehicles, the FBI must replace a large percentage of those vehicles meeting GSA replacement standards of either (1) six years of age or (2) 60,000 miles of operation, or (3) both. One thousand two hundred cars are scheduled for replacement in fiscal year 1980; however, at today's prices (\$6,000 per car increased by eight percent = \$6,480 per car in fiscal year 1980), the \$6.3 million available will provide for only 972. It is imperative that a large quantity of cars be replaced in fiscal year 1981. An uncontrollable increase of \$850,000 is, therefore, being requested.</p>	...	800
<p>19. Cost escalation - transfers.....</p> <p>Real estate settlement costs in connection with transfers continue to escalate. Recent data indicate that such costs have increased from an average of \$3,003 to \$3,503, an increase of \$500 per transfer. The FBI makes 1,600 transfers per year; therefore, an additional \$800,000 (\$500 x 1,600) is required for this purpose.</p> <p>Total uncontrollable increases.....</p>	...	19,451

	Permanent Positions	Permanent Work-Years	Amount
<u>Decreases (automatic nonpolicy):</u>			
1. Nonrecurring costs for 300 permanent positions allowed for a three-year period for the fingerprint automation effort.....	-300	-300	-\$3,698
<p>In the fiscal year 1978, an additional 300 positions and 290 work-years were allowed for a three-year period for the fingerprint automation effort. The fiscal year 1979 appropriation provided funds for annualization of the positions. A total of 300 GS-5 positions will be nonrecurred.</p>			
2. One less compensable day.....	...	...	-1,663
<p>The fiscal year 1981 contains 261 compensable days compared to 262 in the fiscal year 1980. One half of the \$3,326,000 contained for two additional days in fiscal year 1980 is being nonrecurred.</p>			
3. Nonrecurring costs for equipment.....	...	...	-600
<p>The fiscal year 1979 appropriation contained \$1,000,000 for the purchase of Crime Scene Kits. Funds in the amount of \$700,000 were nonrecurred in the fiscal year 1980 request. The balance, \$300,000, is being nonrecurred in fiscal year 1981. In addition, the fiscal year 1980 request contains funds, in the amount of \$300,000 for a dedicated mini-computer for the Organized Crime Section. This amount is being nonrecurred in fiscal year 1981.</p>			
4. Nonrecurring costs associated with AIDS.....	...	...	-2,284
<p>The fiscal year 1980 request contains \$1,200,000 for additional Automated Identification Division System (AIDS) studies, \$800,000 for special equipment development and \$284,000 for data entry terminals. These amounts, all AIDS related, are being nonrecurred in fiscal year 1981.</p>			
Total decreases.....	-300	-300	-8,245
Total adjustments to current level estimates.....	-300	-300	\$11,054

Federal Bureau of Investigation

Salaries and expenses

Justification of Program and Performance
(Dollars in thousands)

Activity: Criminal, Security, and Other Investigations

	1980		Base for 1981		1981 Estimate		Increase/Decrease	
	Appropriation Anticipated		Perm.		Perm.		Perm.	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Organized crime.....	1,865	\$61,865	1,921	\$66,577	1,980	\$68,171	59	\$1,594
White-collar crime.....	2,814	90,816	2,877	95,663	2,957	99,071	80	3,408
Fugitive.....	566	22,912	566	23,240	536	22,630	-30	-610
Personal crimes.....	1,092	36,764	1,036	35,699	1,021	35,369	-15	-330
Terrorism.....	255	10,107	255	10,220	246	9,976	-9	-244
Other field programs.....	4,709	163,097	4,709	165,339	4,755	167,199	46	1,860
Total requirements.....	11,301	385,561	11,364	396,738	11,495	402,416	131	5,678

Base Program

The FBI is the primary investigative branch of the Department of Justice. The principal objective of this activity is to conduct investigations which have the most significant deterrent effect on criminal activity, to investigate civil matters in which the Government has a vested interest, and to provide necessary information to the Executive Branch relating to national security.

Emphasis will be on organized crime, white-collar crime, and foreign counterintelligence investigations in fiscal year 1981 with increases in each of these programs. Reductions will be made in other investigative field programs which will result in a net increase in the activity of 131 positions. The reductions will be achieved by giving less investigative attention to cases which are not considered high priority in each investigative program where there are less resources available for 1981.

Organized crime - This program's long-range goal is to systematically, effectively, and progressively reduce the incidence of organized criminal activities in the Nation. This goal, to be attainable, has as its short-term objective

the employment of innovative, responsive, and effective investigative techniques on a sustained level that are directed against the organized criminal element so as to deprive it of its lucrative sources of revenue. This objective is targeted against the most powerful leaders of the organized criminal element and their domains (such as labor racketeering, organized crime infiltration of labor unions and legitimate business; involvement in corruption matters; and organized criminal influence of loansharking, illegal gambling operations, child pornography, gangland slayings, arson-for-profit, and prostitution) so as to develop the best prosecutable cases against the criminal element that would deprive them of their lucrative sources of income and thus disrupt their illegal operations. A major objective that would assist in this pursuit is continued implementation of the Organized Crime Information System (OCIS). Another objective is the maintenance of the current corps of high-level informants and development of the additional informants necessary to penetrate the leadership, structure, operations, associates, and revenue sources of the organized criminal elements.

During fiscal year 1978 and early fiscal year 1979, the OCIS was designed to provide selected FBI field divisions and the FBI Headquarters with the capability of using computer technology which would enhance the FBI's ability to collect, collate, analyze, and disseminate (internally) virtually all investigative information relative to organized crime matters. Select field divisions will have "on line" direct access to the central data base which will be maintained at FBI Headquarters. This system will enable the FBI to more efficiently investigate and prosecute organized crime on a local and national level. The development of the OCIS commenced in November 1978, at Detroit, the 'pilot office' for this program.

The implementation schedule of this system has been designed to provide five field divisions with this capability by the end of fiscal year 1980. An additional twelve field divisions are scheduled to be brought "on line" with the OCIS during fiscal year 1981. By fiscal year 1981, projected staffing complement for the OCIS implementation will total 77 support personnel. A total of 77 Data Entry/Information Analysts are required through fiscal year 1981 in support of OCIS.

	Increase/Decrease
Perm.	Pos.
Amount	\$1,594
59	59

Organized crime.....

An increase in funding level for this program for fiscal year 1981 will enhance the focus on preventive and anticipatory investigative programs designed to preclude organized crime spillover into new areas of endeavor. By fiscal year 1981, it is anticipated that investigations pertaining to hoodlum infiltration of legitimate business, labor racketeering, official corruption matters, child pornography, and arson for profit will be expanded. Increased funding permits investigative personnel to give full attention to mandatory statutory requirements, intelligence-gathering activities, development and maintenance of productive organized crime informants, and dissemination of information to the law enforcement community. Implementation of the OCIS will continue, thus providing greater in-depth coverage of already existing programs. Current resource usage in this program is exceeding the levels of funding as demonstrated by the fiscal year 1979 work-year consumption.

The increase in funding will enable the FBI to continue to lend assistance to other Federal, state, and local agencies engaged in the fight against illegal drugs and narcotics. This will be accomplished through the development and dissemination of narcotics information which stems from organized crime activities under FBI investigation. On a highly selective basis, FBI Agents will work jointly with Drug Enforcement Administration (DEA) personnel in the investigation of key drug offenders whose operations fall within the mutual jurisdiction of these agencies.

White-collar crime - This program has established as its long-range goal to detect, investigate, and provide investigative support in resolving white-collar criminal activities within the jurisdiction of the FBI. This goal, to be attainable, has as its short-term objective to stress the "quality over quantity" policy in investigative matters thus maximizing the effectiveness of the special agent complement by concentrating on more productive investigations. This policy will emphasize a more aggressive approach to some of the difficult cases by concentration of specially trained special agents as well as giving adequate attention to lower priority cases in which the United States Attorneys have retained a prosecutive interest.

The selected targeting of FBI resources is expected to achieve significant results in such cases as those involving corruption of public officials, fraud against the Government in federally funded programs in concert with the newly formed Inspector Generals offices, and large bank embezzlements as well as other high impact white-collar crime matters.

A major objective of this program is the concentration and utilization of the expertise of experienced personnel in combating corruption of public officials at all levels of government in an effort to maintain public trust in our government institutions and law enforcement. This is coupled with the aim to provide the investigative response necessary to support the President's and the Attorney General's white-collar crime priorities. Other major objectives are to curtail fraud schemes involving multiple subjects or victims and planned bankruptcies.

With the increased emphasis on high quality investigations and the focusing on certain areas of white-collar crime such as public corruption, the occurrence of these types of violations should be reduced. The end result is logically a curtailing of the economic loss to individuals, Government agencies, and the private business sector which has been estimated by numerous sources to be from \$44 billion to \$100 billion a year.

It is believed that high visibility of successful prosecutions will deter the incidence of these crimes. In fiscal year 1979, white-collar crime investigations resulted in 3,268 convictions. It is expected in fiscal year 1981 that the number of convictions and investigations will remain at about the same level as in the past, but the quality and complexity of the investigations and the impact of the resultant convictions will be enhanced.

White-collar crime.....	Increase/Decrease	
	Perm.	
	Pos.	Amount
		<u>80</u>
		\$3,408

The increase of 80 additional positions for fiscal year 1981 will give the FBI the ability to meet its investigative responsibilities in the white-collar crime field and to better respond to the demands of the Administration in these matters. The request was developed in an attempt to accommodate the goals stated by the Attorney General consistent with other areas of the Department of Justice.

The increase for fiscal year 1981 includes funding for 30 accounting technicians, which will accelerate the investigations and prosecutions of white-collar crime cases. Realizing the increasing demands for special agent accountants, the increased use of accounting technicians is an attempt to minimize costs while augmenting the White-Collar Crime Program work force. Experience has proven accounting technicians have freed special agent accountants from the more routine aspects of accounting investigations allowing the special agent accountants to deal with the more complex aspects of the investigations. Accounting technicians are being used in an ever-increasing number of major investigations.

Fugitive - This program's long-range goal is to lessen the national crime problem through the prompt apprehension of wanted individuals sought principally on behalf of the local and state law enforcement community, focusing primary investigative emphasis on those individuals involved in crimes of violence, substantial property loss or destruction, and illicit drug trafficking.

This investigative activity's major operational aspects are designed to:

- (a) provide assistance to local and state authorities in apprehending their fleeing felons under provisions of the Unlawful Flight Statute;
- (b) assist the various branches of the military in locating those individuals who desert under aggravated circumstances;
- (c) assist DEA in locating its most sought after domestic drug traffickers.

This program directly serves the needs of the country's local and state law enforcement community as well as the Department of Defense (DOD), and in certain instances the U.S. Marshals Service, Bureau of Prisons, and Parole Commission.

The investigative areas covered by this program efforts are all referral in nature. Each fugitive inquiry is initiated based upon a request for FBI assistance from a representative of either the local, state, or Federal law enforcement community. The following workload and performance data reflect fugitive matters which demand FBI involvement if the Federal Government is to effectively combat crime and serve the public interest:

	Fiscal Year	
	1979 (actual)	1980 (estimated)
Investigative matters received	29,179	20,000
Fugitives apprehended (by FBI)	1,688	800
Fugitives located (by other agencies as a result of FBI efforts)	1,940	575
Convictions/Felonies	663	125
Convictions/Misdemeanors	33	20
Recoveries	\$2,053,622	\$500,000
		\$250,000

Increase/Decrease
Perm.
Pos. Amount
-30 -\$610

Fugitive.....

This decrease is partially a result of the FBI's no longer routinely seeking the apprehension of escaped Federal prisoners, probation, parole, mandatory release, and bond default violator fugitives. The FBI is placing added emphasis toward locating fugitives wanted for high impact crimes. This decrease of 30 positions is the remaining adjustment associated with the transfer of certain fugitive responsibilities to the U.S. Marshals Service.

Personal crimes - The Personal Crimes Program addresses reactive criminal offenses directed against Federal Government officials, the Nation's financial institutions, and the general public and which involve the common characteristics of threatened or actual injury or loss of life. The long-range goal of this program is to reduce the incidence of personal crimes through investigation of reported violations, case solutions, and prosecutive support.

Federal offenses within the scope of the Personal Crimes Program include kidnaping, extortion, bank robbery, bank burglary, bank larceny, assaulting/killing a Federal officer, Congressional assassination, and crime aboard aircraft, among others. Investigations into these offenses are often labor-intensive, particularly in the critical periods immediately following the occurrence of these crimes, and involve widespread investigative activity beyond the location of the violation. Personal crimes are often perceived as having considerable impact on the communities and individuals involved due to their potential for violence.

Federal Bank Robbery Statute violations, the primary investigative area of the Personal Crimes Program, reached a record level of 6,554 during fiscal 1979, a 23 percent increase over the previous fiscal year. Losses resulting from these

5,784 robberies, 474 burglaries, and 295 larcenies exceeded \$45.575 million, a 63 percent increase over losses recorded during fiscal 1978. Violence occurred on 377 occasions, resulting in 166 injuries, 26 deaths, and 97 persons being taken hostage.

Foreign police cooperation, another aspect of the Personal Crimes Program, involves covering leads and conducting record and name checks for foreign police agencies in criminal cases. This service is reciprocated by these agencies for the FBI.

Personal crimes.....	Increase/Decrease
	Perm.
	Pos.
	-15
	Amount
	-\$330

The fiscal 1981 request for the Personal Crimes Program reflects a reduction of 15 positions and \$330,000. This reduction in FBI investigative positions primarily reflects the President's efforts to reduce expenditures in lower priority programs.

Terrorism - The mission of this program is to detect, prevent, and/or react to unlawful, violent activities of individuals or groups whose intent is to either overthrow the Government; interfere with the activities of a foreign government in the United States; substantially impair the functioning of the Federal Government, a state government or interstate commerce; or deprive Americans of their civil rights as guaranteed by the Constitution. The mission is accomplished through investigations of violations of certain Federal statutes which logically relate to domestic terrorism, such as bombing matters; protection of foreign officials and official guests of the United States; neutrality matters; sabotage; sedition; treason; atomic energy matters, including extortion by threat of a nuclear device; espionage; passport and visa violations; and false identity matters.

There are a number of other Federal statutes which give the FBI authority to react to terrorist incidents while not specifically being a part of this investigative program. These include Crime Aboard Aircraft (Skyjacking), Destruction of Government Property, Destruction of Interstate or Foreign Commerce Facilities, Congressional Assassination Statute, and Presidential Assassination Statute.

The Terrorism Program consists of two functions or activities by which resources are allocated. The first function is domestic intelligence, which constitutes the preventive phase of this program. This consists of detection, identification, and collection of evidence for prosecution of terrorists and the groups which have the propensity, inclination, and capacity to engage in terrorist acts. Within this function are investigations conducted according to the Attorney General's Guidelines for Domestic Security Investigations as well as investigations of civil unrest and antiriot laws. This function comprises 12 percent of the total terrorism field budget request for fiscal year 1981.

The second function or activity of this decision unit is terrorism-criminal investigations, which is the reactive phase of this program. It consists of investigations concerning bombing matters; protection of foreign officials and official

quests of the United States; neutrality matters; sabotage; sedition; treason; Atomic Energy Act matters, including extensions by threat of a nuclear device; espionage; and passport and visa violations. This criminal or reactive function constitutes 88 percent of the fiscal year 1981 terrorism field budget request with a projection of 216 work-years.

The terrorism-criminal functions of this program enable the United States Government to be in a posture of responding on a timely, effective, and efficient basis. This response, as in the case of the theft of nuclear material from a processing plant and the resultant arrest of the individual and complete recovery of all material, acts as a deterrent as well, because the positive results of this particular investigation have indicated that the United States Government will respond effectively to incidents of terrorism, identify the perpetrators, and ultimately prosecute them for their activities. In the event of a major terrorism incident, such as an Embassy takeover, additional resources would be reallocated to fulfill investigative responsibility in the short run, or supplemental funding would be sought for extensive, prolonged investigative efforts.

The investigative activity within this program ranges from neutrality act matters to terrorist bombings. For comparative purposes, actual domestic security or domestic intelligence matters constituted 87.8 percent of program matters in 1974. For 1979, the same classifications constituted only 12 percent of the total program matters. Bombing and attempted bombing matters represented 2.5 percent of the total program matters in 1974 as compared to 42 percent for fiscal year 1975.

The phenomenon of terrorism mirrors the mobility and complexity of a modern society which transcends both national and continental borders. The functions of the Terrorism Program are formulated so as to assure an effective and timely response to a terrorist incident. The budget request for fiscal year 1981 will allow the FBI to remain the principal United States Government agency responding to terrorist actions, since approximately 99 percent of all terrorist activities fall within the investigative responsibility of the FBI.

Terrorism.....	Increase/Decrease
	Perm.
	POS
	Amount
	<u>-5244</u>

The decreases are attributed to resource reduction, consisting of nine positions and \$244,000. The reduction is based on 1979 under-utilization of program funding and personnel which resulted, in part, from a decline in terrorist activities.

Other field programs -

Civil, Applicant, and Other Investigations

This diversified program area undertakes to fulfill two basic responsibilities: (1) to provide assistance to other agencies of the Federal Government concerning antitrust, civil, and applicant matters and (2) to provide for internal staffing needs and determine if FBI personnel are maintaining necessary standards of conduct. It is designed to:

- (a) provide investigative and accounting support in antitrust matters and in civil cases where the Government is a party in interest in order to insure that the Government pays only its just debts or receives full value for funds expended;
- (b) efficiently recruit, evaluate, investigate, and appoint qualified individuals to fulfill internal staffing needs;
- (c) conduct timely background investigations concerning candidates for appointment or employment with other agencies of the Government; and
- (d) conduct administrative inquiries, when necessary, to determine if FBI personnel are maintaining established standards of conduct;

This program serves the needs of the FBI as well as those of The White House, Department of Justice, Department of Energy, Administrative Office of the U. S. Courts, certain Congressional committees, and other governmental agencies.

Information is developed and furnished to Government attorneys and administrators to assist in protecting the Government's interest in civil cases where it is an interested party as well as to support litigation in antitrust matters. FBI administrators are furnished with the general and specialized manpower resources needed to maintain the efficient functioning of the organization as well as with information concerning personnel matters arising out of the conduct of FBI employees. The results of background investigations forwarded to other agencies provide factual data essential for a determination concerning the individual's suitability and trustworthiness for appointment or employment.

The areas covered by this program are primarily responsive to requests from other agencies and anticipated internal staffing needs. The data presented here (which is exclusive of reimbursable applicant matters) represent matters the FBI must respond to in order to fulfill commitments to other agencies or to provide for its internal efficiency and effectiveness.

Fiscal Year

1979 - actual
 1980 - estimated
 1981 - estimated

Investigative Matters Received

51,101
 64,010
 64,676

General Government Crimes

FBI resources are used to investigate personal and property crimes which take place on military and Indian reservations, and on other Government property where the FBI has exclusive or concurrent jurisdiction, along with the investigation of property theft where the United States Government is the victim.

The objective of this program is the identification, investigation, and prosecution of criminals and criminal groups whose activities are directed against property owned by the United States Government and/or individuals who are located on property where the United States Government has investigative jurisdiction. These crimes involve theft of Government weapons or explosives, high-value property, and acts of violence such as homicide, assault, and robbery on Government and Indian reservations. At the present time, there are 125 Indian reservations involving a population of over 400,000. Current Department of Defense (DOD) figures estimate there are approximately 5,600 DOD properties such as installations, activities, bases, and facilities, of which 682 are major DOD installations. DOD currently employs about 2.0 million people in uniform and about 900,000 civilians.

The Attorney General has delegated to the FBI the authority to manage and direct investigative efforts involving 14 major crimes which involve personal and property crimes which take place on Indian reservations.

General Property Crimes and General Crimes Informants

The property crime phase of this program deals with the identification and solution of property crimes within the jurisdiction of the FBI particularly those of a patterned, commercialized, or major nature; and the stopping of these criminal activities through the arrest and prosecution of the perpetrators who are top thieves, fences, and organized criminal groups actively involved in property crime. The objective of this program is to significantly reduce the amount of major property crimes.

The operation of informants enables the FBI to: Identify the subjects of investigations, obtain necessary information regarding their activities, detect violations of law which would not otherwise be reported, and prevent the commission of crimes through detection at the planning stages. Informants also increase the effectiveness of the FBI by identifying those persons who should receive primary investigative attention. Many of the contributions informants make cannot be obtained through other means, and their use enables the FBI to avoid more routine investigative methods which can be both costly and time consuming. The effectiveness of informants is measured by the number of persons arrested and property and contraband recovered by the FBI, state, local, and other Federal agencies. During fiscal year 1979,

FBI criminal informants provided information resulting in over 1,729 arrests and the recovery of over \$86,463,000 worth of stolen property and contraband.

The clientele served by this program are individuals and business firms who are the victims of significant property crime. The General Property Crimes program has been designated as a Priority II FBI activity. However, December 19, 1978, the FBI recommended that the Department of Justice elevate its priority.

The major operational aspects of this program deal with identification of top thieves, fences, and organized criminal groups and the meticulous development of prosecutable cases against these individuals based on their involvement in violations of United States statutes dealing with property crime. In addition, the FBI actively attempts to recover stolen property. Many undercover operations are aimed at regional property crime. They are designed and directed on a highly selective basis to affect major criminals and groups involved in property crime.

Civil Rights

The FBI's efforts in the civil rights field are directed toward the prompt, thorough investigation of allegations of civil rights violations and to make such results available on a timely basis to the Department of Justice for its determination as to prosecution and/or other Federal action. Specialized conferences and workshops are provided to continuously update and increase the knowledge and expertise of agent supervisory and investigative personnel handling civil rights investigations. The program continues to provide educational programs to local and state law enforcement officers aimed at increasing awareness of citizen rights as guaranteed by the Constitution and laws of the United States.

Investigations in civil rights matters are initiated by the FBI upon receipt of allegations of violations of rights from citizens and by directives issued by the Department of Justice. Results of these investigations are thoroughly reviewed at appropriate managerial levels prior to submission to the Department of Justice for its determination as to prosecution and/or appropriate Federal action.

Foreign Counterintelligence

The mission of this program is described as counterintelligence activity directed at neutralizing the effectiveness of foreign intelligence services and is undertaken to protect the security of the United States against espionage, sabotage, and foreign-inspired subversion. Foreign counterintelligence (FCI) includes developing, obtaining, and disseminating information concerning foreign intelligence personnel and penetrating or neutralizing their activities.

The goal of this program is to counter within the United States the hostile operations of foreign intelligence services and foreign terrorists. The FBI will attempt in fiscal year 1981 to keep the FBI's FCI efforts abreast of anticipated increases in hostile intelligence services' presence and capabilities, as well as activities of foreign terrorists.

The FCI Program of the FBI serves the national policy makers by providing an overview of hostile intelligence activities within the United States. As a result, national policy makers are able to make informed decisions concerning national security requirements. The FBI also furnishes analyses to other agencies of the Executive Branch with specific intelligence responsibilities, enhancing the effectiveness of these agencies in accomplishing their mission. FBI investigative responsibilities have expanded due to a much wider geographic access, increase in numbers of individuals requiring investigation, and the use of sophisticated technical collection equipment on the part of foreign intelligence personnel.

The following tabulation shows investigative matters received in FCI classifications during fiscal years 1978 and 1979, along with estimates for the 1980 and 1981 fiscal years:

<u>Fiscal Year</u>	<u>Investigative Matters Received</u>	<u>Increase/Decrease</u>
1978 - actual	43,343	
1979 - actual	50,589	
1980 - estimated	56,936	
1981 - estimated	70,351	
Other field programs.....		Perm. Amount Pos. 46 \$1,860

The fiscal year 1981 increase is the result of an enhancement in the Foreign Counterintelligence program. This enhancement will provide for 46 support personnel. These positions will increase special support capabilities and provide for additional data entry input into the Intelligence Information System (IIS). Additionally, budget authority enhancements will provide for increased undercover operations in criminal investigative areas.

Federal Bureau of Investigation

Salaries and expenses

Justification of Program and Performance
(Dollars in thousands)

Activity: Coordination of Investigations

	1980		Base for 1981		1981 Estimate		Increase/Decrease	
	Perm.	Amount	Pos.	Amount	Perm.	Amount	Pos.	Amount
Appropriation Anticipated								
Coordination of investigations.....	456	\$14,238	456	\$14,459	486	\$15,093	30	\$634

Base Program

The purpose of this program is the overall management and coordination of investigative resources allocated to the FBI.

The goal of this program is to manage these resources so as to insure that criminal and security problems on a national level are being systematically identified, targeted, and resolved. This will be accomplished through the monitoring of work-year expenditures in each program and the subsequent reallocation, when necessary, of resources to insure maximum results; through the evaluation of the investigative programs on a continuous basis as to their effectiveness and legitimacy of purpose; through the enhancement of the capability necessary to identify national problems and the development of new programs aimed at the resolution of such problems; through the maintenance of liaison with the Department of Justice and other agencies of government; and through coordination of field efforts in major cases.

This program manages and coordinates ten investigative programs throughout the FBI's 59 field offices and 13 legal attache offices. Criminal, security, and other investigations, including coordination, represent approximately 65 percent of the FBI's total available resources for 1981.

Supervisors at FBI Headquarters (FEHQ), through daily contact with field offices, provide coordination which includes: authorization for body recorder requests and Title III applications, research projects, studies, attendance at training schools and seminars, monitoring informant payments, authorization of undercover operations, review of field requests for expenditures of funds and travel, preparing responses for internal and external inquiries, and attending to administrative and investigative details of major investigations.

Change for Fiscal Year 1981

	Increase/Decrease
Perm.	
Pos.	Amount
30	\$634

Coordination of investigations.....

The overall increase of 30 positions in this program represents an increase in the coordination efforts concerning Priority I programs (organized crime, white-collar crime, and foreign counterintelligence).

Priority I programs are directed against areas of illegality which have an enormous detrimental effect against the general well-being, including the economic and domestic security of the American public. The addition to this area of coordination will enable the FBI: (1) to increase the number of analytical projects along with shortening the response time for such projects, (2) to fully implement planned research functions for the FCI program, (3) to continue the implementation of the Organized Crime Information System, and (4) to upgrade the research and analytical capabilities in the White-Collar Crime program. The complexity of the illegal activities targeted by these programs demands a highly coordinated, dedicated response by the FBI; this increase will greatly assist that effort.

Federal Bureau of Investigation

Salaries and expenses

Justification of Program and Performance
(Dollars in thousands)

Activity: Investigative Support

	1980		Base for 1981		1981 Estimate		Increase/Decrease	
	Appropriation Anticipated	Perm.	Pos.	Amount	Perm.	Pos.	Perm.	Amount
Training.....	232	\$8,303	232	\$8,939	232	\$8,939	...	...
Forensic services - Federal.....	283	9,741	283	10,271	288	11,199	5	\$928
ADP and telecommunications.....	384	27,367	384	26,718	391	31,000	7	4,282
Legal attaches.....	57	2,378	57	2,267	46	1,638	-11	-629
Records management.....	1,204	22,967	1,204	23,432	1,204	23,432	...	...
Technical field support and equipment.....	123	20,186	123	23,651	128	24,206	5	555
Total requirements.....	2,283	90,942	2,283	95,278	2,289	100,414	6	5,136

Base Program

This activity contains the programs necessary to support the FBI's direct missions. These include initial training and periodic in-service training of FBI personnel, centralized laboratory support of FBI investigations, data processing and telecommunications support, legal attaches in 13 countries, record storage and management, and technical support and equipment purchasing for the investigative operations in field offices. Management improvements, especially in the support activity, are increasingly important in order to make the best use of resources available to the FBI.

Training- This program includes instruction offered to FBI personnel at the FBI Academy and in each field office. The training falls generally into two categories, new agents' training and in-service training.

New agents' training is a fifteen-week training program for all those entering on duty as special agents with the FBI. This training is provided at the FBI Academy, Quantico, Virginia, and includes instruction in legal matters, behavioral science, jurisdiction, investigative techniques and skills, forensic science matters, firearms, unarmed defense, and internal communications and procedures. The requested funding provides for the basic training and equipping of

approximately 400 new agent personnel. In-Service training is provided at the FBI Academy and in the field to allow special agents and certain support employees to improve the skills and knowledge necessary for them to carry out the responsibilities of the FBI in the most efficient and cost-effective manner. Instruction will be provided to approximately 4,500 FBI employees at the FBI Academy, including instruction to 1,600 special agents in the FBI's highest priority investigative areas, namely, white-collar crime, organized crime, and foreign counterintelligence. Minimal state-of-the-art instruction will be provided by FBI Academy and FBI Headquarters instructors on-site at field office and regional sessions in many priority investigative and operational areas. Training is provided in all field offices in firearms and legal matters on a regular basis by field instructors who have received training at the FBI Academy in these areas.

Minimal training will be provided to FBI executive and management personnel in crisis management. Also, minimal training will be provided to FBI Special Weapons and Tactics (SWAT) elements, hostage negotiators, and other agent and support personnel expected to respond to incidents of terrorism, assassination, extortion, kidnaping, bombing, aircraft hijacking, and similar crimes.

Management training will be afforded to 40 executives in the Senior Executive Program and 40 mid-level managers in the Executive Development Institute. Approximately 210 special agents will be assessed for supervisory potential in the management assessment program.

Limited, initial research will be conducted into undercover personnel selection and training procedures. Also, very limited research will be conducted into the technical, operational and academic areas involved in this program as the need arises and funds and personnel can be made available.

This program includes 48 percent of the resources necessary to maintain the FBI Academy complex at Quantico, Virginia. This program also contains funds for firearms and related equipment for all field divisions.

Forensic Services - Federal- The major operational aspects of this program are to insure continued professionalism and leadership within the Nation's system of justice by providing and improving scientific and technical services to the FBI and to other agencies, departments, and branches of the Federal Government in both criminal and civil matters. Included in this program is the responsibility of providing on-scene scientific investigative and technical assistance to FBI field operations in crime scene searches, undercover operations, counterintelligence, espionage, and other criminal matters such as kidnaping, hijacking, civil rights, organized and white-collar crime, bombing-terrorism, and arson.

Forensic Services - Federal.....	Increase/Decrease
	Perm.
	Pos
	5
	<u>Amount</u>
	\$928

Funding of this program at this level will permit the FBI, through its laboratory to continue to provide assistance to the FBI and other Federal Agencies in the examination of physical evidence generally in a timely, reliable, and expert

manner. The increase of 5 positions and \$928,000 will improve capabilities for on-scene assistance to FBI field offices. Research and scientific training programs will be enhanced to further professionalize and improve the Federal criminal justice system through maximum use of physical evidence.

The base funding level will permit the FBI to provide services consistent with present projections and trends toward greater reliance on scientific evidence by law enforcement and the judiciary, but a large decrease in personnel could have an adverse effect on turnaround time in the examination of physical evidence. Funds at this level will permit the FBI Laboratory to fulfill its criminal and civil case responsibilities while at the same time supporting FBI field operations, maintain its research program, and meet the demands for specialized training of FBI and other Federal law enforcement personnel.

Funds were appropriated in fiscal year 1979 budget for the FBI to construct a Laboratory Classroom Building at the FBI Academy. The total appropriations amounted to 3.5 million dollars, which included architectural and engineering fees as well as construction.

The architectural design has been completed and a construction contract has been awarded. The total cost after acceptance of a construction bid is \$3,726,000, which exceeds appropriations by \$226,000. The additional \$226,000 needed to complete construction was made available from equipment funds appropriated for fiscal year 1980. The total funding was transferred to General Services Administration (GSA) on October 23, 1979. Construction of the 42,000 square foot building consisting of laboratories, offices, and lecture rooms was to begin on December 18, 1979. It is projected that construction will take 16-18 months which will enable the building to be occupied during the Summer of 1981. Additional funding has been requested for fiscal year 1981, and will also be included in fiscal year 1982 for necessary instruments and equipment to properly furnish the building.

ADP and telecommunications - This program was established to insure that the FBI's ADP and telecommunications resources, under centralized management, are acquired and utilized in an efficient manner that would support the information processing needs of the FBI. For many years, a majority of the FBI's ADP resources have been used to support certain information processing requirements of state and local law enforcement as well as the criminal justice community in general. The general thrust of this program over the next five years will be to develop the necessary capabilities that would support the FBI's top priority investigative activities and to upgrade existing ADP resources that would improve reliability.

The following major ADP and telecommunications systems support the FBI's internal information processing requirements:

-- Investigative Support Information System (ISIS) - Since the FBI's foreign counterintelligence (FCI) activities and organized and white-collar crime investigations require special agents to collect, organize, and analyze massive

volumes of evidence, the FBI uses its computers as a means to support these activities in an accurate and expeditious manner. When agents occasionally seize evidence in computerized form, FBI computers are used to extract information necessary for the investigation and successful prosecution of these cases. The FBI has also used ADP in managing its major investigations where, in many instances, several hundred agents will conduct thousands of interviews. Although the number of cases supported by ADP continues to grow each year, the complexity of each individual case directly affects the workload more so than the volume of cases. Each case is handled on its own merits. One case may require a week of on-site analysis by an ADP-trained special agent. Another case might only require one workday of analysis and programming; however, it may also require ten or more work-years of data entry. It is most important that the FBI's ADP staff be flexible enough to respond to these investigative support requirements in an expeditious manner.

-- Administrative Support - Administrative support services provide FBI management with an accurate account of pertinent information in a logical fashion on a timely basis in an effort to support and promote sound managerial decisions and meet external reporting requirements. Information regarding personnel, payroll, expenditures, accounting, budgets, training, investigative statistics and accomplishments, administrative statistics, employee workload data, and mailing lists is processed by this system.

-- Automated Records Management System (ARMS) - The "FBI Central Records System" at FBI Headquarters is composed of over 7,000 filing cabinets of hard-copy textual information. The means of access to that system is the General Index, made up of over 60 million 3" x 5" cards. The general thrust of ARMS has been to replace the manual General Index with an on-line automated index. ARMS also includes FBI Headquarters file-locate and mail serialization capabilities.

-- Field Office Information Management System (FOIMS) - Presently, FBI field office information processing activities include a variety of interdependent activities such as typing, indexing, filing, analysis, and communication. A comprehensive project is underway to determine the most effective and economical alternative that would satisfy field office information processing needs. In fiscal year 1978, a pilot minicomputer system was installed at the Richmond, Virginia, Field Office. Fiscal year 1980 and 1981 initiatives involve implementing FOIMS in the New York City Field Office where benefits will be maximized.

-- Intra-FBI Records Communications System (IRCS) - The FBI's capability to transmit textual information via teletypes between field offices and foreign posts has been one of the FBI's most vital investigative tools. Over the past few years, the FBI has been gradually upgrading its 1940-vintage teletype system.

-- Telephone systems - The FBI must have efficient and secure telephone facilities available to support its investigative mission.

-- Law Enforcement Interconnecting Facilities (LEIF) - FBI field offices must have access to state and local law enforcement, licensing, and vehicle registration systems. These local and regional teleprocessing systems are managed by the states. The FBI is only a user.

During the last few years, the FBI has used text-editing and dictation equipment to streamline labor-intensive support activities. Field offices have been able to divert the saved work-years to investigative information analysis duties.

The following three major ADP systems; the National Crime Information Center (NCIC), the Uniform Crime Reporting (UCR) Program, and the Automated Identification Division System (AIDS); provide support services to the entire criminal justice community:

-- NCIC - The FBI's NCIC is the only national law enforcement teleprocessing system in existence today which provides documented information on wanted and missing persons, stolen property, and criminal histories. It is supported by FBI Computer Center ADP resources.

-- UCR - A minimal amount of common FBI ADP resources is required to support the UCR Program.

-- AIDS - This program, in conjunction with the Fingerprint Identification Program, is involved in a comprehensive project to automate the fingerprint card processing and related activities of the FBI. Resource requirements for AIDS, which are set forth in this program, include rental and purchase of general-purpose ADP Equipment (ADPE).

ADP and telecommunications.....	Increase/Decrease Perm.	Amount
	Pos.	\$4,282
	7	

An increase of 7 work-years is requested for this program. Two systems analysts will support the development of management information systems which provide workload data regarding the FBI's investigative activities. A post-implementation audit staff of five ADP auditors will be established to conduct audits of newly developed ADP systems to insure that system goals and objectives have been met. The remaining resources for purchase and rental of equipment will allow the FBI to accomplish the following: install 50 secure telephone units (STU-IIs), implement a secure ADP system dedicated to supporting the FBI's FCI activities, provide an organized crime information analysis capability to certain field offices, and implement FOJMS in the New York Field Office.

Legal attaches - This program is designed to provide a continuing and prompt exchange of information and assistance with foreign law enforcement and security agencies in order to insure that the responsibilities of the FBI in the applicant, criminal, domestic security, foreign counterintelligence, and international terrorist fields are met.

The goal of this program is to provide and continue prompt exchange of information and assistance with foreign law enforcement and security/intelligence agencies to accomplish the domestic responsibilities of the FBI. The program provides the liaison necessary in order to locate and/or effect the return of United States fugitives; locate and return stolen property, including vehicles, heavy equipment, airplanes, and art objects; and to enable the FBI to fulfill its statutorily mandated responsibilities in the applicant, criminal, foreign counterintelligence, and domestic and international terrorism fields.

For over 35 years, the FBI has maintained foreign posts abroad known as legal attache offices. There are currently 13 such posts covering more than 80 countries, which enable the 59 FBI field offices and FBI Headquarters to receive a constant and prompt exchange of criminal and security type information. Personnel assigned to these offices also develop and maintain close liaison with the relevant and duly authorized law enforcement and security/intelligence agencies of the countries covered so as to insure that the domestic responsibilities of the FBI are met in a timely and professional manner.

The following performance and workload measures have been or are expected to be achieved in furtherance of the major objectives of this program:

	FY 1979*	FY 1980	FY 1981
FBI Fugitives Located	275	225	225
FBI Fugitives Returned to the U. S.	86	75	61
Fugitives of Interest to Other Agencies Located	75	75	75
Heavy Equipment, Automobiles and Airplanes Located	15	15	11
Value of Other Items Located (\$000)	4,789	6,289	4,789
Investigative Matters Concluded	8,643	8,643	8,000

*Fiscal year 1979 figures are actuals, whereas fiscal years 1980 and 1981 figures are estimates.

	Increase/Decrease Perm. Pos.	Amount -\$629
Legal attaches.....	-11	

At the requested funding level for fiscal year 1981, the Legal Attache Program will be reduced by 11 positions to a total of 46 positions. A continuing exchange of information and assistance with foreign law enforcement and security/intelligence agencies will be maintained to the extent possible. Domestic responsibilities in the applicant, criminal, foreign counterintelligence, and international terrorism fields will be fulfilled on a delayed basis and at a reduced level. The handling of investigative matters will be continued on a reduced scale. The reduction of 11 positions will involve the closing of one of the Legal Attache offices. This reduction reflects the Administration's policy to reduce employment abroad.

Records Management - This program involves the receiving, processing, storage, and maintenance of all records at FBI Headquarters, excluding fingerprint and other criminal identification data, as well as the dissemination of records and information in support of FBI operations and to other agencies for official purposes.

The basic objectives of this program are: (1) to maintain continuity of existing records management processes in the most efficient manner in compliance with Title 44, United States Code, Chapters 31 and 33 and Title 41, Code of Federal Regulations, Chapter 101-11; (2) to reduce manual clerical costs by eliminating considerable repetitive work inherent in the current manual records systems and increase the efficiency and effectiveness of records management in general through implementation of the Automated Records Management System (ARMS) and other initiatives; and (3) to provide records and information on a timely basis to other agencies for official purposes and in response to court-imposed orders in litigation matters and inquiries from oversight groups.

Clientele served by the program are primarily FBI Headquarters divisions, which are furnished with records to enable them to perform their respective missions, and other Government agencies which are furnished records and information on a need and right to know basis and where an official reason exists for such dissemination.

Activities in records management relate essentially to the operation and maintenance of the Central Records System; providing records services to users at FBI Headquarters; and searching and reviewing records for other agencies upon request and in response to court-imposed orders in litigation matters.

Although many mail processing and index procedures are performed manually, significant steps have been made in the automation of incoming mail serialization, file inventory and control, and index data capture. Once existing index information is converted, automated index searching will be implemented and a fully automated index will serve as a base for expansion of automation capabilities.

Due to the high costs of maintaining a large volume of hard-copy file material, efforts are underway to utilize alternative methods of file storage and retrieval. Various types of microform and video technology continue to be evaluated as to their potential for storage of less active files and certain auxiliary records. In fiscal year 1980, Records Management Division is embarking on a project to microfilm and shred certain criminal files over ten years old.

Technical field support and equipment - This program supports the FBI's investigative mission by providing the field with necessary technical support and equipment.

The primary mission of the FBI is the investigation of certain Federal criminal law violations and hostile foreign intelligence operations within the United States and its territories. During the past several years, the FBI has intensified both its investigation of organized and white-collar crime and its foreign counterintelligence (FCI) operations. In furtherance of these investigative efforts, this program provides technical assistance and equipment to maximize manpower utilization and expedite the successful completion of major cases. Frequently, complicated investigative objectives could not be reached without proper technical support. Additional equipment provided by this program relates to automobiles, firearms, photographic equipment, and other indispensable equipment.

The primary thrust of this program is the development, design, engineering, and procurement of technical support equipment required to assist in the successful accomplishment of the Bureau's criminal investigative and FCI missions as well as the provision of adequate manpower to install, maintain, and assist in the operation of that equipment. The objectives of this program are supported by the following:

- Radio Communications and Radio Frequency Transmission Security - Most investigative efforts of the FBI require the use of FM radio communications facilities to effectively conduct activities. Objectives include providing total FM radio coverage to the field; managing the operation and maintenance of the FBI FM system; handling all frequency management functions for the FBI and related functions for other Department of Justice components; and evaluating security requirements and implementing the appropriate security features, both privacy and national security, within the FM radio system.
- Operational Support - This program provides the field with the necessary equipment, training, on-site assistance, and technical support in furtherance of investigative activities. Objectives include developing, obtaining, and dispensing a complete and up-to-date inventory of electronic equipment to obtain valuable evidentiary material and sufficiently training field personnel in equipment operations. The requirement for this program to provide on-site assistance on complicated and major cases continues to grow as the FBI continues to emphasize its FCI activities and the investigation of organized crime.
- Physical Surveillance - This program provides technical surveillance equipment (including use of aircraft) to assist in the physical observation of individuals involved in FCI cases or criminal investigations to facilitate the apprehension of subjects, the protection of victims, and the collection of documentary evidence to successfully prosecute offenders.
- Automobiles and Regular Equipment - This program conducts surveys of the field to determine the need for automobiles, office equipment, firearms, and photographic equipment. All requests are evaluated in light of the anticipated useful life of existing automobiles and equipment.
- Forensic Examination and Countermeasures - This program provides electronic support, analysis, and processing for the field and other Federal, state, and local law enforcement agencies. In addition, it maintains a program of electronic forensic examination. Countermeasure "sweeps" for the FBI and other Government agencies to insure freedom of their space from clandestine listening devices are also provided.

The FBI maintains close technical liaison with other law enforcement agencies. Extreme care is taken to insure that the FBI takes advantage of technological advancement made by other agencies and to share its own expertise whenever possible.

During the next several years, particular emphasis will be placed on the Operational Support Program to develop, engineer, and provide technologically superior equipment that would enhance the FBI's organized crime investigative and FCI efforts and on the Radio Communications and Radio Frequency Transmission Security Program to replace outdated equipment

and to provide needed security and voice privacy features. It should be noted that the majority of the services provided by this program do not lend themselves to measurement and evaluation by routine workload and performance indicators.

Technical field support and equipment.....	Increase/Decrease
	Perm.
	Pos. <u>5</u>
	Amount
	\$555

An increase of five work-years is requested for this program. These professional level personnel will provide support in the areas of electronic surveillance, electronic forensic examinations, electronic research and development, and countermeasure "sweeps." The remaining resources will support the development of FBI expertise in the acoustics forensic examination area and provide additional photographic equipment to the field offices.

Federal Bureau of Investigation

Salaries and expenses

Justification of Program and Performance
(Dollars in thousands)

Activity: State and Local Assistance

1980		Base for 1981		1981 Estimate		Increase/ Decrease	
<u>Appropriation</u>		<u>Perm.</u>		<u>Perm.</u>		<u>Perm.</u>	
<u>Anticipated</u>	<u>Amount</u>	<u>Pos.</u>	<u>Amount</u>	<u>Pos.</u>	<u>Amount</u>	<u>Pos.</u>	<u>Amount</u>
General law enforcement training.....	483	\$15,556	420	\$15,134	360	\$14,474	-660
Forensic services - non-Federal.....	152	5,245	152	5,493	121	6,289	-31
Fingerprint identification.....	3,528	60,673	3,228	55,042	3,020	55,469	-208
Criminal justice data and statistics services...	186	3,312	186	3,551	186	3,551	...
Total requirements.....	4,349	84,986	3,986	79,220	3,687	79,783	-299
							563

Base Program

The State and Local Assistance activity is funded for the purpose of providing training to state and local law enforcement agencies, services of the FBI Laboratory and those of the Identification Division. This activity also includes funding for the informational services of the Uniform Crime Reporting Program and the National Crime Information Center, which are in the Criminal Justice Data and Statistics Services program. These FBI services are provided without charge to state and local law enforcement agencies.

General law enforcement training - The FBI provides training to municipal, county, and state members of the criminal justice system as authorized by Title 42, Section 3744, U. S. Code. This training is accomplished by providing courses of instruction at the FBI Academy as well as at local, state, and regional training facilities throughout the country.

The principal program offered at the FBI Academy is the "FBI National Academy Program." This is an eleven-week multidisciplinary program for seasoned law enforcement managers nominated by their agency heads because of their promise for continuing advancement. Sessions are conducted four times each year for a total of 1,000 officers per annum. The academic courses in this program are accredited by the University of Virginia. Approximately 3,500 additional members of the state and local criminal justice system will receive training at the FBI Academy in specialized schools and

courses dealing with a broad range of criminal justice related topics, including executive development, law, hostage negotiations, instructor development, arson investigation, terrorism, white-collar and computer crime, and firearms. These programs range in length from three days to four weeks. Instruction is also provided at symposia sponsored by the FBI on current problems of law enforcement such as arson and terrorism.

Most FBI training assistance for state and local criminal justice personnel is conducted in state, regional, and local training facilities by specially trained special agent instructors assigned to the FBI's 59 field offices. They offer instruction in recruit, in-service, supervisory, and specialized technical schools in a wide variety of criminal justice related subjects with emphasis on law, fingerprint matters, firearms, arrest techniques, supervision, police community relations, crime resistance, investigative techniques, interviewing, report writing, collection and preservation of evidence, et cetera.

In fiscal year 1981, FBI instructors will participate in approximately 2,700 schools at the request of sponsoring state and local agencies. These schools will be attended by approximately 85,000 law enforcement personnel.

Instructional personnel, in order to maintain a high caliber of instruction and proficiency in their field, must attend graduate level courses offered by universities throughout the country as well as participate in seminars offered by professional organizations. Research is conducted by these instructors in order to make information available for the classroom as well as for distribution throughout the criminal justice system.

The base program also provides 52 percent of the resources needed to maintain the FBI Academy complex at Quantico, Virginia, which is used by FBI personnel as well as local and state members of the criminal justice system.

General law enforcement training.....	Increase/Decrease
	Perm.
	Pos.
	Amount
	-\$660

The decrease represents 37 field agent positions, and 23 field support positions. This approximately 40 percent reduction in field agent positions, because of constant overread in the program such as background investigations for National Academy candidates, will result in approximately a 50 percent reduction in the number of schools, hours of instruction, and law enforcement students attending FBI sources conducted at state, regional, and local training facilities. Since few field support personnel are utilized exclusively for support of this training program, the reduction in field support positions will be taken through attrition of general support employees. Almost all of this program's decrease is being taken in field personnel because FBI management has decided the high level of expertise and unique learning atmosphere of the FBI Academy should be utilized to the maximum extent possible.

Forensic Services - Non-Federal - Funds devoted to this program activity provide for scientific examinations and expert testimony by the FBI Laboratory personnel in direct cost-free support to law enforcement agencies in all 50 states and United States possessions.

The program's long-range goal is to insure continued professionalism and leadership within the nation's criminal justice system by providing and improving forensic services, research, and training to authorized state and local law enforcement agencies and to maximize the use of physical evidence in law enforcement.

The program's major objectives are to provide the best possible scientific examinations of physical evidence and provide expert testimony relating to these examinations on a cost-free basis to state and local law enforcement agencies, conduct research to expand capabilities to utilize the latest technical advances and make maximum use of physical evidence in support of the nation's criminal justice system toward successful solution and prosecution of criminal cases; and conduct and expand specialized training of local and state law enforcement personnel to apply the most modern scientific techniques in the solution of crimes and successful prosecution of these matters.

Increase/Decrease	
Perm.	
Pos.	
-31	\$796
Amount	

Forensic Services - Non-Federal.....

The decrease in positions represents a funding at the minimum level of services. The FBI Laboratory will continue to conduct certain examinations for agencies in as timely and reliable a manner as possible. Some increases in turnaround time for examinations will occur. The following services will no longer be offered to state and local law enforcement agencies:

- Cases from other crime laboratories which have the capability of conducting the requested examination will not generally be accepted.
 - Document examination in cases where there is a low potential of prosecution.
 - Gambling examinations in cases which do not involve major gambling operations.
 - Other forensic examinations in cases involving crimes against property such as burglary, car theft, and illegal killing of game.
- An increase of \$796,000 for this program will provide for necessary equipment and supplies for the initial operation of the Forensic Science Research and Training Center at the FBI Academy, Quantico, Virginia. This facility is scheduled for completion in 1981.

The President and the Congress are in agreement that civilian employment should not be increased. Therefore, personnel decreases are being made in this program in order to provide additional resources for other priority programs.

Fingerprint identification - The purpose of this program is to provide fingerprint identification and related services to Federal, state, and local criminal justice agencies, as well as to other governmental agencies and entities. Since the Identification Division acts as the national clearinghouse and repository for fingerprint identification data, the services it provides are essential to the operation of Federal, state, and local criminal justice agencies.

The Fingerprint Identification program receives, processes, and furnishes appropriate responses to fingerprint cards and/or correspondence submitted by over 16,700 agencies which are authorized to receive information from the Identification Division's fingerprint files as provided by Title 28, United States Code, Section 534. Specifically, the FBI has been designated by the Attorney General to perform identification and criminal record information functions for Federal, state, and local criminal justice agencies and other authorized governmental agencies and entities. The program also performs fingerprint training for state and local government personnel engaged in the investigation of crime and the apprehension of criminals.

An average of approximately 24,600 fingerprint cards are received daily, of which about 11,400 are for persons arrested for the commission of crimes and the remainder are for persons fingerprinted for Federal, state, and local employment, licensing, and related purposes. It is anticipated that these receipts will increase slightly each year over the next several years, with the total fingerprint receipts estimated at 6.8 million in fiscal year 1981.

In addition, this program will continue to implement the Automated Identification Division System (AIDS) which, when fully implemented, will provide computerized searching of fingerprints appearing on inked fingerprint cards as well as latent (crime scene) fingerprints, computerized name searching, computer storage and retrieval of arrest record data, and the capability to gather criminal statistics and overall system performance data. Automation of the program's work processes will not only improve its response time to users of its current services, but will also enhance its capabilities to identify the perpetrators of crimes through the latent fingerprints they leave at the scenes of their crimes.

Public Law 92-544 (86 Statute 1115) authorizes the FBI to exchange identification records with: (1) officials of federally chartered or insured banking institutions to promote or maintain the security of those institutions; and (2) to officials of state and local governments for purposes of employment and licensing, if authorized by state statute and approved by the United States Attorney General. Examples are the submission of fingerprints in connection with the processing of applicants for gun permits, adoption of children, and admittance to the practice of law; and the licensing of private investigators, polygraph operators, and security guards.

The Identification Division, effective July 1, 1974, changed its policy with reference to the dissemination of arrest information in connection with fingerprints processed for federally chartered or insured banking institutions and for state and local agencies for employment and licensing purposes, pursuant to Public Law 92-544. Under this policy arrest data over one year old and unaccompanied by information regarding the disposition of the arrest(s) is not disseminated. The one-year provision is necessary because of the time involved in the adjudication of some offenses. This procedure requires careful review and preparation of additional identification records containing arrest data only if accompanied by appropriate disposition information. During fiscal year 1979, approximately 1,400,000 arrest checks were processed under the authority of Public Law 92-544.

It is noted that Public Law 96-132 (the Department of Justice Authorization Bill for fiscal year 1980) prohibits the expenditure of funds for the activities described in Public Law 92-544 beyond the end of fiscal year 1980 (September 30, 1980). Therefore, unless the Department of Justice Authorization Bill for fiscal year 1981 contains language

authorizing fingerprint checks for federally chartered or insured banking institutions and for state and local agencies for employment and licensing purposes, this program will cease as of September 30, 1980.

Public Law 94-29 (89 Statute 97) mandates that "...every member of a national securities exchange, broker, dealer, registered transfer agent and registered clearing agency shall require that each of its partners, directors, officers, and employees be fingerprinted and shall submit such fingerprints or cause the same to be submitted to the Attorney General of the United States for identification and appropriate processing." Under this authority, FBI identification records are furnished to stock exchanges and the National Association of Securities Dealers which act as channeling agents for the organizations affected by this legislation. However, arrest data over one year old and unaccompanied by information regarding the disposition of the arrest(s) are not disseminated under this authority.

Executive Order 10450 requires that every applicant for employment with any department or agency of the Federal Government shall be checked through the fingerprint files of the FBI.

Title 28, Code of Federal Regulations, Sections 16.30 through 16.34, set forth the authority for the FBI to furnish copies of identification records to the subjects thereof, and provide the method whereby entries on these records may be changed, corrected, or updated. Sections 20.30 through 20.33 implement the authority contained in Title 28, U. S. Code, Section 534, and Public Law 92-544 concerning the interstate exchange of criminal history record information. Under these provisions, the FBI receives requests for fingerprint record information from a broad range of criminal justice, employment, and licensing authorities throughout the United States.

An agreement formulated in fiscal year 1978 between the United States Department of State and the FBI resulted in an additional 109,000 arrest record checks being submitted to the Identification Division during fiscal year 1979. The agreement expedites immigration procedures by permitting a name check of FBI fingerprint records of all prospective immigrants to the United States in lieu of the former procedure of requiring the immigrants to obtain a police clearance from each locality where they previously resided.

In addition, the volume of work in other major work functions continues to be heavy. During fiscal year 1979, 156,436 requests for expungement of arrest records were received resulting in the expungement of 465,005 fingerprint cards from the fingerprint files. The expungement of a fingerprint card results in the complete expungement of any related arrest data. In early 1976, the United States District Court for the District of Columbia, in its decision in the *Tarleton v. Saxe* case, ordered the FBI to remove all nonserious arrests from its arrest records on a court-ordered schedule. In compliance with this court order, the Identification Division continues to expunge nonserious offense entries from its identification records.

This program also affords assistance to Federal, state, and local law enforcement agencies in the resolution of investigative matters by providing latent fingerprint examinations and testimony; by furnishing training in latent fingerprint matters; and by providing assistance in the identification of unknown deceased persons, including disaster victims. The Identification Division's Latent Fingerprint Section, acting in 23,880 cases, performed 243,874

examinations of evidence resulting in the identification of 4,303 suspects. FBI latent fingerprint specialists made 450 court appearances in cases which resulted in 2,318 years in prison terms in addition to 30 life sentences, 7 death sentences, and fines totaling \$125,820. Additionally, these latent fingerprint specialists conducted 67 latent fingerprint schools for state and local law enforcement agencies and provided instruction at the FBI Academy in Quantico, Virginia.

Fingerprint identification.....	Increase/Decrease
	Perm.
	Pos.
	Amount
	\$427
	-208

A program decrease of 208 permanent positions is proposed for this program. However, this reduction is expected to be off-set by the requested addition of an equivalent number of work-years for personnel to be employed on a part-time basis. The part-time employment program to be initiated in fiscal year 1981 is an attempt to resolve the FBI's long-standing difficulties in hiring and retaining full-time staff in the Fingerprint Identification Division. The funding provided for part-time work-years would allow the hiring of 416 part-time personnel (at 20-hours per week) in lieu of the 208 full-time positions proposed for reduction.

Criminal justice data and statistics services - This program provides for the collection and exchange of criminal justice information through the National Crime Information Center (NCIC) and the Uniform Crime Reporting (UCR) Program.

The need for the collection and exchange of criminal justice information has long been recognized. Prior to implementation of the NCIC and the UCR program, a nationwide compilation of rapidly retrievable criminal information was non-existent. Since its inception, the program has provided law enforcement and criminal justice agencies with information needed for conducting investigations and planning future activities. Additionally, statistical data generated from UCR are utilized by the legislative and judicial branches as decisionmaking tools. The need for such data was reaffirmed by the results of a survey conducted jointly by the Department of Justice, the FBI, and the Subcommittee on Civil and Constitutional Rights, Committee on the Judiciary, United States House of Representatives. Criminal justice officials of ten states were interviewed during the period from November 1977 through February 1978. Without exception, all of the officials contacted agreed that the convenient and rapid acquisition of out-of-state data pertaining to wanted persons, stolen properties, and prior criminal offenders was essential to the proper discharge of their state law enforcement responsibilities.

The NCIC is the only existing nationwide criminal justice teleprocessing network which provides documented criminal justice information to the entire criminal justice community. The NCIC Advisory Policy Board, made up of Federal, state, and local criminal justice officials, furnishes advice to the FBI Director on policy matters concerning NCIC operations.

The NCIC contains records on stolen property (vehicles, license plates, guns, securities, boats, and serialized articles), wanted persons for whom an arrest warrant is outstanding, criminal histories on individuals arrested and fingerprinted for serious or significant offenses, and missing persons meeting specific entry criteria. NCIC presently contains approximately eight million records and processes an average of 280,000 transactions each day.

The NCIC is totally dependent on centralized Automatic Data Processing (ADP) resources contained in the ADP and Telecommunications Program. The NCIC system presently operates with an IBM 360/65 processor, four 2703 transmission control units, and two 3330 disk banks, each containing two 7830 control units. Increasing complaints of poor response and excessive downtime are due primarily to inadequate equipment. Consequently, more FBI ADP resources are expended to support the existing antiquated system than would be required to operate and maintain modern equipment. Long-range plans include upgrading the FBI Computer Center, which involves the replacement of the NCIC host computer and its support equipment. It is anticipated that this procurement effort will be conducted during the fiscal year 1981-1982 timeframe. Efforts are still underway to acquire replacement transmission control equipment.

The UCR Program is operated as a service to the law enforcement community. On a monthly basis, criminal data are collected from approximately 14,600 law enforcement agencies nationwide. Data collection is based on a Crime Index comprised of the offenses of murder, rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft, and a recent Congressionally mandated addition, arson. Each contributing agency reports the number of offenses and solutions by Crime Index category. Supplemental reports provided by contributors include detailed information of the nature of the offense, value of property stolen in each Crime Index classification, and the value of stolen and recovered property by type. Additional data are furnished concerning the age, sex, and race of persons arrested by each agency; specific details concerning law enforcement officers assaulted; and extensive information regarding each murder case. On an annual basis, each agency reports its employee strength.

On November 30, 1979, the 1980 Department of Justice Authorization Bill (Public Law 93-132) was passed, along with an amendment offered by U.S. Congressman John F. Seiberling (S.3151) which states, in part, as follows: "Section 31. Using sums authorized to be appropriated by this act, the Federal Bureau of Investigation shall, in its Uniform Crime Reports, classify arson as a Part I offense." This legislation reauthorizes the FBI to collect arson data as a Part I offense, hereafter referred to as an Index offense, in the 1980 fiscal year beginning October 1, 1979, for a period of one year.

There were no funds allocated in the 1980 budget Uniform Crime Reporting (UCR) decision package for the addition of arson to the Crime Index. Additional funds are essential for the printing of forms and handbook revisions, mailing, software programming modifications, travel for the purpose of conducting training and liaison, and numerous other related expenditures not provided for in the 1980 allocations.

A total of eight (seven monthly, one annual) reports are submitted by each agency. All submissions are processed by a set of guidelines which test their accuracy, reasonableness, and reliability. When arithmetical, logical, or correlating errors are discovered, correspondence to the contributing agency is initiated which generally results in resubmission of the reports. An analysis of processed reports has determined that approximately seven percent are erroneous and must be resubmitted by the agency. A minimal amount of FBI Computer Center resources support the UCR program.

Federal Bureau of Investigation

Salaries and expenses

Justification of Program and Performance
(Dollars in thousands)

Activity: Program Direction

	1980		Base for 1981		1981 Estimate		Increase/ Decrease	
	Appropriation Anticipated	Perm.	Pos.	Amount	Perm.	Pos.	Perm.	Amount
Executive direction and control.....	787	\$24,103	787	\$24,550	787	\$24,550	...	...
Administrative services.....	562	14,076	562	14,715	562	14,715	...	...
Total requirements.....	1,349	38,179	1,349	39,265	1,349	39,265	...	...

Base Program

This activity provides both executive direction and control and administrative services for all programs within the FBI. It provides management control and evaluation and insures fulfillment of the FBI's basic mission as a law enforcement agency. It also provides, on a continuing basis, all administrative services including: personnel services, disbursements and salaries, procurement, graphic and printing services, and space management. The activity is divided into two major programs, as follows:

Executive direction and control - This program provides the framework within which all administrative and investigative activities of the FBI can be fulfilled in the most effective and efficient manner possible.

The financial management function of this program consists of formulation, evaluation, coordination, and presentation of budget justification material as well as the execution of financial plans. The FBI's financial affairs are reviewed by the Executive Branch's Office of Management and Budget and scrutinized by the Congress in order to be accountable to the taxpayers. FBI officials are required to give testimony before 14 Congressional committees concerning legislative and budgetary matters.

Public cooperation is essential to the FBI's effectiveness as an investigative and intelligence agency. It is the goal of the Public Affairs Office of this program to maintain and increase a flow of communication with the public. This

goal is achieved by providing information to the media and citizenry through response to mail and telephone inquiries; press releases; public tours; and speeches given before civic, educational, and professional groups. This office administers the Ten Most Wanted Fugitives program and publishes the FBI Law Enforcement Bulletin.

The goal of this program is to coordinate the flow of information to Congress and coordinate Congressional legislative proposals with the Department of Justice (DOJ), thereby insuring the needs and interests of the FBI are accurately represented before Congress as regards Congressional oversight responsibilities, inquiries, and legislation, including representation of those FBI officials requested to testify before a number of Congressional Committees concerning budgetary and legislative matters. This program provides legal advice to the Director, other FBI officials, and the field offices. Quality legal instruction is provided FBI investigative and other law enforcement personnel. Through essential legal research, timely, accurate advice is furnished as to sensitive investigative techniques. Legislative needs are communicated to the Department of Justice and ultimately Congress. Close liaison is maintained with DOJ officials who request assistance and guidance regarding FBI positions and policy on administrative and sensitive investigative issues. Litigation support in response to civil actions and administrative claims filed against named FBI defendants and/or the United States as a result of FBI activity is provided the DOJ, enhancing the DOJ's ability to defend Government interests. The program's thrust is to represent the FBI, the Director, and other named FBI personnel in all civil actions, administrative claims, including EEO and Merit System Protection Board proceedings, and to protect FBI records at issue in litigation which are exempt from production pursuant to provisions of the FOIPA.

The Freedom of Information and Privacy Acts (FOIPA) require the FBI to process and disclose requested information contained in the records of the FBI as well as provide the necessary guidelines for the Bureau regarding the collection, maintenance, use, and dissemination of personal information. This function is handled by the FOIPA Branch of the Records Management Division.

Clients of this program are information requestors--whether United States citizens, resident aliens, or citizens of other countries, as well as all persons with whom the FBI may collect, maintain, use, or disseminate personal information.

Expansion and reorganization of the FOIPA program took place in the Fall of 1976 because of an increase in the number of requests for information. At the time of reorganization, there was an average of 62 requests per day, of which only 17.5 percent involved identifiable records. At present, requests are being received at the rate of 62.3 per day. In fiscal year 1979, 15,403 FOIPA requests were handled; for fiscal year 1980, it is anticipated that 15,000 such requests will be handled.

The Planning and Inspection Division (PID) is responsible for conducting periodic inspections of field and Headquarters divisions as well as Legal Attaches. These inspections determine if investigative, administrative, and financial operations are being managed in an efficient, economical, and effective manner and if they are in compliance with applicable laws, rules, and regulations. In addition, the PID is responsible for conducting operational audits of the FBI's investigative programs and for establishing long-range planning efforts. The Office of Professional Responsibility

in PID, supervises and/or investigates all allegations of serious misconduct on the part of FBI employees, monitors disciplinary actions taken against FBI employees, and reports to the Intelligence Oversight Board regarding Foreign Counterintelligence investigations which raise questions of legality or propriety.

Administrative services - This program, which is vitally important to the successful operation of the FBI, provides Personnel, procurement, and space management functions. The program's functions are centralized at FBI Headquarters, Washington, D. C. The goal of this program is to provide efficient, cost-effective administrative services in support of the FBI's primary mission, to include all personnel functions, financial disbursements, salaries, property procurement, space management, graphics, and printing operations. Among the major objectives of the program are the following: ongoing administration and execution of a centralized personnel management program for all FBI employees with emphasis on equal employment opportunity and improved career development; provision of expeditious reimbursement to employees for expenses, and commercial firms for goods and services, and prompt and accurate processing of the centralized biweekly payroll, audit of all FBI vouchers, and processing of source data and management reports; acquisition of necessary space, property, equipment, and other supplies to support FBI activities with major emphasis on contracting for major improvements through solicitation and bids, cost effectively acquiring items through the Federal Supply System when possible, and maintaining accurate inventories and cost records for future capital planning; provision of printing and graphic services of the highest quality to adequately support FBI operations.

Management improvements initiated during fiscal year 1979 centered on the transfer of many operational decisions to support, nonagent staff, which consequently freed special agent supervisors for involvement in program review and analysis. Productivity in management of square footage leased, pay administration, payroll changes, and position classifications increased over the previous fiscal year.

Concerning equal employment opportunity, the Director of the FBI, through this program, has established a policy which calls for the active, vigorous recruitment, hiring, training, and promotion of women and minorities. This policy has become a hallmark of the FBI's personnel policies.

Federal Bureau of Investigation

Salaries and expenses

Financial Analysis - Program Changes
(Dollars in thousands)

Item	Criminal, Security, & Other Investigations		Coordination of Investigations		Investigative Support		State & Local Assistance		Totals	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Grades										
GS/QT-13.....	...	...	9	\$287	13	\$414	...	...	22	\$701
GS-11.....	...	...	...	...	1	19	...	...	1	19
GS-10.....	100	\$2,631	...	...	...	...	...	...	100	2,631
GS-9.....	85	1,354	9	143	2	32	...	...	96	1,529
GS-7.....	...	...	8	104	...	...	...	...	8	104
GS-5.....	...	...	4	42	1	11	...	...	5	53
Total positions and annual rates...	185	3,985	30	576	17	476	...	...	232	5,037
Positions other than full-time.....	...	...	...	...	...	...	208*	\$2,058*	208*	2,058*
Personnel compensation (Other).....	-54	-1,019	...	...	-11	-322	-298	-3,706	-363	-5,047
Lapse (-).....	-6	-176	-1	-33	...	-62	...	...	-7	-271
Total work-years and personnel compensation.....	125	2,790	29	543	6	92	-90	-1,648	70	1,777
Personnel benefits.....	...	361	...	61	...	-28	...	-158	...	236
Travel and transportation of persons.....	...	366	...	12	...	-8	...	-34	...	336
Transportation of things.....	...	...	...	...	...	-3	...	-2	...	-5
Standard Level User Charges (SUIC).....	...	...	...	...	...	...	...	-81	...	-81
Communications, utilities, and other rent.....	...	...	...	...	...	...	...	...	...	...
Printing and reproduction.....	...	-256	...	...	...	1,206	...	-12	...	938
Other services.....	...	8	...	2	...	3	...	7	...	20
Supplies and materials.....	...	2,114	...	...	...	97	...	742	...	2,953
Equipment.....	...	295	...	5	...	128	...	487	...	915
Equipment.....	...	...	...	11	...	3,649	...	1,262	...	4,922
Total work-years and obligations, 1981.	125	5,678	29	634	6	5,136	-90	563	70	12,011

*100 permanent part-time work-years allowed at GS-5
108 permanent part-time work-years allowed at GS-4

Federal Bureau of Investigation

Salaries and expenses

Detail of Permanent Positions by Category
Fiscal Years 1979 - 1981

Category	1979		1980		1981		Total
	Authorized	Authorized	Authorized	Authorized	Non-Recurring Decrease	Program/Increase (Decrease)	
Criminal Investigation.....	8,146		8,042		---	-53	7,989
Fingerprint Identification.....	1,840		1,804		-300	---	1,504*
Gen. Admin. Clerical and							
Offices Services.....	8,297		8,135		---	-65	8,070
Other.....	1,593		1,757		---	-14	1,743
Total.....	19,876		19,738		---	-132	19,306
Washington.....	8,184		7,996			-202	7,494
U. S. Field.....	11,622		11,685		-300	81	11,766
Foreign Field.....	70		57		---	-11	46
Total.....	19,876		19,738		-300	-132	19,306

*Excludes provision for 208 permanent part-time positions for Fingerprint Identification.

Federal Bureau of Investigation

Salaries and expenses

Analysis of Changes from 1980 Appropriation Request
(Dollars in thousands)

Budget Activity	1980 Estimate		Congressional Action		1980 Appropriation Act		Reprogramming		Pay Raise Supplemental Requested		1980 Appropriation Anticipated	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
1. Criminal, security, and other investigations.....	11,005	\$358,903	296	\$6,600	11,301	\$365,503	...	\$228	...	\$19,830	11,301	\$385,561
2. Coordination of investigations.....	453	13,160	9	500	462	13,660	-6	-196	...	774	456	14,238
3. Investigative support.....	2,289	88,464	...	...	2,289	88,464	-6	-197	...	2,675	2,283	90,942
4. State and local assistance.....	4,253	78,841	93	1,700	4,346	80,541	3	6	...	4,439	4,349	84,986
5. Program direction.....	1,340	36,240	...	...	1,340	36,240	9	159	...	1,780	1,349	38,179
Total.....	19,340	575,608	398	8,800	19,738	584,408	...	...	...	29,498	19,738	613,906

Explanation of Analysis of Changes from 1980 Appropriation Request

Reprogramming

The reprogramming is primarily attributable to technical adjustments and certain minor program realignment.

Supplemental Requested

Funds are requested to provide for the pay raise (Executive Order 12165, dated October 9, 1979) which was effective October 7, 1979, as modified by PL. 96-86, Continuing Appropriations, 1980.

Federal Bureau of Investigation

Salaries and expenses

Workload Data

Item	ACTUAL		ESTIMATED	
	1979	1980	1980	1981
Civil, applicant, and other investigative matters received (IMR):				
Antitrust and civil matters.....	2,311	2,810		3,476
Reimbursable applicant investigations.....	11,128	11,500		11,000
Nonreimbursable applicant investigations.....	41,681	54,000		54,000
Miscellaneous matters.....	7,109	7,200		7,200
Convictions - antitrust and civil matters.....	177	180		185
Organized crime:				
IMR's.....	17,283	17,150		18,170
Informants - IMR's.....	858	860		860
OC Informants.....	1,039	1,100		1,150
Convictions.....	628	630		680
Syndicate members and associates convicted.....	94	120		135
Organized crime fugitives pending prosecution.....	880	873		925
White-collar crime:				
IMR's.....	58,823	59,400		61,800
Convictions.....	3,268	3,300		3,350
General Government crimes:				
IMR's.....	13,761	15,313		18,568
Convictions.....	1,088	1,280		1,300
Fugitive:				
IMR's.....	29,179	20,000		20,000
Fugitives apprehended (by FBI).....	1,688	800		800
Fugitives located (by other agencies as a result of FBI efforts).....	1,940	575		575

Item	ESTIMATED	
	1979	1981
Convictions/misdemeanors.....	33	20
Convictions/felonies.....	663	125
Personal Crimes:		
IMR's.....	27,466	27,700
Convictions/misdemeanors.....	86	86
Convictions/felonies.....	1,632	1,632
General property crimes and general crimes informants:		
General property crimes - IMR's.....	30,054	28,000
Informants - IMR's.....	1,831	1,823
Convictions.....	1,332	1,200
Civil Rights:		
IMR's.....	9,335	10,900
Training for local and state law enforcement officers across the Nation.....	236	236
Estimated hours of instruction.....	472	472
Convictions.....	57	60
Terrorism:		
Investigations - IMR's.....	4,697	5,200
Informants - IMR's.....	45	50
Convictions.....	64	50
Foreign Counterintelligence (FCI):		
IMR's.....	50,589	56,936
Convictions.....	4	...
Arrests.....	1	...
Coordination of investigations:		
Number of body recorder requests processed.....	2,177	2,450
Training schools participated in.....	65	70
Organized crime and other Title III applications.....	115	125
Congressional inquiries.....	275*	300

* Estimate

Item	1980		1981	
	ACTUAL 1979	ESTIMATED	ACTUAL 1979	ESTIMATED
Training:				
Courses offered by FBI personnel.....	197	124		200
FBI student days.....	66,827	55,000		70,000
New agents trained.....	392	540		400
FBI personnel assessed.....	138	160		200
Forensic services - Federal:				
Requests for examination.....	11,956	10,913		9,961
Specimens submitted.....	124,306	128,395		132,619
Reports to be typed.....	11,956	10,913		9,961
Examinations performed.....	287,269	289,279		291,303
Testimony (work days).....	776	775		775
Field support (work days).....	300	300		300
Polygraph examinations.....	1,576	2,500		3,200
Pages translated.....	41,327	47,500		48,500
Photographic items processed.....	1,136,603	1,150,000		1,150,000
Investigative & prosecutive aids processed.....	5,873	5,950		5,950
Legal attaches:				
FBI fugitives located on the basis of attaches' efforts....	275	225		225
FBI fugitives returned to the United States.....	86	75		61
Fugitives of interest to other agencies located on the basis of attaches' efforts.....	75	75		75
Heavy equipment, automobiles, and airplanes located due to attaches' efforts.....	15	15		11
Value of items located abroad (\$000) because of attaches' efforts.....	4,789	6,289		4,789
Investigative matters concluded.....	8,643	8,643		8,000
Records management:				
Mail received.....	1,985,967	1,900,000		1,900,000
Mail dispatched.....	3,068,016	3,100,000		3,100,000
Cards filed.....	702,527	700,000		700,000
File requests.....	385,452	400,000		400,000
Mail processed.....	777,763	750,000		750,000

Item	1979	1980	1981
Pages released in civil litigations.....	180,000	204,000	228,000
Pages reviewed for classification.....	576,000	612,000	648,000
Records destruction (cubic feet).....	146,268.43	146,000	146,000
General law enforcement training:			
Instructional hours at FBI Academy.....	8,051	6,000	9,000
Instructional hours at field schools.....	68,704	70,000	35,000
Participation in field schools.....	5,337	5,500	2,700
Student days at Academy.....	94,866	81,000	93,000
Students trained at the Academy.....	4,452	3,877	4,500
Students participating in field schools.....	168,578	170,000	85,000
Specialized schools at Academy.....	142	90	140
Forensic services - non-Federal:			
Requests for examinations.....	8,567	8,486	6,789
Specimens submitted.....	60,510	61,351	49,080
Reports to be typed.....	8,567	8,486	6,789
Examinations performed.....	212,041	232,206	185,764
Testimony (work days).....	1,076	1,100	880
Fingerprint identification:			
Fingerprint card receipts.....	6,145,659	6,450,000	6,770,000
Correspondence, etc.....	4,324,048	4,540,000	4,770,000
Expedite inquiries.....	94,453	99,000	104,000
Wanted notices posted.....	199,186	209,000	219,000
Requests to expunge/purge fingerprint records.....	156,436	180,000	190,000
Cards classified and searched.....	3,186,577	3,345,000	3,510,000
Fingerprint verifications.....	2,156,692	2,265,000	2,378,000
Arrest records automated.....	685,450	785,000	785,000
Latent fingerprint cases received.....	23,880	24,000	24,000
Latent fingerprint examinations conducted.....	243,874	260,000	260,000
Latent fingerprint schools conducted.....	67	70	70
Fingerprint cards microfilmed.....	1,537,404	1,000,000	1,000,000
Communications mailed.....	8,833,022	9,275,000	9,740,000
Dispositions processed.....	1,645,057	1,725,000	1,810,000

Item	1979	1980	1981
Expurgements/purges processed.....	284,579	295,000	310,000
Nonserious offense prints purged.....	907,643	950,000	1,000,000
Criminal justice data and statistics services:			
Estimated reports processed (UCR).....	1,163,000	1,275,000	1,317,500
Estimated contributing agencies (UCR).....	14,557	15,000	15,500
Estimated transactions (NCIC).....	99,422,931	120,000,000	130,000,000
Estimated NCIC-related communications.....	107,000*	125,000	129,000
Testimony (work days).....	1,186	1,200	1,300
Instruction (work days).....	2,757	2,760	2,760
Executive direction and control:			
Tour visitors received.....	456,435	460,000	460,000
Correspondence processed.....	61,314	62,000	62,000
Publications disseminated.....	1,668,443	1,600,000	1,600,000
FOIPA requests handled.....	15,403	15,000	15,000
Major press releases.....	133	150	150
Press summaries.....	15,236	19,292	19,292
Assistance to media in major feature articles.....	206	230	230
Inspections and special surveys.....	74	72	81
Program evaluations conducted.....	5	6	9
Studies and special projects.....	2	9	18
Audits conducted separate from inspections.....	33	34	34
Investigations monitored.....	370	400	400
Investigations handled by Office of Professional Responsibility.....	23	35	35
Congressional hearings.....	43	47	52
Legislation followed.....	128	141	155
Legal instruction (in hours).....	3,400	3,600	3,600
Legal research matters.....	268	335	419
Subpoena matters.....	64	104	169
Litigation caseload:			
Information/Privacy Acts.....	264	338	443
Civil litigation.....	295	369	461
Administrative claims.....	167	219	261
Body recorders received/ processed.....	2,177	2,450	2,650

* Estimate

Item	1979	1980	1981
Administrative Services:			
Square footage managed.....	4,814,295	4,883,019	5,069,137
Payroll changes.....	161,363	162,000	163,500
Vouchers processed.....	232,369	233,000	234,000
Position classification actions.....	6,104	5,800	5,600
Printed matters.....	64,000,000	66,500,000	68,000,000
Personnel actions.....	67,706	68,000	68,500
Health Service units provided.....	100,269	104,000	106,000
Matters reproduced.....	975,000	1,000,000	1,100,000

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

	1980 Estimate		1981 Estimate		Increase or Decrease Pos. & WY Amount
	Pos. & WY	Amount	Pos. & WY	Amount	
Grades and salary ranges					
Executive Level II, \$60,662.....	1		1		...
Executive Level IV, \$52,750.....	1		1		...
Executive Level V, \$50,112.....	2		2		...
GS-18, \$50,112.....	20		20		...
GS-17, \$50,112.....	43		43		...
GS-16, \$47,889 - \$50,112.....	77		77		...
GS/GM-15, \$40,832 - \$50,112.....	306		301		-5
GS/GM-14, \$34,713 - \$45,126.....	825		820		-5
GS/GM-13, \$28,375 - \$38,186.....	3,969		3,948		-21
GS-12, \$24,713 - \$32,110.....	1,037		1,037		...
GS-11, \$20,611 - \$26,794.....	1,163		1,164		1
GS-10, \$18,760 - \$24,385.....	1,212		1,149		-63
GS-9, \$17,035 - \$22,147.....	599		559		-40
GS-8, \$15,423 - \$20,049.....	300		294		-6
GS-7, \$13,925 - \$18,101.....	1,275		1,274		-1
GS-6, \$12,531 - \$16,293.....	1,250		1,248		-2
GS-5, \$11,243 - \$14,618.....	2,787		2,675		-112
GS-4, \$10,049 - \$13,064.....	2,316		2,108		-208
GS-3, \$8,952 - \$11,634.....	2,267		2,297		30
Ungraded positions.....	288		288		...
Total, appropriated positions.....	19,738	\$391,508	19,306	\$390,662	-432
Pay above stated annual rates.....	...	3,103	...	1,552	...
Lapses.....	-589	-5,156	-595	-4,311	-6
Savings due to lower pay scales for part of year.....	...	-1,215	...	...	...
Net permanent.....	19,149	\$388,240	18,711	\$387,903	-438

-1,551

845

1,215

1,215

-438

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1980 Estimate		1981 Estimate		Increase or Decrease Pos. & WY Amount
	Pos. & WY	Amount	Pos. & WY	Amount	
11.1 Permanent positions.....	19,149	\$388,240	18,771	\$387,903	-438
11.3 Positions other than permanent:					
Temporary employment.....	...	...	...	...	...
Part-time and intermittent employment.....	6	59	214	2,261	208*
11.5 Other personnel compensation:					
Overtime.....	...	3,232	...	3,235	3
Administratively uncontrollable overtime.....	...	36,531	...	36,560	29
Other compensation.....	35	2,604	35	2,606	2
11.8 Special personal services payments	...	...	...	...	...
Total, work-years and personnel compensation.....	19,190	430,666	18,960	432,565	-230
12 Personnel benefits.....		50,455		51,950	1,495
21 Travel and transportation of persons.....		11,498		12,329	831
22 Transportation of things.....		3,105		3,358	253
23.1 Standard level user charges.....		33,359		35,218	1,859
23.2 Communications, utilities and other rent.....		26,942		30,494	3,552
24 Printing and reproduction.....		1,677		1,782	105
25 Other services.....		17,267		18,771	1,504
26 Supplies and materials.....		11,940		16,440	4,500
31 Equipment.....		26,845		33,882	7,037
42 Insurance claims and indemnities..		82		112	30
90 Unvouchered.....		70		70	...
Total obligations.....		613,906		636,971	23,065

*Requested funding provides for 208 permanent part-time positions for Fingerprint Identification. This position will provide for the hiring of 416 part-time personnel to offset the proposed reduction of 208 full-time positions.

Federal Bureau of Investigation

Salaries and expenses

Summary of Requirements by Grade and Object Class
(Dollars in thousands)

Object Class	1980 Estimate		1981 Estimate		Increase or Decrease Pos. & WY Amount
	Pos. & WY	Amount	Pos. & WY	Amount	
Direct obligations.....		\$613,906		\$636,971	\$23,065
Allocation to General Services	
Administration.....		3,500		...	-3,500
Lands and structures.....		617,406		636,971	19,565
Total obligations.....		-3,500		...	-3,500
Unobligated balance, start-of-year....		613,906		636,971	23,065
Total requirements.....					
Relation of obligations to outlays:					
Obligations incurred, net.....		617,406		636,971	...
Obligated balance, start-of-year....		52,748		55,391	...
Obligated balance, end-of-year.....		-55,391		-57,586	...
Outlays.....		\$614,763		\$634,776	...

Federal Bureau of Investigation

Salaries and expenses

Report on Recent Accomplishments

Criminal, security, and other investigations:

Civil, Applicant, and Other Investigations

Starting in fiscal year 1978 a New Special Agent Selection System was initiated utilizing revised tests, an interview format, and computerized rank ordering of applicant. During fiscal year 1979 a special task force examined this system and perfected refinements which will be introduced during fiscal year 1980.

During fiscal year 1979, 3,676 background investigations were conducted at the request of other agencies of candidates for important and sensitive positions in the Government.

For fiscal year 1979, \$12,177,625 in fines and the prevention of \$175,421 in potential economic loss resulted from investigations in antitrust and civil matters. One hundred and seventy-seven antitrust convictions were recorded. In addition, \$426,386,432 in claims against the Government were settled for \$15,250,170 while suits filed by the Government for \$1,984,984 were settled at \$2,166,194.

Organized Crime

During fiscal year 1979, more than 632 convictions were recorded in FBI organized crime type matters, 405 of which were in racketeering classifications. Information furnished to other law enforcement agencies by the FBI led to 101 gambling raids, 299 arrests, and the recovery of \$1.41 million in currency and gambling paraphernalia. Currency, weapons, contraband, and narcotics valued in excess of \$188.5 million were recovered while 363 arrests in local, state, and Federal narcotics matters resulted from narcotics information disseminated by the FBI. The year 1979 saw the initial indoctrination and training by FBIHQ Organized Crime Information System personnel commence for the first three offices that are to "go on line" in the near future, thus providing FBI field offices instantaneous access to investigative information on organized crime matters.

White-Collar Crime

Investigative efforts by the FBI in fiscal year 1979 included possible frauds in both coal and oil field related matters; alleged frauds against the U.S. Navy in the ship building industry; cases in which there are alleged abuses of CERA funds and cases of notoriety involving corruption of high government officials. Investigations also include

automobile insurance frauds in which doctors, attorneys, and police officers have been indicted and significant cases involving embezzlement of bank funds. During fiscal year 1979, 3,268 convictions were obtained in the White-Collar Crimes area.

General Government Crimes

In fiscal year 1979, this program produced 1,088 convictions and recoveries worth \$2,956,540. Among the more important cases investigated within this program was the armed takeover of the law enforcement center on the Red Lake Indian Reservation, Minnesota, which subsequently turned into a civil disturbance on the reservation with gun fire, lootings, and burnings resulting in the destruction or loss of property totaling approximately \$4.5 million.

Fugitive

Three thousand six hundred and twenty-eight wanted individuals were apprehended through the Fugitive Program work effort in fiscal year 1979. Of this number, 1,341 were being sought for violent crimes. Seven fugitives from the FBI's "Ten Most Wanted" list were apprehended during fiscal 1979.

Personal Crimes

Investigative activity in the Personal Crimes Program during fiscal 1979 resulted in 1,718 convictions, of which 86 were for misdemeanor and 1,632 were for felony-degree offenses. Another 53 individuals were processed through pre-trial diversion programs. Underscoring the serious nature of personal crimes are the facts that 95 percent of the convictions obtained in this program are for felony-degree offenses and that 88 percent of those convicted are sentenced to a period of confinement. Major investigative activity is continuing into the assassination of U.S. District Court Judge John H. Wood.

General Property Crimes and Criminal Informants

During fiscal year 1979, there were 1,322 convictions for general property crimes, of which 44 subjects have been identified as being involved in organized crime activities. Stolen property in the amount of \$52,277,793 was recovered and \$407,548,816 economic loss was prevented. Undercover operations, involving either the FBI alone or in conjunction with other law enforcement agencies, have led to the recovery of over \$25,567,027 in stolen property and the arrest of 1,246 subjects to be prosecuted. Information provided by criminal informants resulted in over 1,729 arrests and the recovery of stolen property and contraband exceeding \$86,463,770 in worth.

Civil Rights

During fiscal year 1979, the FBI handled 9,335 civil rights matters. Of that number 5,175 involved alleged use of excessive force. As a result of FBI investigation, criminal charges were brought by the Department of Justice against 122 defendants in 50 cases. There were 30 defendants convicted and 25 defendants entered pleas of guilty in these cases. In addition, the Civil Rights Division, U.S. Department of Justice, advised 10 consent decrees and 12 other

matters were successfully adjudicated in Civil Rights Act of 1964 cases which were investigated by the FBI. In discrimination in housing cases, the Department obtained 18 consent decrees and killed 26 suits in Federal court in cases in which the FBI conducted investigation. The Department of Justice under the Equal Credit Opportunity Act obtained four consent decrees and intend to file five suits, also in cases investigated by the FBI during fiscal year 1979. Also during fiscal year 1979, the FBI continued its efforts to provide training on civil rights laws and the investigation of such violations to special agents and state and local law enforcement officers at the FBI Academy and other police training facilities throughout the Nation.

Terrorism

During fiscal year 1979, this program has produced convictions of six Serbian emigres for conspiracy in Miami for violation of the Neutrality Act for conspiracy to blow up whaling vessels in Chile; conviction of three Cuban exiles for the bombing assassinations of the former Chilean Ambassador to the United States and a business associate in Washington, D.C.; arrest of two individuals who had attempted to damage nuclear fuel rods by chemicals at a commercial nuclear power reactor; arrest of a member of the military for espionage and recovery of numerous classified documents stolen by this individual; detection and identification of several individuals known to be affiliated with international terrorist organizations who have been assigned operational tasks in the United States; the arrest of an individual who is a known member of an international terrorist group for bombing and murder and for extradition for these charges to a foreign country; recovery of numerous classified documents obtained from another Government Agency by an individual who was not in authorized possession of the documents; and arrest of an individual for theft of nuclear material from a processing plant and the complete recovery of all stolen material. Additionally, the Terrorist Research and Bomb Data (TRBD) Center of this program, as a result of analysis and research of bombing incidents and terrorist activity, published 42 bulletins relating to bombing incidents and 16 bulletins relating to terrorist organizations and activities. TRBD is conducting Regional Law Enforcement Seminars on terrorism for local law enforcement agencies as well as corporate security officers, and has presented a Technical Bombing School in Vermont for all law enforcement officers in the New England area in preparation for the Winter Olympic Games at Lake Placid, New York. TRBD has conducted discussions with representatives of the West German National Police concerning lessons learned from West German successful counter-terrorist tactics.

Foreign Counterintelligence

It is anticipated that in fiscal year 1981, accomplishments will approximate those of past years when a number of foreign agents were referred to the United States Department of Justice under terms of Registration Act legislation, and the FBI was instrumental in a number of arrests and convictions in espionage investigations.

Coordination of investigations:

Coordination of Investigations

Supervisors at FBI Headquarters assisted field operations on a daily basis. In addition to the handling of administrative and investigative details on major investigations, this program entailed the authorization of body

recorder requests; Title III wiretap applications; informant payments; undercover operations; allocations for research projects, training school attendance, and travel funds; and reallocation of personnel.

Investigative support:

Training

During fiscal year 1979, 5,345 FBI employees attended various training sessions conducted at the FBI Academy. This included 541 new agents who received training during this period of which 392 completed a 15-week new agent training course and were assigned to field divisions. One hundred forty-nine new agents continued their training into fiscal year 1980. Specialized in-service training in which FBI personnel participated at the Academy consisted of courses in white-collar crime (709), organized crime (391), foreign counterintelligence (391), legal matters (188), crisis management (45), forensic science matters (81), behavioral science topics (220), pilot training and certification (122), legal training (110), management and executive development (810), technical and electronic training (228), instructor and special seminars (349), and 755 received training in courses pertaining to polygraph operation, physical security, Freedom of Information Act, media relations, and other specialized areas.

Forensic Services - Federal

During the fiscal year 1979, the FBI Laboratory continued its training of Federal law enforcement personnel by instructing over 650 persons from the FBI and various other Federal agencies. This training included such forensic science disciplines as arson, photography, gambling, hairs and fibers, and crime scene investigation. FBI Laboratory examiners conducted over 285,000 examinations on physical evidence in support of federal law enforcement from over 75 submitting agencies. In connection with these examinations, FBI experts appeared and gave testimony over 300 times which consumed more than 775 workdays. Laboratory experts appeared for testimony another 141 times but did not actually take the stand because of guilty pleas, continuances, etc. Other noted accomplishments include the translation of 41,527 specimens written in or to a foreign language, 1,576 polygraph examinations in connection with Federal investigations, and 622 investigative aids prepared, including 172 artists' conceptions.

ADP and Telecommunications

Based upon a Technical Services Division functional analysis of the activities of the Data Processing Section and the Telecommunications Section, these sections were reorganized into an Operations Management Section, responsible for the operation and maintenance of all existing ADP and telecommunications systems, and a Systems Development Section, responsible for the development of all new ADP and telecommunications systems and major enhancements to all existing systems.

The FBI continued to use its computers to support investigative activities. The Major Case Information System (MCIS), which provides analytical capabilities and also produces an automated index to the manual investigative files, is used to support major investigations. Two on-going investigations supported by MCIS are the murder of Judge Wood in San Antonio, Texas, and the recent ambush of Navy personnel in San Juan, Puerto Rico.

Development of the Organized Crime Information System (OCIS) continued during fiscal year 1979. It is anticipated that "on-line" capability will be provided to the Detroit Field Office, which has been selected as the "pilot office", by February, 1980.

Legal Attaches

Efforts of the Legal Attache, Buenos Aires, were instrumental during an extensive investigation in the identification of individuals involved in the Letelier murder case, which, to date, has resulted in the convictions of four of the perpetrators. In addition, the Buenos Aires Attache's liaison efforts successfully culminated in the arrests of two terrorists involved in a series of bombings, assassinations, and extortion activities. The London Legal Attache assisted in an overseas investigation that led to the arrests of three individuals and recovery of over \$2 million in stolen securities from a New York clearing house. In November, 1979, the Rome Legal Attache, through effective liaison contacts in Egypt, was instrumental in the recovery of approximately \$2 million in stolen negotiable securities. This investigation is continuing.

Records Management

During fiscal year 1979, several aspects of the Automated Records Management System were implemented. The File Automated Control System (FACS), a computerized file inventory system for the entire FBIHQ file holdings of over six million files became operational; the Automation of Incoming Mail Serialization Phase II (AIMS), which reviewed the preparation of hard copy abstracts, was completed and the results of this study have provided the decision to eliminate the hard copy abstracts and rely on the AIMS data base. The 12 to 15 million index card separation project has been completed and a conversion project for automation with the active index cards will be forthcoming. A small version of the Conserv-a-trieve units has been installed and became operational. The Conserv-a-trieve system offers significant space saving capabilities in addition to efficiency in handling Bureau source material. A study was begun and completed in fiscal year 1979 for a film and shred operation of all criminal files over ten years old. The filming is anticipated to begin in 1980.

Technical Field Support and Equipment

The limited resources of this program were distributed, as necessary, to support the FBI's substantive programs in the manner which management deemed most efficient. One of this program's major objectives is to maintain the field's FM radio communications facilities. During fiscal year 1979 ten field office FM radio systems were upgraded.

State and local assistance:

General Law Enforcement Training

The eleven-week National Academy Program graduated 998 state and local criminal justice officers to bring the total graduates of this program since its inception in 1935 to 13,398. An additional 142 specialized schools and symposia

averaging from one to four weeks were held at the Academy and attended by 3,454 state and local law enforcement officers. The Academy hosted its second International Symposium on Terrorism, attended by over 200, and the Second National Conference on Police Selection. It presented a specialized Computer Crime Seminar for the National District Attorneys Association and a four-week Computer-Fraud Program for local, state, and Federal officers. The Field Training Program provided 68,704 hours of instruction in 5,337 schools, attended by 168,578 criminal justice practitioners.

Forensic Services - Non-Federal

Over 2,200 law enforcement personnel from various state and local agencies throughout the United States participated in training held at the FBI Academy in Quantico, Virginia, and at host departments around the country. Instruction was provided in such topics as laboratory management, crime scene investigation, photography, gambling, hairs and fibers analysis, arson, bloodstain analysis, bombing matters, etc. The FBI Laboratory also sponsored the Sixth Annual Symposium on Crime Laboratory Development at Quantico, Virginia. This week-long series of meetings brought together over 200 crime laboratory directors, managers and supervisors from around the country and abroad. This fiscal year saw the completion of plans and contracts for the Forensic Science Research and Training Center, which is scheduled for completion in the Spring of 1981. During fiscal year 1979, the FBI Laboratory was called upon to conduct over 210,000 scientific examinations of physical evidence. In connection with these forensic examinations, FBI experts testified over 500 times consuming nearly 1,100 workdays. In 133 other testimony commitments, FBI examiners were prepared to testify but did not because of last minute guilty pleas, continuances, etc.

Fingerprint Identification

Fingerprint card receipts for fiscal year 1979 averaged 24,583 daily. The increased emphasis on the completeness and accuracy of fingerprint records resulted in the processing of 7,619 requests by individuals for access to their records and the subsequent forwarding of 252 challenges to various criminal justice agencies. In response to 156,436 requests, 465,005 fingerprint cards were expunged. The maintenance of 199,186 wanted notices led to identification of 17,803 fugitives. FBI latent fingerprint experts made 450 court appearances. Research and testing of laser equipment as a supplemental method of visualizing latent prints, as well as for latent fingerprint research and development, is continuing. More than 5.1 million fingerprint cards were converted to computerized form during fiscal year 1979. The second phase of the Automated Identification Division System (AIDS-II), including the feature of automated name searching, was introduced into the daily operations of the Identification Division on October 29, 1979.

Criminal Justice Data and Statistics Services

The National Crime Information Center (NCIC) averaged over 270,000 transactions daily in fiscal year 1979. One transaction in particular led to the arrest of Theodore Bundy, an FBI Top Ten Fugitive, in Florida. The Uniform Crime Report (UCR) continued its role as the national clearinghouse for crime statistics. As a direct result of FBI consultation and training efforts, there are now 46 states that have developed statewide UCR programs which collect data within their jurisdictions and then funnel it to the FBI's nationwide program.

Program direction:

Executive Direction and Control

In fiscal year 1979, implementation of an improved budget and accounting system was started. This system aids in formulating budget requirements and provides financial management information. The Congressional Affairs Program secured needed exemption of the FBI from the Civil Service Reform Act, thus protecting the authority of the Attorney General and the FBI Director with regard to personnel resources.

Administrative Services

Management improvements initiated during fiscal year 1979 centered on the transfer of many operational decisions to support, nonagent staff, which consequently freed special agent supervisors for involvement in program review and analysis. Productivity in management of square footage leased, personnel actions, and position classifications increased over the previous fiscal year.

Mr. SMITH. The amount requested for fiscal year 1981 is \$636,971,000, an increase of \$23,065,000 over the appropriation for the current year, adjusted to include a pending pay supplemental.

At this point, I want to welcome this morning the Director of the Federal Bureau of Investigation, the Honorable William H. Webster. Welcome to the committee. Do you have a statement?

Mr. WEBSTER. Thank you, Mr. Chairman. I have a very brief statement.

GENERAL STATEMENT

I am pleased to appear here today in support of the FBI's 1981 appropriation request. Since I last appeared here before you, the FBI has been increasing its focus on the highest priority investigative matters which merit Federal attention and which are consistent with the overall direction of the Department of Justice.

I am pleased to report to you that the FBI is continuing its investigative thrust into white-collar and organized criminal activity and foreign counterintelligence while also meeting its other investigative and support responsibilities.

To sustain our aggressive efforts in these areas of Federal law enforcement responsibility, we are requesting \$636,971,000 for fiscal year 1981. This represents an increase of \$23,065,000 above the amount required for fiscal year 1980. Our request will provide for 19,306 positions, a program decrease of 132 positions, and a reduction of 432 positions from the previous year.

The FBI currently has 59 field divisions, 438 resident agencies, and 13 foreign liaison posts. This wide deployment of field divisions and resident agencies enables the FBI to respond to violations in any part of the country within a reasonable amount of time.

In addition, this allows for the rapid deployment of personnel to critical locations in emergency situations which arise in any one field office. In many instances, agents are sent out on special assignment to assist a particular field division in solving a single case, and upon completion of the assignment, the personnel are returned to the office to which they are assigned.

Examples of these types of instances are the Pan American Games in Puerto Rico, the recent Olympic Games in Lake Placid, New York, and the assassination of Judge John Wood in San Antonio, Texas, which have required substantial additional FBI resources.

Briefly, I would like to highlight two of the five areas of our budget activity. Our criminal, security, and other investigations activity accounts for 63 percent of the 1981 appropriation request. Increased emphasis will be placed in our white-collar crime and organized crime programs with the addition of 113 special agent positions and 63 special agent positions respectively over our 1980 level. Our foreign counterintelligence program will be increased in the areas of investigative support and analysis.

The fiscal year 1981 request includes funding of \$4,791,000 for undercover investigations, an increase of \$1,791,000 over the 1980 level. These funds are budgeted primarily within the white-collar, organized crime, and general property crimes programs.

The 1981 request provides for program decreases of 299 positions for our state and local assistance activity. These reductions are in our general law enforcement training, non-Federal forensic services and fingerprint identification programs. The reductions are partially offset by a requested addition of 208 work-years for personnel to be employed on a part-time basis in the fingerprint identification program.

In our other budget activities, coordination of investigations, investigative support, and program direction, modest increases are requested primarily to upgrade scientific, technical, analytical, and automation efforts.

Mr. Chairman, I have prepared a more detailed formal statement with exhibits which I will offer for inclusion in the record at this time.

Mr. SMITH. All right, we will insert it at this point in the record.
[The information follows:]

FEDERAL BUREAU OF INVESTIGATION

STATEMENT OF
WILLIAM H. WEBSTER

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I WELCOME THIS OPPORTUNITY TO APPEAR BEFORE YOU IN SUPPORT OF THE FBI'S 1981 APPROPRIATION REQUEST. I WILL SUPPLY CHARTS AND NARRATIVE MATERIAL WITH MY STATEMENT TO AID IN YOUR ANALYSIS AND UNDERSTANDING OF THIS REQUEST.

THE APPROPRIATION REQUEST FOR FISCAL YEAR 1981 IS \$636,971,000. THIS SUBMISSION IS \$23,065,000, OR LESS THAN FOUR PERCENT, OVER THE AMOUNT REQUIRED FOR FISCAL YEAR 1980. THERE ARE NET PROGRAM INCREASES OF \$12,011,000, UNCONTROLLABLE COST INCREASES OF \$19,451,000 AND NON-RECURRING COST DECREASES OF \$8,245,000. IT WILL PROVIDE FOR 19,306 POSITIONS AND 18,925 WORK-YEARS, OR 432 POSITIONS AND 230 WORK-YEARS BELOW THAT APPROPRIATED FOR 1980. THIS INCLUDES AN INCREASE OF 27 SPECIAL AGENT WORK-YEARS OFFSET BY A DECREASE OF 257 SUPPORT EMPLOYEE WORK-YEARS. INCLUDED IN THE NON-RECURRING DECREASES ARE 300 SUPPORT WORK-YEARS AND \$3,698,000 WHICH HAD BEEN PROVIDED FOR A THREE-YEAR PERIOD TO AID IN THE CONVERSION OF MANUAL FINGERPRINT RECORDS TO AN AUTOMATED SYSTEM. THE FOLLOWING EXHIBITS DEPICT THE FUNDING REQUESTED FOR FISCAL YEAR 1981 AND A COMPARISON OF FISCAL YEARS 1980 AND 1981:

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

FUNDING REQUEST BY CLASSIFICATION FISCAL YEAR 1981

(IN THOUSANDS OF DOLLARS)

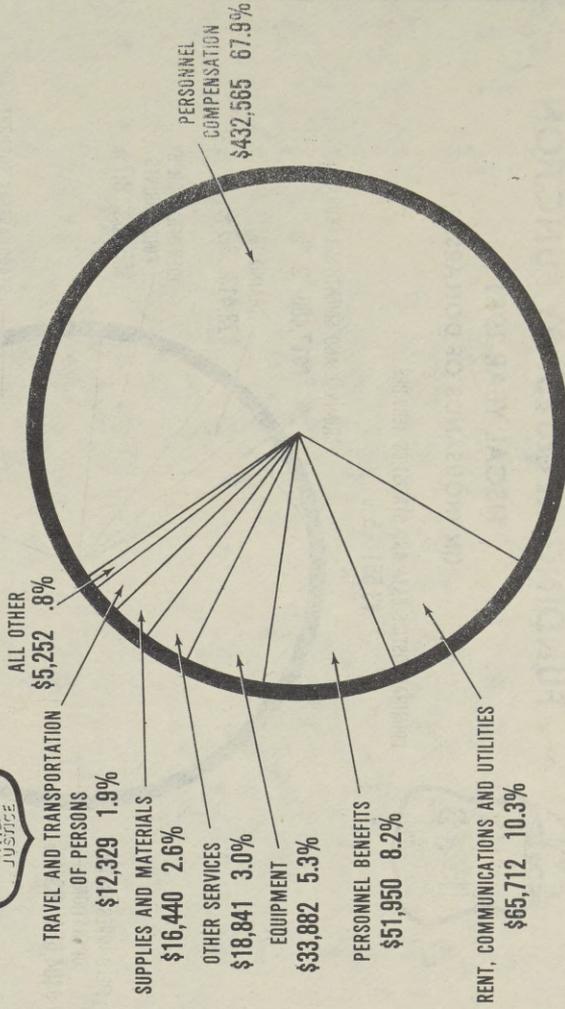


Exhibit No. 1

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

FUNDING REQUEST BY FUNCTION

FISCAL YEAR 1981 (IN THOUSANDS OF DOLLARS)

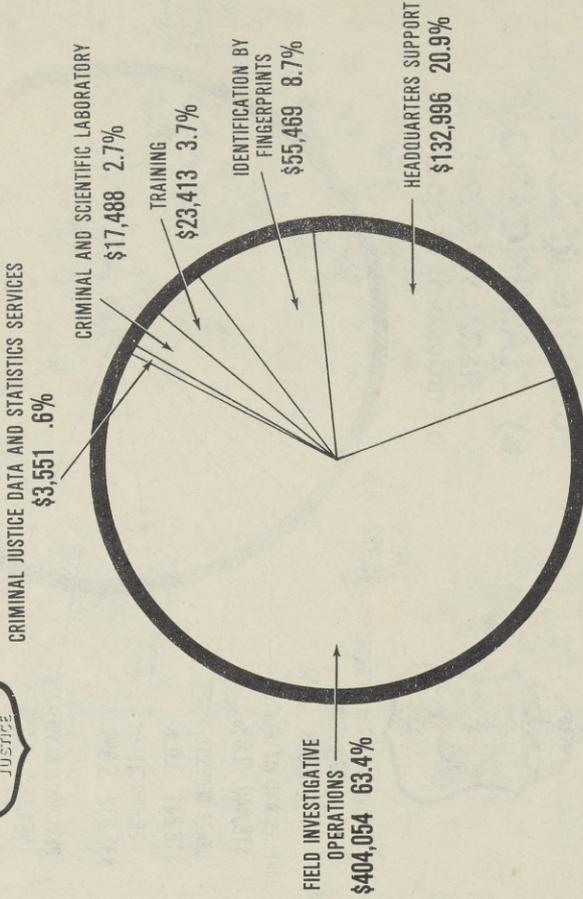


Exhibit No. 2

COMPARISON: FUNDS AND PERSONNEL REQUIRED
FISCAL YEAR 1980 VS. 1981

	<u>FISCAL YEAR</u> <u>1980</u>	<u>FISCAL YEAR</u> <u>1981</u>	<u>INCREASE (+)</u> <u>DECREASE (-)</u>
PERSONNEL (FULL-YEAR EMPLOYEES):			
FBI Headquarters:			
Special Agents ...	743	748	(+)
Support Personnel	<u>7,011</u>	<u>6,712</u>	(-)
Total (FBIHQ) ...	<u>7,754</u>	<u>7,460</u>	(-)
Field:			
Special Agents ...	7,061	7,083	(+)
Support Personnel	<u>4,340</u>	<u>4,382</u>	(+)
Total (Field) ...	<u>11,401</u>	<u>11,465</u>	(+)
Total:			
Special Agents ...	7,804	7,831	(+)
Support Personnel	<u>11,351</u>	<u>11,094</u>	(-)
Total (FBIHQ) and Field)	<u>19,155</u>	<u>18,925</u>	(-)
FUNDS:			
PERSONNEL COMPENSA-TION	<u>\$430,666,000</u>	<u>\$432,565,000</u>	(+)\$1,899,000
OTHER EXPENSES:			
Personnel Benefits	\$ 50,455,000	\$ 51,950,000	(+)\$1,495,000
Travel and Transportation of Persons	11,498,000	12,329,000	(+)
Transportation of Things	3,105,000	3,358,000	(+)
Standard Level User Charges (SLUC)....	33,359,000	35,218,000	(+)
Communications, Utilities, and other Rent.....	26,942,000	30,494,000	(+)
Printing and Reproduction	1,677,000	1,782,000	(+)
Other Services	17,267,000	18,771,000	(+)
Supplies and Materials	11,940,000	16,440,000	(+)
Equipment	26,845,000	33,882,000	(+)
Insurance Claims and Indemnities ..	82,000	112,000	30,000
Unvouchered	<u>70,000</u>	<u>70,000</u>	---
SUBTOTAL, OTHER EXPENSES	<u>\$183,240,000</u>	<u>\$204,406,000</u>	(+)\$21,166,000
TOTAL, ALL EXPENSES	<u>\$613,906,000</u>	<u>\$636,971,000</u>	(+)\$23,065,000

NOTES: Rent, Communications and Utilities on Exhibit No. 1 includes SLUC and other Rent, as shown above.

Other services on Exhibit No. 1 includes unvouchered expenses.

Exhibit No. 3

SUMMARY OF CHANGES, FISCAL YEAR 1981

Transfers to other accounts-----	\$ -152,000
Uncontrollable increases:	
1. Annualization of 1980 pay increase-----	1,698,000
2. Within-grade step increases-----	3,856,000
3. Wage-board salary increases-----	381,000
4. Health benefits costs-----	313,000
5. Federal Employees' Compensation Act (FECA)-----	221,000
6. Standard Level User Charges (SLUC)-----	1,940,000
7. General Services Administration (GSA) recurring reimbursable services-----	334,000
8. Federal Telecommunications System (FTS)-----	75,000
9. Travel costs -- per diem and mileage---	340,000
10. Travel costs -- airfare increases-----	179,000
11. GPO printing costs-----	82,000
12. Foreign allowances-----	50,000
13. General pricing level adjustment-----	4,369,000
14. Gasoline cost increases-----	2,553,000
15. Insurance claims and indemnities-----	30,000
16. Cost escalation - utilities-----	946,000
17. Cost escalation - communications-----	434,000
18. Cost escalation - replacement automobiles-----	850,000
19. Cost escalation - transfers-----	800,000
Total uncontrollable increases-----	<u>19,451,000</u>
Decreases (automatic non-policy):	
1. Non-recurring costs for 300 permanent positions allowed for a three-year period for the fingerprint auto- mation effort-----	-3,698,000
2. One less compensable day-----	-1,663,000
3. Non-recurring costs for equipment-----	-600,000
4. Non-recurring costs associated with Automated Identification Division System (AIDS)-----	-2,284,000
Total decreases (automatic non-policy)	<u>-8,245,000</u>

Program changes (decision unit):

1. Organized crime-----	1,594,000
2. White-collar crime-----	3,408,000
3. Fugitive-----	-610,000
4. Personal crimes-----	-330,000
5. Terrorism investigations-----	-244,000
6. Other field programs-----	1,860,000
7. Coordination of investigations-----	634,000
8. Forensic services - Federal-----	928,000
9. ADP and telecommunications-----	4,282,000
10. Legal attaches-----	-629,000
11. Technical field support and equipment--	555,000
12. General law enforcement training-----	-660,000
13. Forensic services - non-Federal-----	796,000
14. Fingerprint identification-----	427,000
Total program changes-----	<u>12,011,000</u>

Overview:

Transfers to other accounts-----	-152,000
Total uncontrollable increases-----	+19,451,000
Total decreases (automatic non-policy)-----	-8,245,000
Total program changes-----	<u>+12,011,000</u>
Overall increase for 1981-----	<u>+23,065,000</u>

INVESTIGATIVE PROGRAMS

THE FBI'S PRINCIPAL BUDGET ACTIVITY, CRIMINAL, SECURITY, AND OTHER INVESTIGATIONS, IS DIVIDED INTO EIGHT GENERAL FIELD PROGRAM AREAS. THESE AREAS AND THE FISCAL YEAR 1979 UTILIZATION OF AGENT WORK-YEARS THEREIN ARE DEPICTED IN THE FOLLOWING EXHIBIT:

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

FY 1979 USAGE OF AGENT WORKYEARS IN FIELD PROGRAMS

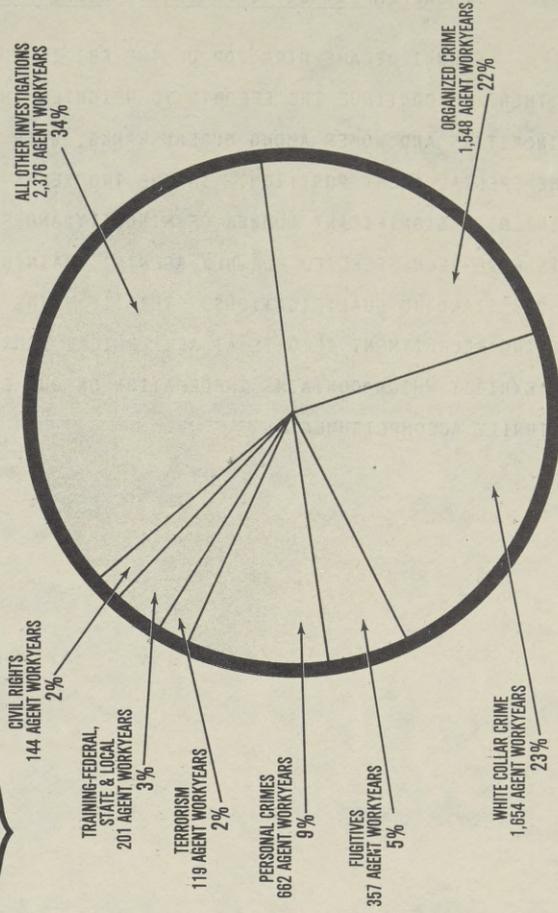


Exhibit No. 5

EQUAL EMPLOYMENT OPPORTUNITY WITHIN THE FBI

WHEN I BECAME DIRECTOR OF THE FBI I MADE A PERSONAL COMMITMENT TO CONTINUE THE EFFORTS TO HEIGHTEN THE REPRESENTATION OF MINORITIES AND WOMEN AMONG BUREAU RANKS, WITH PARTICULAR REGARD TO THE SPECIAL AGENT POSITION. IN THE TWO YEARS SINCE I WAS APPOINTED, A SIGNIFICANT NUMBER OF MINORITY AND FEMALE SPECIAL AGENTS HAVE BEEN SELECTED FOR NEW AGENTS' TRAINING, ALL OF WHOM MEET OUR STANDARD QUALIFICATIONS. THIS IS BEING ACCOMPLISHED BY TARGETING RECRUITMENT EFFORTS AT ALL LOGICAL SOURCES. FOLLOWING IS AN EXHIBIT WHICH CONTAINS INFORMATION ON OUR EQUAL EMPLOYMENT OPPORTUNITY ACCOMPLISHMENTS:

RECRUITMENT OF MINORITIES AND WOMENMinority and Women Special Agents as of 2/29/80

	Field	FBIHQ	Total	Since 2/28/78	
				Gain or Loss	Percentage Increase
Black	205	9	214	+70	48.6%
Hispanic	216	6	222	+67	43.2%
American Indian	21	0	21	+6	40.0%
Asian American	41	3	44	+10	29.4%
Women	256	5	261	+167	177.7%

Percentage of Minority and Women Special Agents as of 2/29/80

Group	Number	Percent	Number	Percent	Total	Percent
	of Males	of Total	of Females	of Total	by Group	of Total
White	7,056	93.7	232	88.9	7,288	93.5
Black	199	2.6	15	5.7	214	2.7
Hispanic	210	2.8	12	4.6	222	2.9
American Indian	20	.3	1	.4	21	.3
Asian American	43	.6	1	.4	44	.6
TOTAL	7,528	100.0	261	100.0	7,789	100.0
All Minorities	472	6.3	29	11.1%	501	6.5%

Percentage of Minority and Women Support Personnel

	Total	Percent
Support Personnel	10,869	100.0
Male	3,365	31.0
Female	7,504	69.0
Black	3,078	28.3
Hispanic	270	2.5
American Indian	19	.2
Asian American	113	1.0
All Minority	3,480	32.0

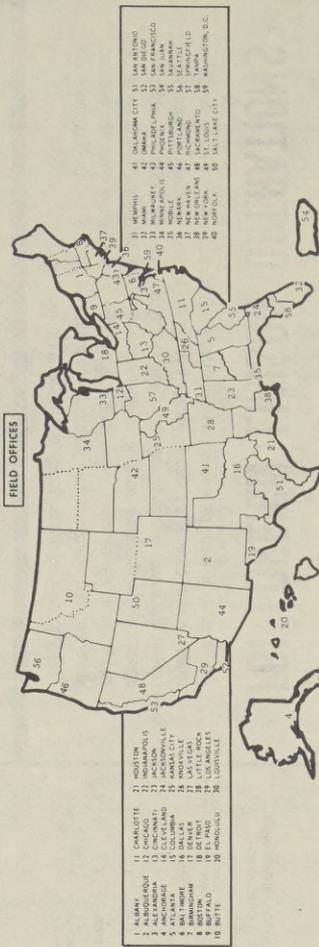
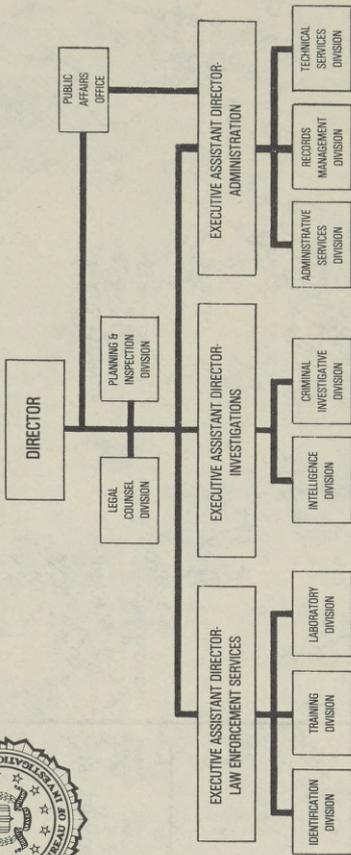
Exhibit No. 6

ORGANIZATION OF THE FBI

THE FBI IS A FIELD-ORIENTED ORGANIZATION IN WHICH TEN DIVISIONS AT FBI HEADQUARTERS PROVIDE PROGRAM DIRECTION, SUPPORT SERVICES, AND COORDINATION TO 59 FIELD OFFICES, 438 RESIDENT AGENCIES, AND 13 FOREIGN LIAISON POSTS. EACH FIELD OFFICE HAS AN AGENT IN CHARGE, WHO IS RESPONSIBLE FOR DEPLOYMENT OF PERSONNEL SO AS TO HANDLE EFFECTIVELY ALL FBI MATTERS WITHIN ITS GEOGRAPHICAL TERRITORY. AGENTS AT OUR LIAISON POSTS ABROAD ACT AS A LIAISON IN CONNECTION WITH CRIMINAL AND SECURITY MATTERS CONCERNING THE FBI'S DOMESTIC DUTIES. OF THE TOTAL AMOUNT REQUESTED BY THE FBI FOR 1981, 63.4 PERCENT, OR \$404,054,000, IS FOR FIELD INVESTIGATIVE OPERATIONS PROGRAMS. THAT DOES NOT INCLUDE HEADQUARTERS SUPPORT WHICH CONTAINS ADP OPERATIONS, INVESTIGATIVE DIRECTION AND TECHNICAL FIELD SUPPORT AND EQUIPMENT FUNDING, ALL OF WHICH SUPPORT BOTH FIELD AND HEADQUARTERS ACTIVITIES. THERE ARE INCREASES IN THE FIELD FOR OUR TOP THREE PRIORITY PROGRAMS, WHITE-COLLAR CRIME, ORGANIZED CRIME AND FOREIGN COUNTERINTELLIGENCE. THE LEGAL ATTACHE PROGRAM WILL UNDERGO AN 11 POSITION AND \$620,000 REDUCTION DURING FISCAL YEAR 1981. EXHIBITS FOLLOW THAT SHOW THE ORGANIZATION OF FBI HEADQUARTERS, THE LOCATION OF FIELD OFFICES AND FOREIGN LIAISON POSTS, AND ADDITIONAL INFORMATION CONCERNING PERSONNEL ASSIGNED TO THE FOREIGN POSTS:

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

ORGANIZATION OF THE FBI



1	ALBANY	31	MOBILE	41	OKLAHOMA CITY	51	SAN ANTONIO
2	ALBUQUERQUE	32	MONROE	42	OMAHA	52	SAN DIEGO
3	ANCHORAGE	33	MONTGOMERY	43	OKLAHOMA	53	SAN JOSE
4	ANDOVER	34	MURKIN	44	PHOENIX	54	SAN JUAN
5	ATLANTA	35	NASHVILLE	45	PHOENIX	55	SAN LEAN
6	AUSTIN	36	NEWARK	46	PHOENIX	56	SAN LEAN
7	BALTIMORE	37	NEW YORK	47	PHOENIX	57	SAN LEAN
8	BIRMINGHAM	38	NEW YORK	48	PHOENIX	58	SAN LEAN
9	BOSTON	39	NEW YORK	49	PHOENIX	59	SAN LEAN
10	BUFFALO	40	NEW YORK	50	PHOENIX	60	SAN LEAN
11	BUTTE	41	NEW YORK	51	PHOENIX	61	SAN LEAN
12	CHICAGO	42	NEW YORK	52	PHOENIX	62	SAN LEAN
13	CINCINNATI	43	NEW YORK	53	PHOENIX	63	SAN LEAN
14	CLEVELAND	44	NEW YORK	54	PHOENIX	64	SAN LEAN
15	DALLAS	45	NEW YORK	55	PHOENIX	65	SAN LEAN
16	DENVER	46	NEW YORK	56	PHOENIX	66	SAN LEAN
17	DETROIT	47	NEW YORK	57	PHOENIX	67	SAN LEAN
18	EL PASO	48	NEW YORK	58	PHOENIX	68	SAN LEAN
19	EL PASO	49	NEW YORK	59	PHOENIX	69	SAN LEAN
20	HOUSTON	50	NEW YORK	60	PHOENIX	70	SAN LEAN
21	INDIANAPOLIS	51	NEW YORK	61	PHOENIX	71	SAN LEAN
22	KANSAS CITY	52	NEW YORK	62	PHOENIX	72	SAN LEAN
23	LITTLE ROCK	53	NEW YORK	63	PHOENIX	73	SAN LEAN
24	MEMPHIS	54	NEW YORK	64	PHOENIX	74	SAN LEAN
25	MIAMI	55	NEW YORK	65	PHOENIX	75	SAN LEAN
26	MEMPHIS	56	NEW YORK	66	PHOENIX	76	SAN LEAN
27	MEMPHIS	57	NEW YORK	67	PHOENIX	77	SAN LEAN
28	MEMPHIS	58	NEW YORK	68	PHOENIX	78	SAN LEAN
29	MEMPHIS	59	NEW YORK	69	PHOENIX	79	SAN LEAN
30	MEMPHIS	60	NEW YORK	70	PHOENIX	80	SAN LEAN
31	MEMPHIS	61	NEW YORK	71	PHOENIX	81	SAN LEAN
32	MEMPHIS	62	NEW YORK	72	PHOENIX	82	SAN LEAN
33	MEMPHIS	63	NEW YORK	73	PHOENIX	83	SAN LEAN
34	MEMPHIS	64	NEW YORK	74	PHOENIX	84	SAN LEAN
35	MEMPHIS	65	NEW YORK	75	PHOENIX	85	SAN LEAN
36	MEMPHIS	66	NEW YORK	76	PHOENIX	86	SAN LEAN
37	MEMPHIS	67	NEW YORK	77	PHOENIX	87	SAN LEAN
38	MEMPHIS	68	NEW YORK	78	PHOENIX	88	SAN LEAN
39	MEMPHIS	69	NEW YORK	79	PHOENIX	89	SAN LEAN
40	MEMPHIS	70	NEW YORK	80	PHOENIX	90	SAN LEAN
41	MEMPHIS	71	NEW YORK	81	PHOENIX	91	SAN LEAN
42	MEMPHIS	72	NEW YORK	82	PHOENIX	92	SAN LEAN
43	MEMPHIS	73	NEW YORK	83	PHOENIX	93	SAN LEAN
44	MEMPHIS	74	NEW YORK	84	PHOENIX	94	SAN LEAN
45	MEMPHIS	75	NEW YORK	85	PHOENIX	95	SAN LEAN
46	MEMPHIS	76	NEW YORK	86	PHOENIX	96	SAN LEAN
47	MEMPHIS	77	NEW YORK	87	PHOENIX	97	SAN LEAN
48	MEMPHIS	78	NEW YORK	88	PHOENIX	98	SAN LEAN
49	MEMPHIS	79	NEW YORK	89	PHOENIX	99	SAN LEAN
50	MEMPHIS	80	NEW YORK	90	PHOENIX	100	SAN LEAN

Exhibit No. 7

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

FBI FOREIGN LIAISON OPERATIONS

The FBI maintains liaison posts abroad in 13 countries. These offices function in a liaison capacity in connection with criminal and security matters involving the Bureau's domestic responsibilities. In addition, the Bureau belongs to one international security committee and corresponds with police agencies all over the world except in countries controlled by the communists. In addition to the activities of its representatives abroad, the Bureau exchanges certain types of information with, and where warranted, arranges to have investigations conducted in the U. S. for, law enforcement and intelligence agencies in many foreign countries on a reciprocal basis.

NUMBER OF FBI PERSONNEL STATIONED ABROAD

	Special Agents	Support Personnel
BERN Switzerland	1	1
BOGOTA Colombia	2	2
BO'IN Germany	3	2
BUENOS AIRES Argentina	1	2
HONG KONG British Crown Colony	1	2
LONDON England	3	3
MANILA Philippines	1	1
MEXICO CITY Mexico	5	5
OTTAWA Canada	2	2
PANAMA CITY Panama	1	1
PARIS France	2	2
ROME Italy	2	2
TOKYO Japan	1	1
TOTALS	25	26

TOTAL PERSONNEL - 51

FEBRUARY 1, 1980



KEY
 • FBI REPRESENTATIVES STATIONED IN AMERICAN EMBASSIES
 * COUNTRIES WITH WHICH THE FBI EXCHANGES INVESTIGATIVE INFORMATION OUTSIDE THE UNITED STATES

FOREIGN LIAISONLEGAL ATTACHES

This program is designed to provide a continuing and prompt exchange of information and assistance with foreign law enforcement and security agencies in order to insure that the responsibilities of the FBI in the applicant, criminal, domestic security, foreign counterintelligence, and international terrorist fields are met. By way of reciprocation, the FBI will assist cooperative foreign agencies with their legitimate and lawful investigative interests in the United States.

For over 35 years the FBI has maintained posts abroad known as legal attache offices. There are currently 13 such posts covering more than 80 countries, enabling the 59 field offices and FBI Headquarters to receive a constant and prompt exchange of criminal and security type information. They develop and maintain close liaison with relevant and duly authorized law enforcement and security/intelligence agencies of the countries covered to insure that the domestic responsibilities of the FBI are met in a timely and professional manner.

The program provides the liaison necessary in order to locate and/or effect the return of United States fugitives, locate and return stolen property, including vehicles, heavy equipment, airplanes, and art objects, and to enable the FBI to fulfill its statutorily mandated responsibilities in the applicant, criminal, foreign counterintelligence, and domestic and international terrorism fields.

Prior to posting FBI personnel in foreign countries, the concurrence of the United States Ambassador and the Foreign Ministry of the host government must be obtained. The State Department provides office space and other administrative support for the program on a reimbursable basis.

One of the more significant recent achievements within the legal attache program involves the collapse of the Franklin National Bank in New York, which was due in part to the manipulations of an Italian financier and an Italian banker. Close cooperation between the Italian police and the FBI has produced a prosecutable case, which was aggravated by the apparent kidnaping in the U. S. of one defendant who was free on bond. Ransom requests originating in Italy were traced, however, when the defendant subsequently reappeared in New York, it was determined there had been no kidnaping at all. In addition, the Legal Attache

in Bern, Switzerland, developed, through application of the mutual assistance treaty and the cooperation of Swiss authorities, significant evidence related to the Franklin National Bank failure.

Another case with broad international impact involved a worldwide extortion plot implemented by Croatian nationalists in the United States. Countless letters were mailed to Croatians around the world extorting money for their revolutionary struggle, which was to be mailed to a post office box in Asuncion, Paraguay. Liaison work under the most difficult of circumstances led to the identification and arrest of two well known terrorists living in Asuncion under assumed names and who have been returned to the United States for prosecution. This investigation involved extensive liaison in Europe, South America and Australia, as well as the United States.

In general terms it is apparent that white-collar and organized crime activities are very definitely international in scope and that worldwide communications facilities are used regularly in the furtherance of criminal activity. Through effective liaison, it has been possible to interdict some of this activity and prosecute many of these cases heretofore protected by international boundaries and limited cooperation between investigative agencies.

ORGANIZED CRIME

ONE OF THE FBI'S TOP PRIORITIES IS THE INVESTIGATION OF ORGANIZED CRIME. IN 1981, THESE EFFORTS WILL REQUIRE \$68,171,000 AND 1,980 POSITIONS, REPRESENTING A PROGRAM INCREASE OF \$1,594,000 AND 59 POSITIONS. IN ADDITION, THE FBI HAS REPROGRAMMED 56 POSITIONS INTO THE PROGRAM MAKING THE TOTAL INCREASE 115 POSITIONS OVER THE 1980 LEVEL.

DURING THE PAST FISCAL YEAR, 22 PERCENT OF THE FIELD AGENT TIME WAS SPENT ON ORGANIZED CRIME INVESTIGATIONS.

WHITE-COLLAR CRIME

WHITE-COLLAR CRIME INVESTIGATIONS CONSTITUTE ANOTHER TOP PRIORITY OF THE FBI. AS IN ORGANIZED CRIME, WHITE-COLLAR CRIME SOMETIMES INVOLVES PUBLIC CORRUPTION. A TOTAL OF \$99,071,000 AND 2,957 POSITIONS WILL BE NEEDED FOR WHITE-COLLAR CRIME IN FISCAL YEAR 1981, REPRESENTING AN INCREASE OF 143 POSITIONS OVER THE PREVIOUS YEAR, WHICH INCLUDES A PROGRAM INCREASE OF 80 POSITIONS AND \$3,408,000 AND AN FBI REPROGRAMMING OF 63 ADDITIONAL POSITIONS. DURING FISCAL YEAR 1979, THE FBI EXPENDED 23 PERCENT OF ITS FIELD AGENT WORK-YEARS ON WHITE-COLLAR CRIME INVESTIGATIONS. ORGANIZED CRIME AND WHITE-COLLAR CRIME MATTERS ARE DISCUSSED IN THE FOLLOWING EXHIBITS:

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

AGENT TIME SPENT BY MAJOR CATEGORY OF ORGANIZED CRIME INVESTIGATIONS FISCAL YEAR 1979

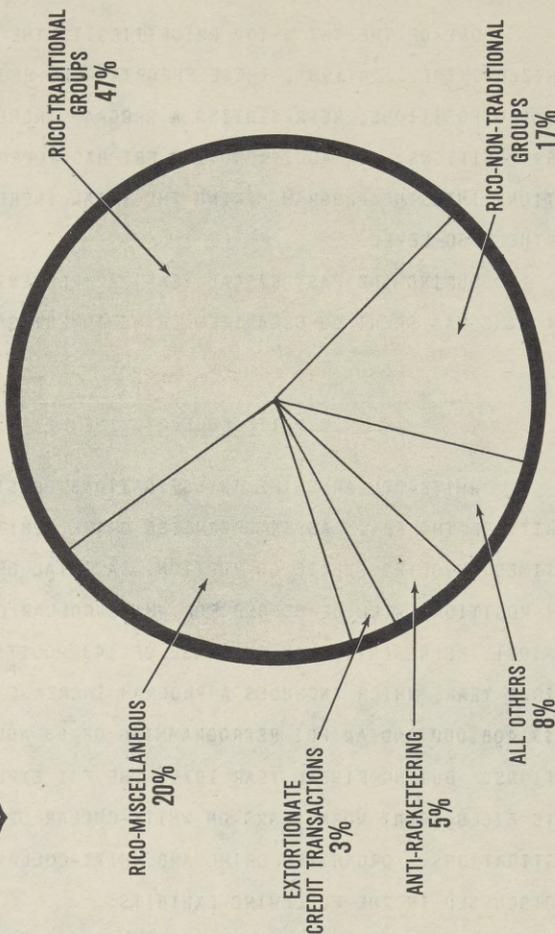


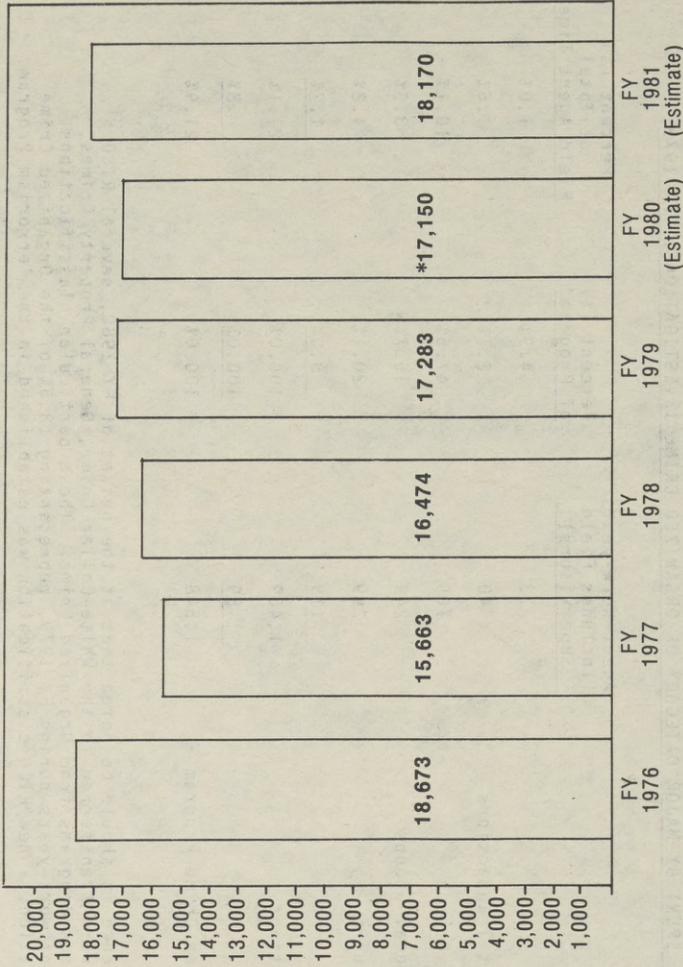
Exhibit No. 10

AGENT TIME SPENT BY MAJOR CATEGORY OF ORGANIZED CRIME INVESTIGATIONS: FY 1979

<u>Major Category</u>	<u>Agent Work-years (Includes Field Supervisors)</u>	<u>Percent (%) of Program</u>	<u>Percent (%) of Total Field Agent Time</u>
Anti-Racketeering	73	4.9%	1.0%
Extortionate Credit Transactions	40	2.7%	.6%
RICO - Traditional Groups	709	47.6%	10.1%
RICO - Non-Traditional Groups	249	16.7%	3.5%
RICO - Miscellaneous *	299	20.1%	4.2%
All others	<u>119</u>	<u>8.0%</u>	<u>1.7%</u>
Total Investigations	1,489	100.0%	21.1%
Informants	<u>59</u>	<u>100.0%</u>	<u>.8%</u>
Total Organized Crime Program	1,548	100.0%	21.9%

* For future reference it should be noted that at the outset of FY 1980, several RICO classifications were transferred to the White-Collar Crime, General Property Crimes, and Personal Crimes Programs from Organized Crime. These particular classifications consumed 275 agent work-years during FY 1979, representing 18.5% of the Organized Crime Program. In addition, a new RICO classification was established in the Terrorism Program in FY 1980.

**Organized Crime Investigative Matters Received
Fiscal Years 1976 - 1981**



*For FY 1980 and subsequent years certain RICO classifications, previously representing over 18% of the Organized Crime Program, were transferred primarily to the White-Collar Crime Program.

ORGANIZED CRIME INVESTIGATIONS

An organized crime investigation is targeted against a member or members of an organized crime group involving violation of Federal statute(s) specifically aimed at racketeering activities. For the purposes of managing these investigations, an organized crime group is defined as any group having some manner of formalized structure whose primary objective is to obtain money through illegal activities and maintains its position through the use of violence or threat of violence, corrupt public officials, graft and extortion, and has a significant adverse impact on the people in its locale, or region, or the country as a whole. The thrust of the organized crime program is targeted against individuals comprising the major organized crime groups across the country.

An increase in funding for this program for fiscal year 1981 will provide for an imaginative, responsive and effective investigative approach directed against the organized criminal element at a sustained level. The increase will provide for expanded coverage of already existing programs and permit continued penetration into areas deserving additional investigative attention based on program review. Among those areas targeted for expansion are hoodlum infiltration of legitimate business, labor racketeering, corruption, arson-for-profit, loansharking, and pornographic operations which are national in scope, involve major organized crime figures, or which deal in the use of children. The increase in funding will also permit the FBI to continue to utilize resources in support of joint FBI/Drug Enforcement Administration special (informal) task forces where utilization of these task forces best serve the interest of the Department of Justice. Additionally, the increase will enable the FBI to expand its assistance to local, state, and other Federal agencies engaged with the fight against illegal narcotics and drugs. This will be accomplished through the development and dissemination of narcotics information stemming from organized crime activities being investigated by the FBI.

Implementation of a system to enhance organized crime intelligence gathering capabilities has begun through the use of a computerized data processing network known as the Organized Crime Information System. The primary objective of the system is to improve the FBI's ability to collect, analyze, and use investigative data in furtherance of the successful prosecution of organized crime subjects. Increased funding dedicated to the organized crime program will enable implementation of this system to additional field divisions during fiscal year 1981 and provide for resources in support of personnel to man this system.

In addition to maintaining active investigative programs targeted at traditional racketeering activities of gambling,

corruption, and loansharking, the FBI has continued with a number of programs from the past year, aimed specifically at combating labor-racketeering, hoodlum infiltration of legitimate business, arson-for-profit, narcotics trafficking, and major pornography operations. The cumulative goal of these programs is to curtail systematically and progressively the sphere of organized crime influence and to reduce its impact on the socioeconomic framework of American society.

The impact of organized crime

In 1967 the President's Commission on Law Enforcement and Administration of Justice reported that Americans may wager as much as \$50 billion a year with the underworld in addition to paying countless other billions to hoodlum loansharks, as an adjunct to gambling. It is noted that there is not sufficient quantitative data to substantiate such a claim. The Presidential study group made no attempt to assess the illegal profits accruing to mobsters from such activities as labor-racketeering, extortion, pornography, and fraudulent or stolen stock schemes.

Three years after the publication of the above-mentioned study, a subcommittee of the House Committee on Government Operations analyzed the direct impact of organized crime on the business sector and reported that racketeer holdings in New York City real estate may run as high as \$300 million, and that in another major city, the underworld controls 89 companies with total assets of more than \$800 million. Along the same lines, the Senate Special Committee to Investigate Organized Crime in Interstate Commerce announced that it had uncovered 46 types of businesses into which organized crime and other criminal groups had channeled their funds. Although some of these moves were not exactly unexpected--ranging from bars and bowling alleys to dance halls and vending machines--others invaded the industries of coal, oil, steel, shipping, and automobile manufacturing. As a result of recent investigations, there is a strong indication that members of the organized criminal element have gained a foothold in the manipulation and control of several financial institutions around the country.

While not inclusive, the following are some of the major areas wherein organized crime impacts on society as a whole:

Corruption undermines the country's civic, judiciary, legislative, and law enforcement bodies, depriving citizens of the protection and the governmental functions to which they are entitled.

Businessmen find themselves in the position of having to compete with gangsters who pour money from their illicit enterprises into legitimate industry and use these untaxed funds to undercut the operations of competitors not enjoying this unfair advantage.

The tax base itself is eroded by significant amounts of dollars being siphoned from our economy without any commensurate return to local, state, or Federal governments.

Gambling and narcotics addicts commit a large amount of street crimes currently plaguing the country as they try to supply the needs of their illegal habits.

Labor-racketeering and cartage thefts drive up insurance rates, increase transportation costs, and add substantially to the prices consumers pay for their merchandise.

The drug problem

At the request of Congress and the White House, particular stress is placed on the need for close cooperation in the field of drug investigations. Although the DEA has primary jurisdiction over narcotics offenses, the FBI is charged with the responsibility of assisting DEA through the exchange of data and other supportive activities. This role is provided in three major areas:

1. The debriefing of FBI sources, subjects, suspects, and informants for drug-related data and the dissemination of this information to the appropriate investigative body.
2. The provision of investigative support, such as joint operations and the apprehension of DEA fugitives.
3. The provision of certain centralized FBI services, such as fingerprint identification, arrest records, laboratory examinations, name checks, and access to the National Crime Information Center (NCIC) on-line files.

The FBI is currently involved with DEA in a number of "joint investigations" throughout the United States which involve not only FBI substantive violations but also DEA narcotics violations.

The infiltration problem

Hoodlum infiltration of labor unions is one of the top priority areas targeted for investigation by the FBI. The primary objective of this program is to identify the organized criminal and corrupt elements involved in the labor field and to successfully prosecute those individuals connected with racketeering activities. Investigations under this program are targeted at uncovering such activities as payoffs and kickbacks resulting from the awarding of contracts or the conduct of day-to-day union activities; the embezzlement of union funds; instances of extortion; and the mishandling of union loans.

Likewise, hoodlum infiltration of legitimate business is a priority investigative area targeted by the FBI. To date, investigations have revealed allegations that such investments not only provide the hoodlums with "show money" for tax purposes, but also make it possible for those involved to "launder" illegal funds, set up front corporations to cover their criminal operations, and to profitably bankrupt companies when they no longer have any use for them.

In most instances, organized crime's movement into business is done quietly. Seldom do mobsters' names appear on corporate records, and fear of reprisal makes complaining victims scarce. Such conditions require current and accurate intelligence data, which can only be obtained through a network of well-placed informants. The FBI has a program for developing informants of this sort, and their information has allowed agents to keep abreast of organized crime's activities in the business world and to take action against it.

Investigative techniques

The FBI is refining and intensifying its use of a number of highly innovative investigative techniques in the fight against organized crime. Included among these are:

1. Undercover agents and storefront operations designed to ferret out large-scale pornographic operations, narcotics trafficking, infiltration of legitimate business, and extensive labor-racketeering activities.

2. Judicially approved electronic surveillance installations and consensual recording devices (both of which are most effective against loansharking and corruption).

3. The assignment of experienced Special Agent Accountants to the review and analysis of labor union records, records of financial institutions, and records of businesses in which there is probable cause to believe a crime has been committed. (This also embraces expanded use of computers to assist in the correlation and review of document examinations of a voluminous nature).

4. Informants specifically selected and targeted to penetrate the upper echelons of the organized underworld.

5. Miscellaneous techniques, such as aerial surveillances and hypnotism of willing witnesses (particularly helpful in gangland murder cases).

The results

Since the enactment of the first three major organized crime statutes in 1961, more than 10,500 hoodlums, gamblers, and

vice subjects have been convicted in FBI cases. Included among these individuals were the top-ranking organized crime functionaries in New York City and Buffalo, New York; Philadelphia and Pittston, Pennsylvania; Detroit; Chicago; St. Louis; Kansas City; Denver; Los Angeles; in addition to the New Jersey and New England areas. Numerous profitable underworld operations have been broken up, including some gambling rings reportedly handling over \$100 million a year each, and confiscations in organized crime cases since 1970 have totaled in excess of \$25 million worth of cash, property, weapons, and wagering paraphernalia. During fiscal year 1979, in excess of 600 individuals were convicted as a result of investigative activity targeted against the organized criminal element by the FBI. Of this figure, 107 were either associates or members of the largest organized crime groups operating in this country.

As part of its overall organized crime program, the FBI regularly develops and disseminates intelligence-type data to other Federal, state, and local agencies. During the past decade, this information enabled the recipient agencies to make 37,890 arrests and confiscated cash, property, weapons, contraband, and narcotics valued at more than \$585.2 million.

The program increase for fiscal year 1981 of 59 permanent positions and \$1,594,000 in the Organized Crime Program will provide for 52 support positions to be dedicated to the FBI field divisions implementing OCIS, and will provide for 7 additional Special Agent personnel in support of organized crime investigations.

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

AGENT TIME SPENT BY MAJOR CATEGORY OF WHITE-COLLAR CRIME INVESTIGATIONS FISCAL YEAR 1979

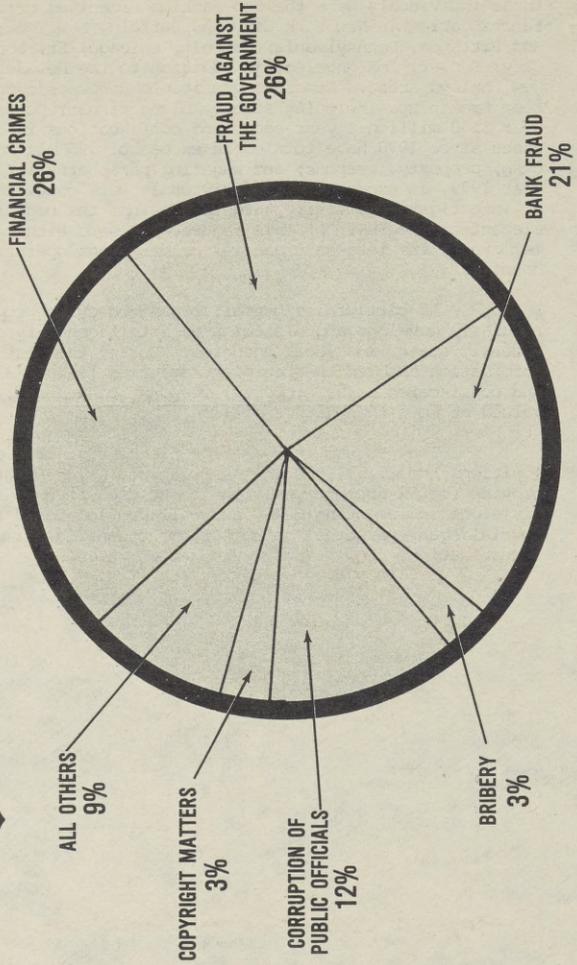


Exhibit No. 14

AGENT TIME SPENT BY MAJOR CATEGORY OF WHITE-COLLAR CRIME INVESTIGATIONS: FY 1979

<u>Major Category</u>	<u>Agent Work-years (Includes Field Supervisors)</u>	<u>Percent (%) of Program</u>	<u>Percent (%) of Total Field Agent Time</u>
Fraud Against the Government	422	25.5%	6.0%
Bank Fraud and Embezzlement	346	20.9%	4.9%
Hobbs Act - Corruption of Public Officials *	197	11.9%	2.8%
Copyright Matters	55	3.3%	.8%
Bribery; Conflict of Interest	51	3.1%	.7%
Financial Crimes (ITSP; Mail Fraud, & Fraud by Wire)	433	26.2%	6.1%
All-others	<u>150</u>	<u>9.1%</u>	<u>2.1%</u>
Total	1,654	100.0%	23.4%

* For future reference it should be noted that at the outset of FY 1980, several classifications of the Hobbs Act concerning corruption of police officers and public officials involved with organized crime were transferred to the Organized Crime Program from White-Collar Crime. These particular classifications consumed 63 agent work-years during FY 1979, representing 3.8% of the White-Collar Crime Program.

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE



WHITE-COLLAR CRIME CONVICTIONS

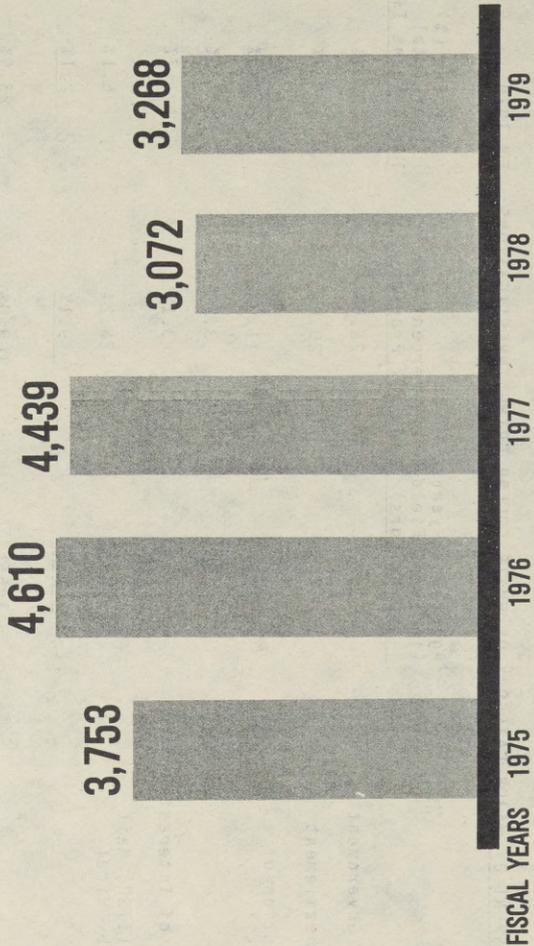


Exhibit No. 16

WHITE-COLLAR CRIME INVESTIGATIONS

White-collar crimes are generally defined as those illegal acts characterized by deceit, concealment, violation of trust, and not dependent upon the application or threat of physical force or violence. They are committed to obtain money, property, or services; or to avoid the payment of money, property, or services; or to secure personal business advantage. White-collar crime violations occur with high frequency in every part of the United States without regard to geographic boundaries or population distribution. Many of these criminal acts depend on the corruption of public officials for their successful commission.

It is one of the FBI's principal objectives to detect, investigate, and provide prosecutive support in resolving white-collar criminal activities within the jurisdiction of the FBI.

The victims of these crimes are often citizens or small businesses that can ill afford financial loss. In many of the cases investigated by the FBI, the government and, consequently, the taxpayer are victims of the frauds. Millions of dollars each year are drained from the United States Treasury through white-collar crime schemes, not infrequently with the criminal participation of unscrupulous government officials and employees.

The program increase for fiscal year 1981 of 80 permanent positions and \$3,408,000 in the White-Collar Crime Program will provide for 30 additional accounting technicians to be utilized to perform the more routine accounting work, allowing Agent personnel to be assigned matters of higher complexity. The remaining 50 Agent positions will be devoted to enhancing field investigations.

The long-range goal of this program is to curtail the incidence of white-collar crimes by investigating those high-impact and complex cases in support of successful prosecution. The areas of high priority in this regard are: public corruption; energy related violations; governmental program fraud; bank fraud and embezzlement; and business and consumer frauds perpetrated by those in responsible positions in all levels of government, labor,

Exhibit No. 17

and the financial community. The short-term objective is to provide the investigative concentration and response necessary to support the Administration's and Attorney General's white-collar crime efforts.

ENERGY FRAUD

Energy-related fraud investigations have been designated as a top priority matter within the White-Collar Crime Program. During the last fiscal year (FY), additional Special Agent personnel were transferred to our Dallas, Houston, and Oklahoma City Divisions for specific assignment to oil-related energy investigations. Additional manpower was also committed to coal fraud investigations in the Southern District of West Virginia.

The complexity of energy fraud investigations requires a large commitment of manpower resources. This is particularly applicable to oil fraud cases wherein each transaction involving crude oil must be traced from the well head or tanker through a pipeline to the refinery. This requires the review and analysis of numerous records which are obtained from the oil companies and the Department of Energy.

Approximately 100 investigations concerning coal-related fraud are pending. These investigations are centered in the coal producing areas of Pennsylvania, Alabama, Kentucky, West Virginia, and Virginia. Additional coal field crime cases will be opened as manpower to conduct these investigations becomes available. FBI investigations of coal field crime have resulted in significant convictions and indictments during FYs 1979 and 1980.

During FY 1981, the FBI anticipates a continuing need to increase manpower resources assigned to energy fraud investigations. Additional expenditures for technical services to support these investigations is also required. The commitment of computer resources to this type of investigation is essential to the successful conclusion of these cases.

TECHNIQUES

Several techniques relatively new to this program are being utilized to detect and investigate white-collar crimes. Among these techniques are undercover operations wherein Special Agents are able, through the use of suitable covers, to penetrate operations in several areas of criminal activity. The FBI conducts computer fraud schools at the FBI Academy to better train Special Agents in investigating frauds wherein a computer is an integral part of the fraudulent activity. Since computer-related fraud has become more prevalent, this training provides the FBI with increased capability of detecting crimes and collecting evidence in these cases. In some instances, an FBI field office will "target" an operation where there is reason to believe it is involved in an illicit activity. Concentrating its resources on the organization, the field office is often able to commence its investigation while the illicit activity is being planned or conducted.

The increased white-collar resources and their concentration has permitted the targeting of public corruption, and the FBI has been successful in the pursuit of those persons who violate their public trust. The white-collar criminal is becoming more sophisticated in devising and perpetrating schemes, thereby making detection and investigation more difficult. Increased expertise is required on gathering evidence for successful prosecution. The thrust of FBI investigations is being directed at the so-called professional swindler.

CURRENT INVESTIGATIONS

Public corruption is one of the FBI's top investigative priorities within the White-Collar Crime Program. During fiscal year 1979, these investigations resulted in the convictions of 210 public officials for their involvement in some type of public corruption prohibited by Federal statutes. As of December 31, 1979, there were 1,192 matters under investigation involving subjects or suspects at all levels of Federal, state, and local government. These matters require a significant amount of manpower and are handled on a priority basis as it is imperative that a public official either be cleared of a charge or brought to justice as soon as possible.

Recent economic developments on worldwide commodity markets have created heavy investments into gold and silver futures trading. Commodity fraud cases

have experienced a tremendous increase in the past several months, as the heavy trading of the futures contracts set another stage for the con man to conduct his fraudulent activities. The FBI's commitment in this area is increasing.

In addition, the FBI is conducting a major investigation involving allegations of corruption in the General Services Administration throughout the United States. To date, 89 indictments have been obtained, and of those, 73 convictions have resulted thus far.

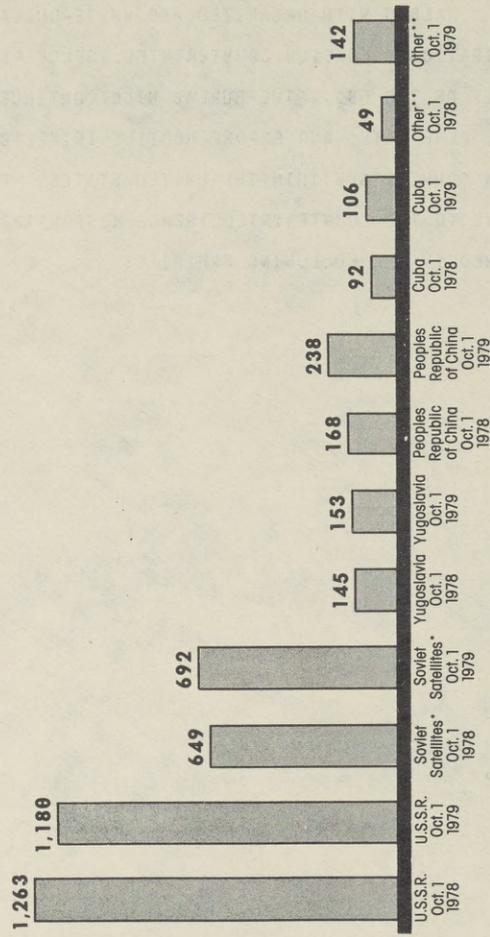
FOREIGN COUNTERINTELLIGENCE

ALONG WITH ORGANIZED AND WHITE-COLLAR CRIME INVESTIGATIONS, FOREIGN COUNTERINTELLIGENCE REMAINS A MAJOR PRIORITY OF THE FBI. THE BUREAU WILL CONTINUE ITS EFFORTS TO DETECT, PENETRATE, AND EXPOSE HOSTILE INTELLIGENCE OPERATIONS OF FOREIGN COUNTRIES WITHIN THE UNITED STATES. FURTHER INFORMATION RELATIVE TO THE COUNTERINTELLIGENCE RESPONSIBILITIES OF THE FBI IS CONTAINED IN THE FOLLOWING EXHIBITS:

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE



TOTAL COMMUNIST OFFICIAL PERSONNEL IN THE UNITED STATES



*Includes working officials of Bulgaria, Czechoslovakia, East Germany, Hungary, Mongolia, Poland and Romania.
 **Includes working officials of Albania, Republic of China, Korea, Laos and Vietnam.

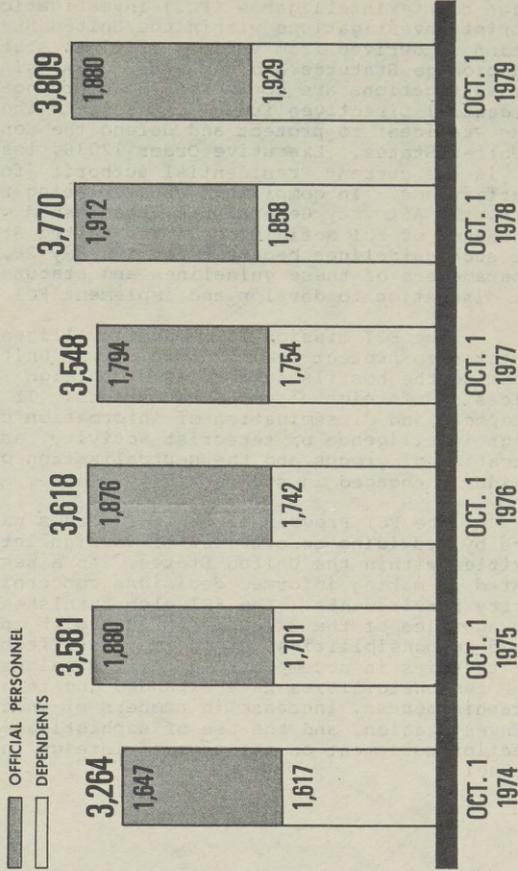
Exhibit No. 18

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE



TOTAL SOVIET-BLOC OFFICIAL PERSONNEL IN THE UNITED STATES

INCLUDES OFFICIALS* AND DEPENDENTS OF SOVIET UNION, BULGARIA,
CZECHOSLOVAKIA, EAST GERMANY, HUNGARY, MONGOLIA, POLAND AND ROMANIA



* "OFFICIALS" IS A GENERIC DESIGNATION USED BY THE FBI FOR OPERATIONAL PURPOSES AND SHOULD NOT BE CONFUSED WITH DIPLOMATIC DESIGNATIONS

Exhibit No. 19

FOREIGN COUNTERINTELLIGENCE PROGRAM

The FBI is charged with the responsibility for foreign counterintelligence (FCI) investigations and foreign terrorist investigations within the United States. This FCI function is derived from various criminal statutes, such as the Espionage Statutes and Registration Acts. In addition, FCI investigations are conducted in accordance with Presidential Directives issued pursuant to the inherent power of the President to protect and defend the Constitution of the United States. Executive Order 12036, issued January 26, 1978, is the current Presidential authority for FBI FCI investigations. In compliance with existing Executive Orders, the Attorney General has established guidelines for the conduct of FCI activities in the United States. The first such guidelines became effective May 28, 1976. Within the parameters of these guidelines and statutes, the FBI is given discretion to develop and implement FCI programs.

The FCI mission is counterintelligence activity undertaken to protect the security of the United States by countering the hostile activities of foreign intelligence services and foreign-directed terrorists. It includes the development and dissemination of information concerning foreign intelligence or terrorist activity, as well as the penetration of groups and the neutralization of groups and individuals engaged in such activity.

The FCI Program of the FBI serves national policy makers by providing an overview of foreign intelligence activities within the United States. As a result, they are assisted in making informed decisions concerning national security requirements. The FBI also furnishes analyses to other agencies of the Executive Branch with specific intelligence responsibilities, enhancing the effectiveness of these agencies in accomplishing their missions. FBI investigative responsibilities have expanded due to a much wider geographic access, increase in numbers of individuals requiring investigation, and the use of sophisticated technical collection equipment on the part of foreign intelligence personnel.

The FBI has experienced an increase in the number of Soviet immigrants; a large influx of repatriated American citizens, former political prisoners and their dependents from Cuba; substantial increase of investigative responsibilities as a result of the recent diplomatic recognition of the People's Republic of China (PRC); and an augmented effort to monitor and/or thwart the scientific and technological drain to foreign intelligence services.

Historically, the PRC diplomatic missions abroad have sought and achieved parity with the diplomatic staff of the Soviets in the host country. Because of increasing United States scientific and technical exchange with the PRC, visiting Chinese scientific and technical delegations have increased in size and frequency. During the Fall of 1979, over 900 PRC students have enrolled in academic institutions in the United States--many in scientific and technical areas. It is the FBI's job to detect intelligence officers implanted among this growing number of persons.

Another area of the FBI's FCI Program concerns those investigations of actual or potential violations of statutes by international terrorists acting on behalf and with the concurrence of a foreign power. The FBI is charged with primary jurisdiction and overall responsibility for direction of investigations with regard to international terrorist incidents.

The FBI has a defined role within the Intelligence Community. Inasmuch as foreign-directed intelligence activities and terrorism are transnational in nature, the FBI must coordinate investigative operations with other United States agencies and cooperating foreign police and security services in order to insure the accomplishment of established FCI objectives. This liaison is a most integral component in the FBI's FCI program.

TERRORISM

APPROXIMATELY 99 PERCENT OF ALL TERRORIST ACTIVITIES IN THE UNITED STATES FALL WITHIN THE JURISDICTION OF THE FBI. THUS, IT IS OUR JOB TO INSURE THAT THE PREVENTIVE (INTELLIGENCE GATHERING) AND REACTIVE (CRIMINAL INVESTIGATIVE) CAPABILITIES OF THE FBI ARE SUFFICIENT TO MEET THE THREAT OF TERRORISM IN THIS COUNTRY. THERE IS A PLANNED REDUCTION OF \$244,000 AND NINE POSITIONS FOR THIS PROGRAM IN FISCAL YEAR 1981. THIS IS DUE, IN PART, TO A DECLINE IN TERRORIST ACTIVITIES AND REFLECTS AN ADJUSTMENT OF FIELD INVESTIGATIVE RESOURCES INTO HIGH PRIORITY INVESTIGATIONS. NATURALLY, IF TERRORIST ACTIVITY BECAME A REALITY, THE FBI WOULD PROVIDE WHATEVER LEVEL OF RESOURCES ARE NECESSARY TO COPE WITH THE SITUATION. SEVERAL EXHIBITS DESCRIBING THIS PROGRAM FOLLOW:

AGENT TIME SPENT BY MAJOR CATEGORY OF TERRORISM INVESTIGATIONS: FY 1979

<u>Major Category</u>	<u>Agent Work-years (Includes Field Supervisors)</u>	<u>Percent (%) of Program</u>	<u>Percent (%) of Total Field Agent Time</u>
Neutrality Matters	4	3.8%	--
Passport and Visa Matters	6	4.9%	.1%
Domestic Security	13	11.2%	.2%
Atomic Energy Act	5	4.5%	.1%
Protection of Foreign Officials	29	25.1%	.4%
Domestic and Foreign-Based Bombing Matters	41	35.5%	.6%
Bombing Matters - Other attempts and actuals	4	3.7%	--
Bomb Threats	5	4.2%	.1%
All others	<u>8</u>	<u>7.1%</u>	<u>.1%</u>
Total Investigations	115	100.0%	1.6%
Informants	<u>4</u>	<u>100.0%</u>	<u>.1%</u>
Total Terrorism Program	119	100.0%	1.7%

TERRORISM INVESTIGATIONS

Terrorism investigations are undertaken in order to detect, prevent, and/or react to unlawful, violent activities of individuals or groups whose intent is to either overthrow the Government; interfere with the activities of a foreign government in the United States; substantially impair the functioning of the Federal Government, a state government, or interstate commerce; or deprive Americans of their civil rights as guaranteed by the Constitution, laws, and treaties of the United States. The authority for these investigations is derived from Federal statutes and Executive Orders from the President and the Attorney General. In addition, violations of certain Federal statutes, which would logically relate to terrorism--such as bombing matters, nuclear extortion, sabotage, and the protection of foreign officials--are handled within the Terrorism Program.

Terrorist activity, which is defined as violent acts or acts dangerous to human life which would be criminal under the laws of the United States and which are intended to intimidate or coerce the civilian population or influence the policy of the Government through intimidation or coercion, is investigated as part of this program. In order to combat terrorism, necessary intelligence must be gathered and acted upon to prevent violence from occurring. Intelligence in this regard refers to FBI investigations, together with their resultant product, which ascertain information on the activities of individuals or groups involved in violence and violations of Federal law for the purposes enumerated in Attorney General Guidelines.

Domestic security investigations, which comprise only a small segment of the Terrorism Program, are based primarily on the Attorney General's Domestic Security Guidelines, which became effective in the FBI on April 6, 1976. As of February 8, 1980, there were 18 organizations and 35 individuals under investigation based upon these Guidelines. If an individual or organization is foreign-based or foreign-directed, investigation must conform to the Attorney General's Foreign Counterintelligence Guidelines, which were issued on June 1, 1976.

Domestic security investigations in the FBI underwent a radical change, both in number and in scope, as a result of the adoption of the Attorney General's Guidelines for Domestic Security Investigations.

Another contributing factor to the overall decline in domestic security investigations which, as of July 31, 1973, totaled 21,424 and as of September 8, 1979, totaled 53, was due to the FBI's quality over quantity management approach effected in

August, 1975, and the adoption in August, 1976, of a restrictive FBI policy which eliminated as a basis for investigation those individuals who were not leaders, policy makers, or involved in activities indicating force or violence in violation of Federal law.

While the Terrorism Program is not included by definition in the top priorities of the Federal Bureau of Investigation, when an incident of terrorism occurs it is considered to be an immediate response item and is addressed as such. Terrorist acts continue to be performed as evidenced by the ambush of U.S. Navy personnel in San Juan, Puerto Rico, in which two Navy personnel were killed and ten injured, and the recent bombing of a diplomatic establishment in New York City, which was claimed by an anti-Castro Cuban Exile group. These types of activities by terrorists are violent, criminal acts, aimed indiscriminately and are deliberately calculated to deal maximum physical and emotional disruption. Terrorist incidents such as these are indicative of the fact that the phenomenon of terrorism mirrors the mobility and complexity of modern society, transcending both national and internal borders.

Since approximately 99 percent of all terrorist activities fall within the investigative responsibilities of the FBI, the Terrorism Program is structured to meet the challenge with both determination and innovation. Investigations of the lawless acts of domestic terrorism will be aggressively pursued, and the FBI will continue to devote its resources towards the task of identifying, locating, and separating the terrorist from the law abiding citizens.

The multi-faceted nature of terrorist acts does not allow for complacency in planning for a response to these incidents, nor in directing efforts through applicable guidelines to obtain advance information for planned violent criminal activity. The future strategy of the Terrorism Program is as dynamic as the course of terrorist activity.

Following is a chart depicting the investigative responsibilities of the FBI's Terrorism Program and the percentage of time currently being spent in each of these responsibilities:

Investigative responsibility:	<u>Percent (rounded)</u>
Neutrality-----	4
Espionage-----	4
Domestic security-----	12
Atomic Energy Act-----	5
Terrorism bombing and threats-----	42

Investigative responsibility:	<u>Percent (rounded)</u>
Protection of foreign officials-----	25
Passport and visa matters-----	5
Terrorism informants-----	2
*Miscellaneous-----	<u>1</u>
Total-----	<u>100</u>

*Includes: civil unrest, anti-riot laws, overthrow of Government, sedition, treason, and sabotage.

OTHER INVESTIGATIVE RESPONSIBILITIES

ALTHOUGH THE QUALITY CASE CONCEPT DICTATES THAT THE FBI WILL REFER LOWER FEDERAL PRIORITY INVESTIGATIONS TO LOCAL AUTHORITIES WHEN FEASIBLE AND WHERE DUAL JURISDICTION EXISTS, THE BUREAU STILL HAS A PROMINENT ROLE IN MANY REACTIVE-TYPE INVESTIGATIONS. THESE INVESTIGATIONS ARE MOSTLY IN THE PROPERTY AND PERSONAL CRIMES PROGRAMS. THE FBI'S POLICY WITH RESPECT TO BANK ROBBERY INVESTIGATIONS IN THE PERSONAL CRIMES PROGRAM, WILL BE TO CONTINUE TO RESPOND TO EACH VIOLATION AS IT OCCURS AFTER WHICH A DETERMINATION CAN BE MADE AS TO WHETHER FEDERAL OR LOCAL AUTHORITIES WILL BE RESPONSIBLE FOR THE CASE. YOU MAY BE SURE THAT THE FBI WILL ASSUME RESPONSIBILITY FOR INVESTIGATING THOSE CASES WHERE THERE IS VIOLENCE; INJURY; DEATH; HOSTAGES; OR THERE ARE INDICATIONS OF ORGANIZED CRIME OR INTERSTATE ACTIVITY.

EFFORTS IN THE AREA OF UNDERCOVER OPERATIONS HAVE BEEN THE SUBJECT OF RECENT NATION-WIDE PUBLICITY. DURING THE PAST TWO FISCAL YEARS AND FOR THE CURRENT ONE, THE FBI HAS HAD A TOTAL OF \$3,000,000 PER YEAR AVAILABLE TO FUND UNDERCOVER OPERATIONS IRRESPECTIVE OF THE INVESTIGATIVE PROGRAM UNDER WHICH THEY ARE INVESTIGATED. THIS REQUEST INCLUDES AN INCREASE OF APPROXIMATELY \$1.8 MILLION FOR UNDERCOVER OPERATIONS.

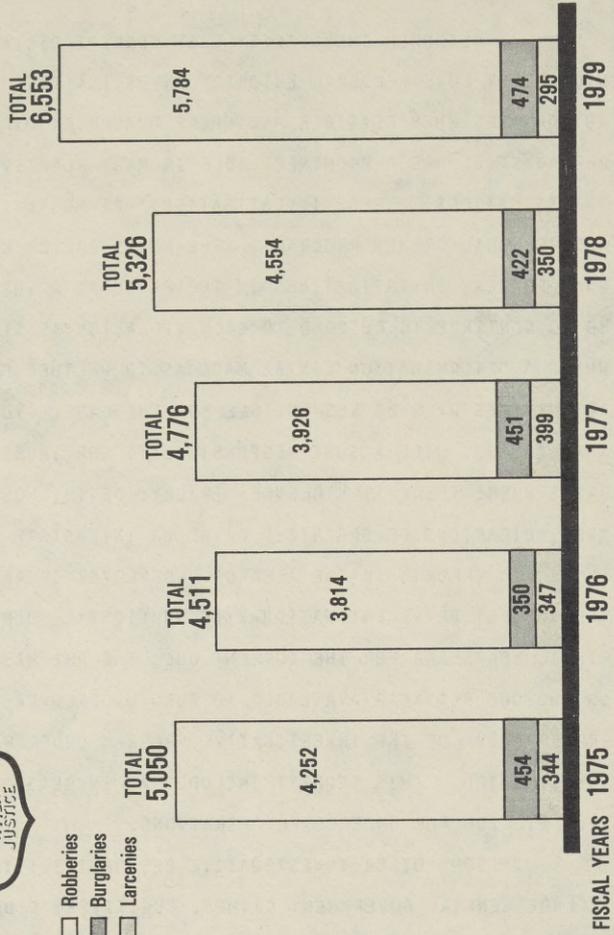
SOME OTHER INVESTIGATIVE RESPONSIBILITIES OF THE FBI INCLUDE GENERAL GOVERNMENT CRIMES, FUGITIVES, KIDNAPING, EXTORTION, INFORMANTS, AND CIVIL RIGHTS. THE FOLLOWING EXHIBITS RELATE TO THESE TYPES OF MATTERS:

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BANK ROBBERY STATUTE VIOLATIONS REPORTED



- Robberies
- Burglaries
- Larcenies



FBI/DOJ

AGENT TIME SPENT BY MAJOR CATEGORY OF PERSONAL CRIMES INVESTIGATIONS: FY 1979

<u>Major Category</u>	<u>Agent Work-years (Includes Field Supervisors)</u>	<u>Percent (%) of Program</u>	<u>Percent (%) of Total Field Agent Time</u>
Kidnaping	59	8.9%	.8%
Extortion	56	8.4%	.8%
Congressional Assassination	22	3.3%	.3%
Assaulting or Killing a Federal Officer	47	7.1%	.7%
Forcible Crimes Against Banking Institutions	424	64.0%	6.0%
Crime Aboard an Aircraft	20	3.1%	.3%
All others	<u>34</u>	<u>5.2%</u>	<u>.5%</u>
Total	662	100.0%	9.4%

Exhibit No. 24

PERSONAL CRIMES PROGRAM

The Personal Crimes Program of the FBI principally consists of a group of investigative matters which involve the common characteristic of threatened or actual personal injury or loss of life. Our major objective in this program is to impede the growth of personal crime trends by responding to reports of violations; collecting evidence; performing subsequent logical investigative activity to identify, locate, and apprehend persons responsible for these crimes; and providing prosecutive support. Among the Federal offenses encompassed by this program are kidnaping, extortion, bank robbery, burglary, and larceny, assaults against Federal officers, Congressional assassination, and crimes aboard an aircraft. Investigations in the Personal Crimes Program are reactive in nature and, oftentimes, labor intensive with widespread investigative activity extending beyond the situs of the offense.

Investigations under the Personal Crimes Program during fiscal 1979 resulted in 1,718 convictions, of which 86 were for misdemeanor and 1,632 were for felony-degree offenses. The dangerous nature of criminals involved in Personal Crimes Program offenses is further underscored by the high percentage of persons sentenced to periods of confinement--85 percent in fiscal 1979--for their criminal activities. Additionally, 53 individuals were handled under pre-trial diversion plans; 1,048 complaints and 143 informations were filed; 1,703 indictments were returned; and 883 arrests were made for Personal Crimes Program violations. Fines totaling \$133,620 were assessed during fiscal 1979.

Investigations of forcible crimes against financial institutions (bank robbery, bank burglary, bank larceny, and Hobbs Act violations directed against financial institutions), the primary investigative area of the Personal Crimes Program, accounted for 64 percent of the program's Agent work-years during fiscal 1979. During fiscal 1979, violations of the Federal Bank Robbery and Incidental Crimes Statute reached a record high of 6,553--a 23 percent increase over the previous year. Losses resulting from the 5,784 robberies, 474 burglaries, and 295 larcenies also rose substantially, surpassing 45.5 million dollars--a 63 percent increase over fiscal 1978. The increase in bank robbery activity was not limited to a few geographic regions; 50 of our 59 field offices experienced offense levels in fiscal 1979 which exceeded the previous year.

Major investigative activity was also conducted under the Assaulting or Killing a Federal Officer Statute into the assassination of United States District Court Judge John Wood in San Antonio, Texas, and under the Congressional Assassination Statute in the murder of Congressman Leo J. Ryan in Port Kaituma, Guyana. These two investigations exemplify the reactive nature of the Personal Crimes Program and the impact of single major investigations on our investigative resources. During fiscal year 1978, investigative resources allocated to these types of investigations accounted for approximately two percent of the program's total manpower; in fiscal year 1979, largely as a result of the two aforementioned cases, manpower usage increased to approximately ten percent of the program's total resources.

Proposed funding of the Personal Crimes Program for fiscal year 1981 calls for 1,021 positions and \$35,369,000, which represents a program decrease of 15 positions and \$330,000 from fiscal year 1980. The principal area of the Personal Crimes Program to be affected by this reduction will be investigations of bank robbery and related offenses. The FBI and the Department of Justice are committed to a policy whereby the FBI will respond to each reported violation of the Federal Bank Robbery and Incidental Crimes Statute. This commitment will continue through fiscal year 1981.

AGENT TIME SPENT BY MAJOR CATEGORY OF FUGITIVE INVESTIGATIONS: FY 1979

<u>Major Category</u>	<u>Agent Work-years (Includes Field Supervisors)</u>	<u>Percent (%) of Program</u>	<u>Percent (%) of Total Field Agent Time</u>
Bond Default and Desertion	18	5.1%	.3%
Escaped Federal Prisoner - Subject wanted for violent crime	57	16.0%	.8%
Escaped Federal Prisoner - Subject wanted for property crime or narcotics	10	2.9%	.1%
Escaped Federal Prisoner - All others	57	16.0%	.8%
Unlawful Flight to Avoid Prosecution - Subject wanted for violent crime	167	46.6%	2.4%
Unlawful Flight to Avoid Prosecution - Subject wanted for property crime or narcotics	15	4.2%	.2%
Unlawful Flight to Avoid Prosecution - All others	<u>33</u>	<u>9.2%</u>	<u>.5%</u>
Total	357	100.0%	5.1%

FUGITIVE INVESTIGATIONS

In fiscal year 1979, a total of 7,841 fugitives wanted by the FBI were successfully taken into custody. This total includes 5,081 "arrests"¹ and 2,760 "locates."² Of those taken into custody, 3,628 were being sought at the request of state, local and other Federal agencies, including the Department of Defense, for violations of the Unlawful Flight Statute, escaped Federal prisoners, bond default, probation, parole, mandatory release violators and military deserters. Included in this number were 1,279 fugitives being sought on behalf of the local and state law enforcement community under provisions of the Unlawful Flight Statute. The remaining 4,213 fugitives, arrested or located during fiscal 1979, had been charged with substantive Federal violations within the FBI's investigative jurisdiction.

In order to concentrate its manpower resources on priority criminal investigations; i.e., Organized Crime, White Collar Crime and Public Official Corruption, the FBI has been required to de-emphasize its involvement in certain lesser impact matters.

The fugitive phase of the FBI's investigative operations is one area from which manpower is being diverted for higher priority reassignment. In this regard, during fiscal year 1978, the FBI and Department of Defense agreed that the FBI would no longer seek the apprehension of routine deserters, but would attempt to locate only those who desert under aggravated circumstances. The Department of Justice, to further assist the FBI in lessening its fugitive responsibilities, authorized the U.S. Marshals Service, effective October 1, 1979, to assume the responsibility for locating those fugitives wanted as alleged probation, parole and mandatory release violators and for alleged violations of the Escape and Rescue and Bond Default Statutes.

The FBI's responsibilities for seeking individuals wanted for substantive violations within its jurisdiction, and those wanted by the local and state law enforcement community, who have fled across state lines to avoid apprehension or confinement, remain unchanged.

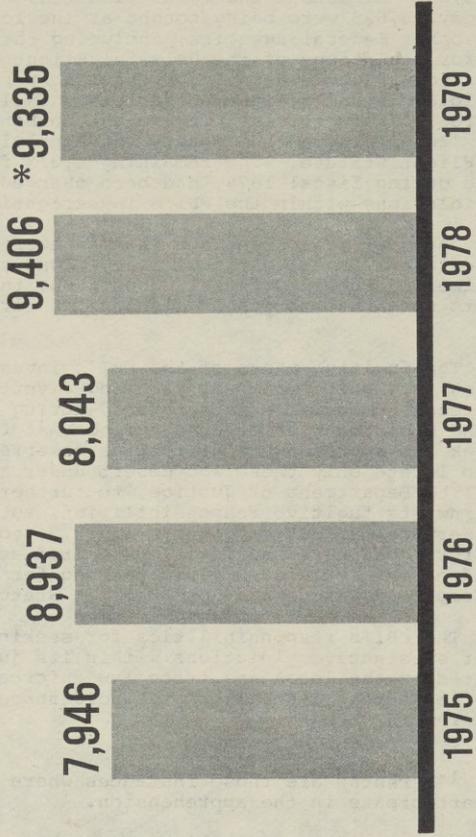
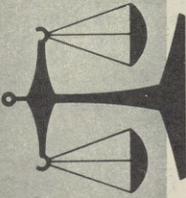
¹"Arrests" are those instances where FBI Agents actually make or participate in the apprehension.

²"Locates" are those instances where the investigative efforts or cooperative services of the FBI result in the arrest of a fugitive by another law enforcement agency.

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

CIVIL RIGHTS CASES RECEIVED BY THE FBI

FISCAL YEARS (1975-1979)



* THIS FIGURE INCLUDES VIOLATIONS OF BOTH CRIMINAL & CIVIL STATUTES

FBI/DOJ

AGENT TIME SPENT BY MAJOR CATEGORY OF CIVIL RIGHTS INVESTIGATIONS: FY 1979

<u>Major Category</u>	<u>Agent Work-years (Includes Field Supervisors)</u>	<u>Percent (%) of Program</u>	<u>Percent (%) of Total Field Agent Time</u>
Civil Rights - Preliminary investigations involving violence	106	73.7%	1.5%
Civil Rights - All other preliminary investigations	9	6.6%	.1%
Civil Rights - Miscellaneous	7	4.6%	.1%
Civil Rights Act of 1964	7	5.0%	.1%
Discrimination in Housing	11	7.5%	.2%
All others	<u>4</u>	<u>2.6%</u>	--
Total	144	100.0%	2.0%

CIVIL RIGHTS INVESTIGATIONS

The FBI's position on civil rights matters is to address those investigative matters which involve the actual or attempted abridgment of rights provided to the citizens and inhabitants of the United States under the Constitution or laws of the United States. The primary objective in civil rights matters is to enhance and protect those rights through expeditious and thorough attention to matters within our investigative jurisdiction. The FBI's long-range goal is for the continuous improvement of the atmosphere in which citizens will be enabled to obtain and maintain their civil rights as guaranteed by the Constitution and laws of the United States.

Resources will also be used in 1981 to provide specialized programs for special agent investigators, with regional conferences and seminars throughout the field and at FBI Headquarters for the benefit of investigative and supervisory personnel. The goals and objectives of these specialized programs are to enhance managerial and investigative skills of special agents in civil rights investigations, including keeping abreast of the complex Civil Rights Statutes in order to afford timely, accurate, and effective responses in civil rights matters.

Similar programs will be conducted for local and state law enforcement officers (including FBI training to officers at the FBI National Academy) to increase their knowledge concerning Constitutional rights and the special duties and obligations which the law imposes on them to uphold and protect such rights. The goals and objectives of this training are to reduce the number of civil rights investigations required by increasing the knowledge of local and state law enforcement officers.

In fiscal year 1978, the FBI handled 9,406 civil rights matters and in fiscal year 1979, the FBI handled 9,335 civil rights matters. It is estimated that approximately 10,000 civil rights matters will be handled during the current fiscal year. Civil rights investigations are conducted pursuant to policy established by the United States Department of Justice and many of these require extensive investigation.

GENERAL GOVERNMENT CRIMES PROGRAM

The FBI investigates major violations involving criminals and criminal groups whose activities are directed against property owned by the United States Government and/or individuals who are located on property where the United States has investigative jurisdiction. These crimes involve theft of Government weapons or explosives, high-value property, and acts of violence such as homicides, assaults, and robberies on Government and Indian reservations. During fiscal year 1979, 750 felony convictions were recorded in this area, with recovery of stolen property amounting to \$2,956,540.

Examples of recent major investigations coordinated under this Program include the Church of Scientology case, in which nine convictions have been obtained to date; and the Red Lake Indian Reservation disturbance, which resulted in the destruction or loss of property totaling approximately \$4,500,000, wherein eight individuals have been tried, convicted, and received sentences from six months to 26 years for their parts in these crimes.

Exhibit No. 31GENERAL PROPERTY CRIMES PROGRAM

The objective of this program is the identification and resolution of property crimes within the jurisdiction of the FBI, particularly those of a patterned, commercialized, or major nature; and arrest and prosecution of top thieves, fences, and organized crime groups involved in these violations. Of the seven classifications comprising the Uniform Crime Report Program Index, property crimes represent 90 percent of the total statistics. Property crime has increased 49.3 percent between 1969 and 1978. Crimes dealt with in the General Property Crimes Program (GPCP) have substantial, direct impact on the American public. Criminal violations in the GPCP accounted for the following percentages of the FBI's statistical accomplishments during FY 1979: Convictions - 15 percent; fines - 4 percent; potential economic loss prevented - 21 percent; and recoveries - 39 percent. Several undercover operations are presently being operated in the GPCP.

Exhibit No. 32

FBI INFORMANTS

Many sources of information are available to the FBI, but informants undoubtedly provide the single most important means of obtaining information in its most complex investigations. The nature of investigation has become more complicated, and criminal enterprises have reached the degree of sophistication where any anticipation of success would be impossible without the use of informants. Most of the long-term undercover operations and the utilization of electronic surveillances would not be possible without the participation of informants. Informants provide information of intelligence value, the solution of crimes, the recovery of stolen property and contraband, the location of wanted persons, and the detection of crimes in the planning stages.

Informants furnish information regarding criminal acts which are in violation of state laws and of Federal law over which the FBI does not have jurisdiction, such as narcotic trafficking. This information is disseminated to the appropriate law enforcement agency and has greatly assisted overall detection and enforcement of the law at all levels.

The FBI attempts to develop informants who have a willingness and ability to provide information on a regular basis and are of known reliability in matters within its investigative jurisdiction. The ability to control these individuals is also utilized as a factor in determining their suitability to act as an FBI informant.

Informants are paid on a cash-on-delivery basis for services rendered and expenses incurred. The amount paid to an informant is determined by the FBI based on the value of the information received.

Informants are not used by the FBI to obtain information which violates legal or ethical restrictions. They are given specific instructions not to participate in acts of violence, use unlawful techniques to obtain information, or initiate a plan to commit criminal acts. Informants are sometimes allowed to participate in criminal activities with persons under investigation, if it is determined necessary to obtain information needed for purposes of Federal prosecution. If this participation in criminal acts involves serious criminal activity, authorization is obtained from the U. S. Department of Justice prior to an informant being used.

If an informant violates the law when acting on behalf of the FBI and was previously not directed to do so by the FBI, this information is disseminated to the appropriate authorities. If an informant provides information regarding illegal activities in which he has been involved, not connected with his being an informant, a judgment is made regarding his value as an informant in relation to the nature of the crime he has committed. If an informant commits a serious crime, the appropriate prosecutive authorities are advised.

Concerning members of the professional community, the FBI operates no informants in this category in a manner which would violate any ethical restrictions placed upon them as a result of their professions. To ensure these violations do not occur, the information furnished by these types of informants is reviewed regularly by the FBI, they are not given assignments which would violate these ethical restrictions, and they are instructed not to furnish any information which would violate these restrictions. If these types of informants are determined to have furnished such information, it is not used by the FBI.

The FBI operates four categories of criminal informants: terrorism informants, general criminal informants, organized crime informants, and organized crime top echelon informants.

A record is maintained regarding all persons who are paid for services or expenses whether they are considered informants or not. The FBI pays certain individuals for services and expenses who are not considered informants because of their inability to provide information on a regular basis or some other reason. The FBI operates informants who are not paid and who furnish information on a confidential basis. The identity of these informants and a record of the information they furnish is maintained in the files of the FBI.

HEADQUARTERS COORDINATION OF INVESTIGATIONS

THE FBI COORDINATES INVESTIGATIONS AND IMPLEMENTS NATIONAL POLICY DECISIONS CENTRALLY AT ITS HEADQUARTERS IN WASHINGTON, D. C. FOR THIS FUNCTION, WE WILL NEED \$15,093,000 AND 486 POSITIONS, AN ENHANCEMENT OF \$634,000 AND 30 POSITIONS. DETAILS ON THIS PROGRAM ARE PROVIDED IN THE FOLLOWING EXHIBIT:

HEADQUARTERS COORDINATION OF INVESTIGATIONS

The primary purpose of this activity is the overall management of field efforts in ten investigative programs identified as: Civil, Applicant and Other Investigations; Organized Crime; White-Collar Crime; General Government Crimes; Fugitive; Personal Crimes; General Property Crimes and General Crimes Informants; Civil Rights; Terrorism; and Foreign Counterintelligence (FCI). This management function includes such responsibilities as the development of new initiatives, the evaluation of field efforts in connection with each funded program, the administration of certain funds, the coordination of major investigations, the establishment of policy, the identification of training needs, the allocation of investigative resources throughout the field, and the maintenance of liaison with other agencies of the Executive Branch and the legislative branch of the Government.

TRAINING

ALL NEW AGENT APPOINTEES MUST ATTEND A TRAINING COURSE AT THE FBI ACADEMY IN QUANTICO, VIRGINIA. APPROXIMATELY 400 NEW AGENTS ARE EXPECTED TO BE TRAINED DURING FISCAL YEAR 1981. THIS, AS WELL AS IN-SERVICE TRAINING FOR FBI PERSONNEL AND FIELD FEDERAL TRAINING, WILL REQUIRE \$8,939,000 AND 232 POSITIONS.

COST-FREE TRAINING FOR STATE AND LOCAL LAW ENFORCEMENT OFFICIALS IS PROVIDED AT THE FBI ACADEMY AND THROUGHOUT THE FIELD. THIS PROGRAM WILL BE REDUCED TO \$14,474,000 AND 360 POSITIONS, REPRESENTING A PROGRAM REDUCTION OF \$660,000 AND 60 POSITIONS. THE FOLLOWING EXHIBITS DESCRIBE THESE TRAINING PROGRAMS:

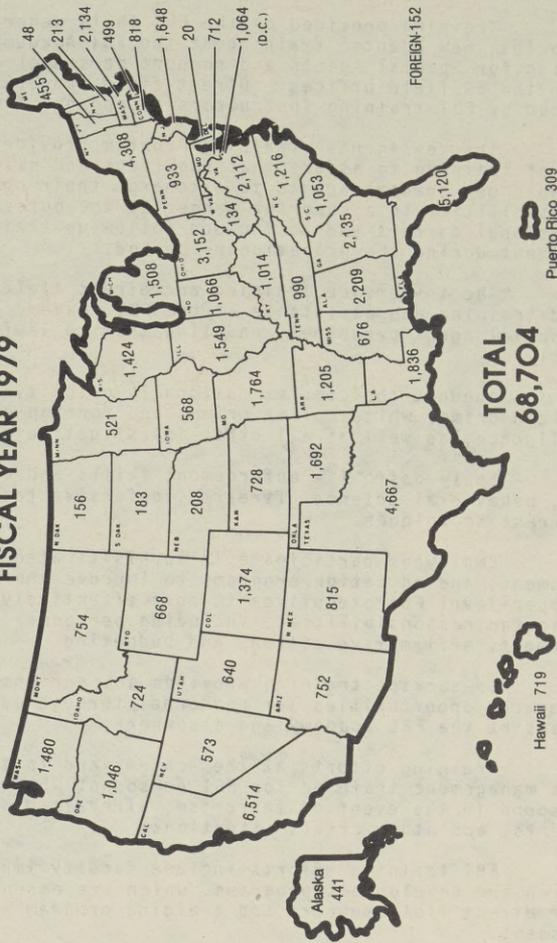
FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

FIELD POLICE TRAINING SCHOOLS

HOURS OF INSTRUCTION RECEIVED BY CRIMINAL JUSTICE PERSONNEL FROM FBI SPECIAL AGENT INSTRUCTORS (GEOGRAPHICAL DISTRIBUTION)



FISCAL YEAR 1979



FBI/DOJ

FBI TRAINING

Training provided by the FBI falls generally into two categories; new agents' training at the FBI Academy and in-service training for Special Agents and support personnel at the Academy and in the 59 field offices. Direct field support programs are provided by FBI training instructors to enhance field operations.

The New Agents' Training Program provides the highest level of training to assure that knowledge and skills are provided to enable new special agents to discharge their complex responsibilities in a superior manner at the outset of their professional careers and to include follow-up training and assessment during the probationary period.

The in-service training and direct field support programs afford training and assistance at the FBI Academy and in the field for special agent personnel, enabling them to lawfully and properly:

- conduct the complex nationally priority investigations, organized crime, white-collar crime, and foreign counter-intelligence, as well as all other investigative duties; and
- apply basic law enforcement skills and knowledge, such as legal, behavioral science, firearms, defensive tactics, and raid and arrest techniques.

Employees participate in sophisticated management, assessment, and education programs to improve the ability of mid- and upper-level FBI executives to more effectively carry out their complicated responsibilities, including personnel and program management, affirmative action, and budgeting.

In-service training provides job enrichment and career development opportunities for personnel through educational programs at the FBI Academy and elsewhere.

Training efforts at the Academy and in the field support crisis management training for FBI personnel who will be expected to respond in the event of terrorism, aircraft hijacking, hostage incidents, and other crisis situations.

FBI training efforts include faculty improvement and research and development programs, which are essential to provide proper direct field support and training program improvement and assessment.

During fiscal year 1979, 5,345 FBI employees attended various training sessions conducted at the FBI Academy. Five hundred forty-one new agents received training during this period, of which 392 graduated and 149 new agents continued their training into fiscal year 1980. Specialized in-service training consisted of courses in white-collar crime (709), organized crime (391), foreign counterintelligence (391), legal matters (188), crisis management (450), forensic science matters (81), behavioral science topics (220), pilot training and certification (122), legal training (110), management and executive development (810), technical and electronic training (228), instructor and special seminars (349), and 755 received training in various specialized areas.

POLICE TRAINING OPERATIONS

The FBI provides courses of instruction for state and local criminal justice practitioners on a cost-free basis, both at the FBI Academy and throughout the United States at state, regional, and local training facilities in order to improve their administrative, investigative, management, and technical capabilities. This instruction is offered consistent with instructional expertise, manpower availability, and budgetary limitations.

The principal course offered at the FBI Academy is the "FBI National Academy Program." This is an eleven-week, multi-disciplinary course for seasoned law enforcement managers nominated by their agency heads because of their potential for continuing advancement. Sessions are conducted four times a year for a total of 1000 officers per annum. The academic courses in this program are accredited by the University of Virginia.

Specialized schools and courses dealing with a broad range of criminal justice related topics such as executive development, management for law enforcement, leadership, management planning and budgets, police labor relations and collective bargaining, stress management, hostage negotiations, crisis intervention, effective communications, instructor development, instructional technology, media relations, death investigation, interpersonal violence, arson investigation, applied criminology, terrorism and counter-terrorism, white-collar and computer crime, firearms, sexual exploitation of children, advanced latent fingerprints, numerous forensic science courses, law enforcement photography, legal advisor, and legal instructor courses are offered at the Academy. They range in length from three days to four weeks. During fiscal year 1979, for example, 142 specialized schools and symposia were offered for 3,454 state and local law enforcement officers.

In addition to course offerings, FBI Academy faculty provided research and consultation to local law enforcement on a myriad of topics and investigative techniques, including psycholinguistics, forensic hypnosis, psychological profiling of unknown subjects of multiple homicide and sex crime cases, hostage negotiations, and crisis management.

Most FBI training assistance for state and local criminal justice personnel is conducted in state, regional, and local training facilities by specially trained special agent instructors assigned to the FBI's 59 field offices. They offer instruction in recruit, in-service, supervisory, and specialized technical schools in a wide variety of criminal justice related subjects with emphasis on law, fingerprint matters, firearms, arrest techniques, supervision, police community relations, crime resistance, investigative techniques, interviewing, report writing, and collection and preservation of evidence.

During fiscal year 1979, FBI field instructors provided 68,701 hours of instruction in 5,337 law enforcement schools attended by 168,578 criminal justice practitioners.

Instructors from FBI Headquarters supported this field training effort in a variety of subjects such as forensic science, applied criminology, identification matters, management, uniform crime reporting, arson, death investigation, and instructor development. The Training, Laboratory, Identification, Criminal Investigative, and Technical Services Divisions offered a total of 402 specialized schools to local, county, and state criminal justice personnel.

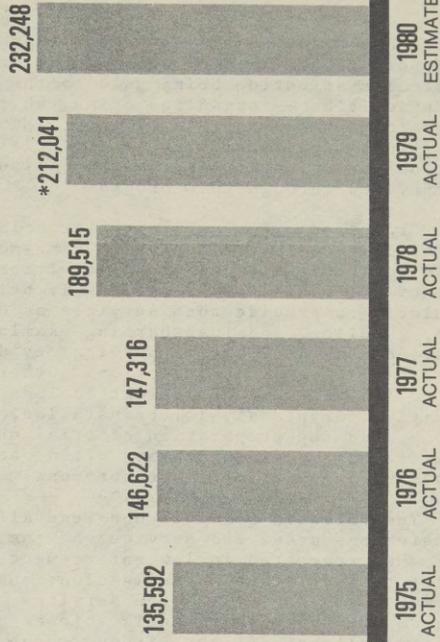
LABORATORY SERVICES

A TOTAL OF \$11,199,000 AND 288 POSITIONS WILL BE NEEDED FOR LABORATORY EXAMINATIONS AND EXPERT TESTIMONY INVOLVING FBI CASES, AN INCREASE OF \$928,000 AND FIVE POSITIONS. THESE POSITIONS ARE NECESSARY TO PROVIDE SCIENTIFIC AND TECHNICAL SUPPORT AND TRAINING IN THE LATEST FORENSIC SCIENCE TECHNIQUES. IDENTICAL SERVICES ARE PROVIDED BY THE SAME EMPLOYEES TO ANY REQUESTING STATE AND LOCAL LAW ENFORCEMENT AGENCY. THIS WILL REQUIRE \$6,289,000 AND 121 POSITIONS IN FISCAL YEAR 1981, WHICH IS \$796,000 AND 31 POSITIONS LESS THAN THE BASE FOR 1981. THESE TWO PROGRAMS ARE EXPANDED UPON IN THE FOLLOWING EXHIBITS:

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

FBI LABORATORY EXAMINATIONS FOR STATE AND LOCAL AGENCIES

FISCAL YEARS



*TOTAL INCLUDES 544 EXAMINATIONS CONDUCTED FOR U.S. POSSESSIONS AND FOREIGN AGENCIES.

Exhibit No. 38

LABORATORY SERVICES

FBI Laboratory services are funded and administered under two programs called Forensic Services-Federal and Forensic Services-non-Federal. Although a distinction is made in administering funds and capturing statistics, all Laboratory examiners and technicians work in both programs using the same laboratory facilities and instrumentation.

Under the Forensic Services-Federal program direct support is provided to ongoing FBI investigations with particular attention being paid to the FBI's three national priorities -- organized crime, white-collar crime, and foreign counterintelligence. Many times the success of investigations in these areas is directly dependent on the scientific and technical support and service provided through this program.

Organized crime, white-collar criminals and foreign intelligence operatives are using more sophisticated methods to further their unlawful activities. The unique expertise of FBI Laboratory examiners is being called upon regularly to provide such services as document, polygraph, gambling, and loansharking examinations and to provide scientific analysis of physical evidence submitted in all areas of Federal jurisdiction. Other services provided to Federal law enforcement include analysis of secret writing, cryptanalysis, translation, surveillance photography, and the preparation of trial charts and three-dimensional models which are often necessary to demonstrate the results of Laboratory analysis or examination.

The Forensic Services non-Federal program makes the extensive resources and services of the FBI Laboratory available when requested to law enforcement officers throughout the country to facilitate investigations and prosecutions in criminal matters. Many times the services provided through this program are the only forensic science services available to the state or local officer without which the criminal might escape prosecution. Local and state aid to law enforcement includes all types of examinations of physical evidence submitted in connection with criminal investigation as well as expert court testimony when necessary.

The FBI Laboratory also engages in a full program of training in forensic science disciplines for Federal, state and local law enforcement personnel. During Fiscal year 1979 over 650 Federal and 2200 state and local personnel received this training which is geared toward further professionalizing the trainees and decreasing the dependence of state and local law enforcement on Federal facilities.

In order to stay abreast of advancing technology, the FBI Laboratory engages in a research program which encompasses the entire range of forensic disciplines and focuses on targets identified through close liaison not only with FBI investigators, but with the entire law enforcement community. Results of this research is shared through publication of the "Crime Laboratory Digest" which is circulated throughout the Federal, state and local law enforcement sectors. Laboratory scientists also prepare articles for various scientific journals. The most notable advances in research during the past year were in the area of providing additional blood analysis techniques which make a particular bloodstain more unique and will subsequently aid in the identification of an individual.

In furtherance of the research and training programs, funds were appropriated in the Fiscal year 1979 budget for the Forensic Science Research and Training Center at the FBI Academy, Quantico, Virginia. This 3.7 million dollar facility will uniquely combine forensic science research and training and is scheduled for operation in the Summer of 1981.

FBI LABORATORY ACCOMPLISHMENTS

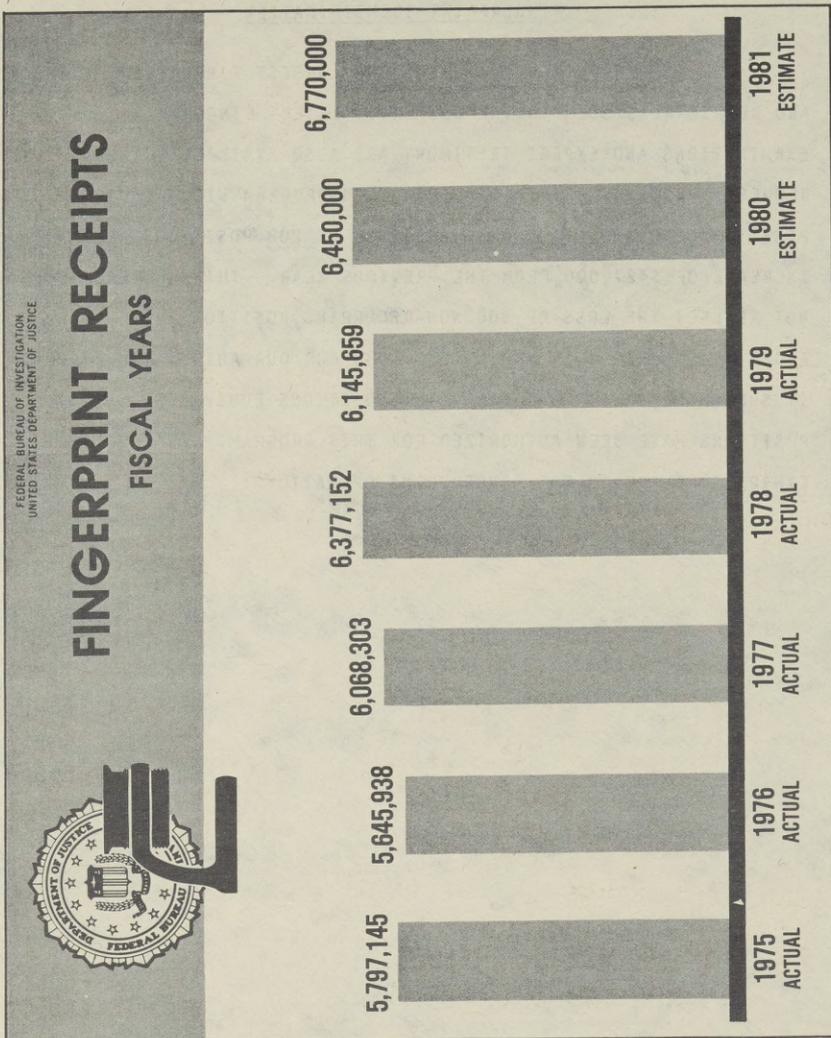
During Fiscal Year (FY) 1979, 499,310 scientific examinations were conducted by the FBI Laboratory. This represents a 5.5% increase over FY 1978. This increase is due in part to the complexity of the quality cases now being emphasized in FBI investigative programs and is partly due to advancing technology which has broadened the examination potential for much of the evidence received.

Of the 499,310 examinations performed, 287,269 were in connection with Federal cases and 212,041 were for state and local law enforcement. In support of conclusions reached in these examinations, laboratory experts testified over 800 times and were prepared to testify in 274 additional cases but did not take the stand because of guilty pleas, continuances, etc.

Other notable accomplishments include the translation of 41,527 foreign language specimens; 1576 polygraph examinations in connection with federal investigations; the preparation of 622 investigative aids; and the finalization of plans for the new Forensic Science Research and Training Center at Quantico, Va.

FINGERPRINT IDENTIFICATION

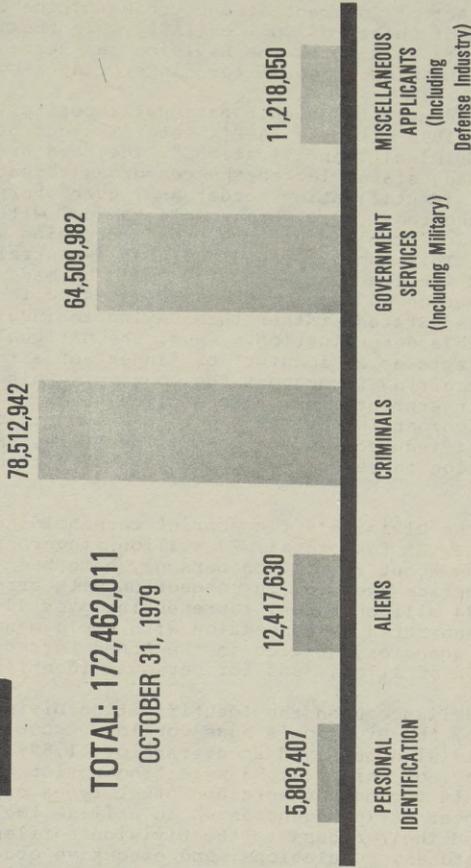
THE FBI STILL MAINTAINS THE LARGEST FINGERPRINT STORAGE AND RETRIEVAL SYSTEM IN THE COUNTRY. LATENT FINGERPRINT EXAMINATIONS AND EXPERT TESTIMONY ARE ALSO AVAILABLE. UNDER THIS REQUEST THE FINGERPRINT IDENTIFICATION PROGRAM WILL REQUIRE 3,020 POSITIONS AND \$55,469,000, A DECREASE OF 208 POSITIONS AND AN INCREASE OF \$427,000 FROM THE PREVIOUS YEAR. THIS DECREASE DOES NOT REFLECT THE LOSS OF 300 NON-RECURRING POSITIONS WHICH WERE ADDED DURING FISCAL YEARS 1978 - 1980 FOR OUR AUTOMATION EFFORT. IT SHOULD BE NOTED THAT PART-TIME POSITIONS EQUIVALENT TO 208 POSITIONS HAVE BEEN AUTHORIZED FOR THIS PROGRAM. THE FOLLOWING EXHIBITS RELATE TO FBI FINGERPRINT OPERATIONS:



FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

TYPES OF FINGERPRINTS ON FILE



TOTAL: 172,462,011
OCTOBER 31, 1979

ESTIMATED PERSONS REPRESENTED:
For the 78,512,942 prints in the criminal file 21,976,808
For the remaining prints totaling 93,949,069 all of which are in the civil file 43,219,816
TOTAL ESTIMATED PERSONS REPRESENTED 65,196,624

FINGERPRINT OPERATIONS

The FBI's Identification Division was established in 1924 by an Act of Congress at the urging of the International Association of Chiefs of Police (IACP). In the over one-half century of its existence, the Division has served as the Nation's repository and clearinghouse for fingerprint records.

The need for such a national repository was recognized as early as 1896 with the IACP's establishment of a "National Bureau of Criminal Identification." The need grew out of the fact that many states lacked the resources to satisfy their own fingerprint identification needs; and, even where states had the required resources, they were unable to deal with the identification problems posed by the increasing mobility of criminals. This mobility required that a central point be established where a single inquiry could be made to determine whether a person had been previously arrested in any other part of the United States, rather than having to inquire of each state to make such a determination. Thus, the national fingerprint repository acts as a "locator" or "index" of arrest record activity occurring throughout the country. This need for a national fingerprint index also applies to the posting of wanted and probation/parole notices and to the identification of missing and unidentified deceased persons. Therefore, as the mobility of the population increases, the need for the national index increases.

The Division's fingerprint card holdings now total over 172 million. Of that total, 78 million fingerprint cards, representing about 22 million persons, have been submitted by criminal justice agencies in connection with arrests. The remaining 94 million cards, representing over 43 million persons, have been submitted in connection with employment in Federal Government agencies, service in the Armed Forces, the registration of aliens, and for personal identification purposes.

Reliance upon the Identification Division's services is evidenced by the Division's huge workload. During fiscal year 1979 the Division received an average of 41,879 pieces of mail each workday, of which 24,583 were fingerprint cards and 17,296 were requests for name checks and other types of correspondence. There are over 16,700 agencies which utilize the Division's services and their access to the Division's files is governed by federal statutes, regulations, and executive orders. Authorized users include: federal, state and local criminal justice agencies; federal, state and local governmental agencies and officials for employment and licensing purposes; certain foreign governments for law enforcement purposes; and banking and securities institutions for employee security purposes.

The following services are provided by the Division: fingerprint card identification; arrest recordkeeping; posting of wanted and probation/parole notices; the examination of physical evidence and crime scenes to detect latent fingerprints and the furnishing of expert court testimony as to the results; fingerprint science training; and the identification of missing persons, amnesia victims, and unknown deceased persons.

The major accomplishments of the Identification Division during fiscal year 1979 included: the processing of more than 6.1 million fingerprint cards and over 4.3 million other pieces of correspondence; the identification of 17,803 fugitives by their fingerprints; the performance of latent fingerprint examinations in 23,880 cases, using in some instances advanced laser equipment technology; and the furnishing of assistance in the identification of the victims of four disasters, including the mass suicide-murder at Jonestown, Guyana, on November 18, 1978, and the Nation's worst air disaster at Chicago, Illinois, on May 25, 1979. In addition, on October 29, 1979, the Division implemented computerized name searching of its automated arrest records.

IDENTIFICATION DIVISION ACCOMPLISHMENTS

The Identification Division's workloads continued at high levels during fiscal year 1979. The following table lists some of the work production accomplishments of the Division in fiscal year 1979:

<u>Type of Accomplishment</u>	<u>Number</u>
Fingerprint cards processed	6,145,659
Correspondence, forms and name checks processed	4,324,048
Wanted and probation/parole notices posted	199,186
Fugitives identified by fingerprints	17,803
Latent fingerprint cases handled	23,880
Suspects identified from latent fingerprint examinations	4,303
Federal, state and local court appearances made by Fingerprint Examiners	450
Sentences resulting from court proceedings:	
Prison terms (Years)	2,318
Life sentences	30
Expungement and purge requests processed	465,005
Nonserious offense entries deleted from arrest records	907,643

AUTOMATED IDENTIFICATION DIVISION SYSTEM (AIDS)

The Automated Identification Division System (AIDS) is the name given to the FBI's project to automate the fingerprint work operations carried on in its Identification Division. Because of the enormity of the undertaking, AIDS is being implemented in phases (called AIDS-I, AIDS-II, and AIDS-III) over a period of several years. Significant progress has been made to date as indicated below:

AIDS-I

This phase of automation provided for the building of a computerized file of identification and arrest data on first offenders, the generation of name index cards for the Division's manual criminal name indices, and the generation of "No Record" or arrest record responses to fingerprint cards, name checks, and other types of inquiries. AIDS-I became operational on August 30, 1973, and since that time over 4.4 million first offender records have been entered into the system and kept updated with subsequent arrest and related data. On October 18, 1979, AIDS-I was phased over to AIDS-II.

AIDS-II

As indicated above, AIDS-II took over AIDS-I operations as of October 18, 1979. This phase of automation provides for enhanced AIDS-I capabilities (e.g., allows for "on-line" processing versus previous "batch" processing) and the addition of computerized name searching capability in place of the generation of name index cards for the manual criminal name indices. Computerized name searching of the automated arrest record file was initiated on October 29, 1979.

AIDS-III

This phase of automation is still under development. It is the most difficult and complex phase since it has required the invention and development of special purpose computer equipment and computer programs to duplicate the remarkable faculties of the human eye and brain in examining fingerprints. As the result of a research project initiated in 1967, automatic fingerprint reader equipment was developed which can "read" fingerprints and record their identifying characteristics. The National Bureau of Standards, in cooperation with the FBI, has developed computer programs which can compare and match the fingerprint data generated by the automatic fingerprint readers. Five such readers are currently being used to computerize the fingerprints appearing on fingerprint cards relating to arrestees born on or since January 1, 1929. Over 10 million arrest

fingerprint cards have been converted to date, and the conversion effort is scheduled to end on September 30, 1980, with a total of 13.5 million cards computerized. A pilot AIDS-III project has been in operation since May, 1979, to demonstrate and evaluate AIDS-III capabilities. The pilot project utilizes the automatic fingerprint readers, prototype fingerprint matching equipment, and semiautomatic fingerprint classification procedures. The results have been very encouraging to date. The Jet Propulsion Laboratory is currently under contract to study the technical, economic and operational feasibility of AIDS-III. From that study the FBI will obtain information regarding the overall feasibility of AIDS-III, its estimated cost, and the time frame for completing the system.

CRIMINAL JUSTICE DATA AND STATISTICS SERVICES

THE FBI COMPILES AND PUBLISHES THE UNIFORM CRIME REPORT, WHICH REFLECT THE INCIDENCE OF REPORTED CRIMES THROUGHOUT THE UNITED STATES AS SUBMITTED BY OVER 14,000 INDIVIDUAL AGENCIES. WE ALSO MAINTAIN THE NATIONAL CRIME INFORMATION CENTER WHICH PROVIDES INFORMATION ON STOLEN PROPERTY, WANTED PERSONS, MISSING PERSONS, AND CRIMINAL HISTORIES TO CRIMINAL JUSTICE AGENCIES. TO CONTINUE THESE FUNCTIONS, \$3,551,000 AND 186 POSITIONS WILL BE REQUIRED. THE FOLLOWING EXHIBITS WILL FURTHER DESCRIBE THIS PROGRAM AS WELL AS DEPICT THE PERCENTAGE CHANGE OF CRIME IN THE UNITED STATES BETWEEN CALENDAR YEARS 1974 AND 1978:

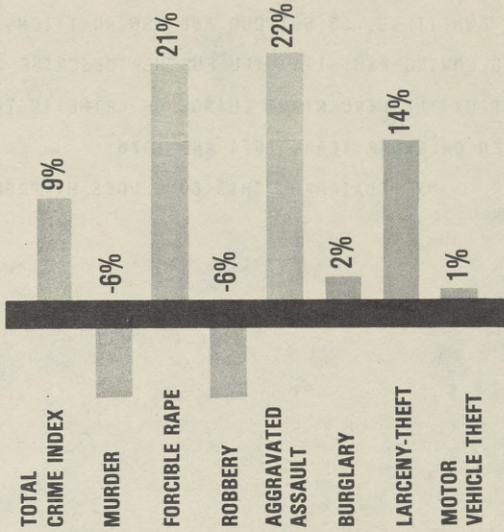
MR. CHAIRMAN, THIS CONCLUDES MY PREPARED STATEMENT.

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

CRIME IN THE UNITED STATES

PERCENT CHANGE

CALENDAR YEARS 1974 THROUGH 1978



UNIFORM CRIME REPORTING

The Uniform Crime Reporting Program was conceived and implemented by our Nation's law enforcement agencies 50 years ago. Two basic needs were recognized. First, it was felt the American people deserved an accounting of the extent and nature of criminal activity. Second, law enforcement leaders needed an administrative tool to better manage their departments.

On a monthly basis, this Program collects statistical data concerning the incidence of criminal acts from over 15,000 individual law enforcement agencies nationwide. Data collection is grouped according to certain basic types of offenses, which are murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arsons. Additionally, statistical information on arrests, property loss, and other factors relevant to criminal activity are aggregated. Analyzed data are published in several formats such as:

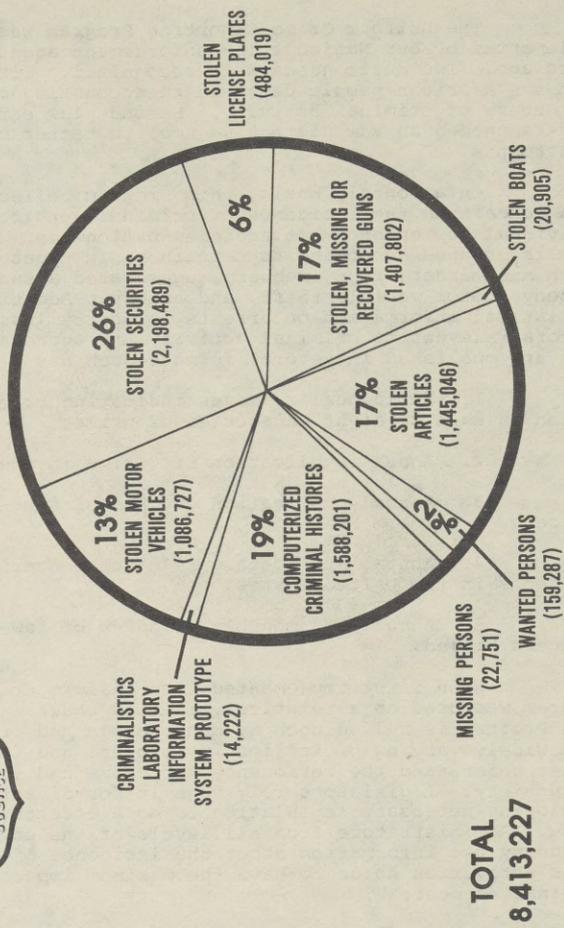
1. Semiannual releases indicating crime trend information in each of eight categories of crime.
2. Annual publication of "Crime in the United States."
3. Annual publication of "Assaults on Federal Officers."
4. Annual and monthly releases concerning bombing incidents in the United States.
5. Annual and monthly releases of law enforcement officers killed.

When first implemented, the Uniform Crime Reporting Program was used on a relatively limited basis. Now, however, this Program is relied upon by many people and organizations from widely varying professions. Scholars use this data to better understand the seriousness of crime and its effect on our society. Legislators rely upon it for direction in developing necessary legislation to more effectively combat crime. Administrators from all levels of the criminal justice community use information about the incidence of crime to plan their activities so as to have the maximum impact on the criminal element.

Substantial cooperative efforts at all levels of the law enforcement community are necessary in gathering the data upon which comprises the Uniform Crime Reporting Program. The benefits derived from the Program are indeed significant and have resulted in an increased understanding of the crime problem which confronts the citizenry of this country.

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

BREAKDOWN OF RECORDS IN NCIC COMPUTER



TOTAL
8,413,227

AS OF DECEMBER 1, 1979

NATIONAL CRIME INFORMATION CENTER (NCIC)

The NCIC is a nationwide criminal justice information teleprocessing network which provides documented criminal information to the entire criminal justice community. NCIC contains records on stolen property, i.e., vehicles, license plates, guns, securities, boats and serialized articles; wanted persons for whom arrest warrants are outstanding; criminal histories on persons arrested for serious offenses; and missing persons meeting specific entry criteria. An NCIC Advisory Police Board, made up of Federal, state, and local criminal justice officials, furnishes advice to the FBI Director on policy matters concerning NCIC operations and thereby allows the users a voice in the overall management of the system. The users of NCIC, which include the criminal justice agencies in the 50 states, all Federal law enforcement agencies, the Royal Canadian Mounted Police, and the Police of the Commonwealth of Puerto Rico, obtain these services on a non-reimbursable basis.

Exhibit No. 49

Mr. SMITH. Since we expect all the members of the subcommittee to be here. If there is no objection, we will observe the 10-minute rule today so we can be sure everybody gets a chance to ask questions. Then we will come back to each member if time permits.

INFORMANTS

Mr. Director, the first question I have has to do with your informants' fund. We have had a considerable amount of attention on the informants' fund and the fund that you are using for undercover investigations.

In the past, we have had on the floor attempts to require release of information about informants, which would be just devastating to the cause. We have been able to defeat those amendments in the past, but I think we need to know more, on or off the record, about the use of this fund. At this point, we will go off the record.

[Discussion off the record.]

UNDERCOVER OPERATIONS

Mr. SMITH. Would you describe for the committee the system you use in approving undercover operations and in accounting for undercover funds?

Mr. WEBSTER. Having come up through the field and been checked by the supervisor, and then the SAC, the request is submitted for consideration at Headquarters by the substantive desk supervisor, which in the case of organized crime would be that desk or white-collar crime or general property crime.

There may be some discussions back and forth on this, calling up, checking back, why are you doing this this way and so forth in terms of the management of it, including the proposed expenditures. They may involve the rental of property, opening of bank accounts, et cetera.

Then it is looked at by a special desk supervisor who coordinates all of these undercover activities from the point of view of budgetary requirements, procedures, et cetera. That is called the Selective Operations Unit.

If it survives these examinations, it then goes to our Undercover Review Committee which I established. This committee consists of representatives of the major divisions of the bureau at Headquarters which would have responsibility, including the Criminal Investigative Division, the Administrative Services Division that spends the money, and the Technical Services Division if they are being asked to provide any technical support or equipment.

It includes representatives from our Legal Counsel Division and it also includes three attorney representatives from the Department of Justice.

The objectives of the committee are several. One is to be sure that the proposed undercover operation fits within any appropriate guidelines of the Attorney General or any procedures that I have established. It considers it from the point of view of feasibility. It considers the objectives and the means that have been designed to achieve those objectives.

The Committee considers the legal issues that can come out of the type of an operation, particularly a more sophisticated one,

including what type of liabilities outside the operation could ensue if it were mishandled, civil liabilities to third parties, or injuries to third parties.

The whole range of the proposed operation is carefully scrutinized. It is very similar to what a board of directors or law firm might do if asked to consider a proposal. The proposal may be modified. It may be approved in its existing form. It may be rejected. If there is any problem with it from the viewpoint of the lawyers representing the Department of Justice, we stop, it does not go forward, and we try to resolve those problems.

We look at it from the standpoint of propriety. There are many things that are legal but are nonetheless not the best application of our resources for reasons of propriety and policy.

Mr. SMITH. How many undercover operations do you have going now?

Mr. WEBSTER. The number will vary from day to day. We have in the top category about 80-plus operations of which about 50 are long term.

Mr. ANDREWS. Before you get away from that, may I ask a short question? When you talk about the multitude of checks that you do, is this the reason for the gross leaks in the ABSCAM case—because you had so many people to run it through?

Mr. WEBSTER. I don't think so. At this point it is internal. The only add-ons are in the chain of the command. It goes through the chain of command until it gets to headquarters. It is still in the chain of command, but we have created this committee to deal closely with it. There is nothing in the leak investigation so far that leads me to think that the problem is at that level.

Mr. ANDREWS. Although you identified people both in the agency and the Department of Justice as clued in.

Mr. WEBSTER. That is right, they are clued in. There are others in terms of monitoring the actual implementation of the operation. My guess is that we may find some indications of leaks in the implementation process rather than in the scrutinizing process. But it is a guess at this point.

Mr. SMITH. Mr. Alexander?

Mr. ALEXANDER. Thank you, Mr. Chairman.

INVESTIGATIVE TECHNIQUES

Mr. Webster, I join with other members of my committee in welcoming you here this morning. We appreciate the fine job that you are doing.

Mr. WEBSTER. Thank you.

Mr. ALEXANDER. Having served as an officer in the Federal courts once myself, I have followed your career and your work with interest.

I personally don't have any problems with any technique that is used in law enforcement so long as it is used fairly, impartially and discreetly.

[Discussion off the record.]

Mr. WEBSTER. I can also tell you that I have asked the question whether we have ever used a Title III wiretap in the case of a Congressman. I have been informed that we know of no cases,

certainly not in the two years that I have been Director. A Congressman might be overheard on some other wiretap because he called in or was called out, but we have no Title III's in which a member of Congress is the subject.

Mr. ALEXANDER. Getting to the seriousness of the use of the sting technique, it occurs to me that there is a distinction that either has been made or should be made between what I would characterize as the normally law-abiding community and the normally non-law-abiding community.

I am satisfied that you are fair, as I have said, but I am concerned about your successors. I have been here now 12 years and I have seen a lot of change in both personality and ability as Director of the Bureau.

Are guidelines being established or have they been established which make the distinction between these two communities, taking into consideration the possible negative effects upon the normally law-abiding community, members of which might be the subject of an investigation? The effect of knowledge of an investigation, of course, can damage careers in politics, in law, in medicine, in banking, et cetera. It is virtually impossible, as you know, to erase the stigma that might be the net result of the knowledge of an investigation even though a subject of the investigation proves to be innocent.

Has a distinction been made? Have guidelines been established? I am satisfied from Mr. Civiletti's remarks that you are doing everything that you can to investigate the leaks. I hope you are successful, and if you need someone to help prosecute the offender, I will volunteer for that. I think they need to be nailed to the wall. If they are not nailed to the wall by the courts, this Congress will achieve that. But, leaks are possible in the future. People's lives can be damaged, their careers destroyed. What are you doing to guard against this problem?

Mr. WEBSTER. With respect to the question on guidelines, we have been working for several months to develop guidelines on undercover operations in anticipation of an FBI charter providing for the establishment of guidelines in these areas. We have made a lot of progress. When I say "we", it is primarily the work of the Department of Justice with the FBI participating and commenting.

We have a draft that is going through a stage of final revision now and will shortly, I think, be available to put in place whether we have a charter or not. My recollection of the expressed provision of the guidelines is that they do not make a distinction between law-abiding and non-law-abiding individuals because I suppose that is what the investigations are to determine.

But they do take into account the concerns that arise in public corruption cases and require a higher level of accountability for investigations of this kind.

I think that is as it should be. I have been saying from the day I came on board that reputations of public officials are fragile and that we should not get into these matters without a sound basis for doing so.

PUBLIC REMEDIES FOR DAMAGES

Mr. ALEXANDER. What remedies does the public have against damages that might occur as a result of leaks of information of the fact of an investigation?

Mr. WEBSTER. Well, the leaks are another matter.

Mr. ALEXANDER. Should your charter include a remedy for damage to the public?

Mr. WEBSTER. I think that the willful violation of anyone's constitutional rights is already a basis for legal action and should be. The question really goes to the nature of criminal investigations. We should have a standard for initiating criminal investigations and it should be a criminal standard, not just that we are wondering whether you are a good guy or a bad guy but whether you have in fact violated the law.

Many of the allegations that come to us, both of people in and out of public office, are resolved by the Bureau conducting an inquiry which determines that there is no basis for the allegation.

So I would be very reluctant to say that if you don't get convicted, you get to sue somebody, because part of our function is really to resolve guilt or innocence. We don't target people with the idea of trying to get that person, but we take the allegations that come to us and try to determine whether those allegations are true or false. We train our agents not to seek a disposition in which they try to see somebody turn out guilty. Our objective is to determine guilt or innocence.

UNAUTHORIZED DISSEMINATION OF INVESTIGATIVE INFORMATION

Mr. ALEXANDER. Some inquiry needs to be made into this area of concern.

Mr. WEBSTER. Well, I think we have seen, of course, a very deplorable type of leak in the ABSCAM case of the investigation, and the investigative effort, I hope, will produce those responsible for it.

It was particularly bad, in my view, because the indications are very strong that an official prosecutive memorandum, a Government document, was made available to the press rather than just leaks of bits of information.

The Privacy Act itself affords the public some protection and makes it illegal to make improper dissemination of information collected lawfully. It also precludes us from improperly collecting information that we have no business collecting. We will take from this investigation all the lessons we can learn about plugging leaks.

I would like to emphasize that I don't think that leaks are endemic to undercover operations or that there is anything special about undercover operations that makes them more leak prone except for the fact that they sometimes go for substantial periods of time.

If you go for two years in developing and keeping the investigation going to reach out from the streets and get up inside the network of ongoing enterprises and apparatuses, if you go that long, other people are apt to learn of it for one reason or another.

What we will do on our part is to try to restrict the opportunity to have information broadly known within the Bureau and also to

do as we have tried to do in the past, impress upon our people the confidential nature of what we are doing. That doesn't take too much persuading because we are hurt right along with the public when an investigation is prematurely leaked out into the public domain.

In the ABSCAM case, we had some ongoing operations that were worthy investigations utilizing some of the same equipment, the boat, for instance. We had to stop those operations because when the press started publishing pictures of the boat, it became apparent to everybody involved that the FBI was in the operation.

It also creates an enormous backwash of misunderstanding about the nature of the investigation, the purpose of the investigation, which we are not in a position to respond to publicly. We have to sit and wait for the indictments to come down.

So we have as much interest as anybody in making sure that these leaks are kept to a minimum. I think that all of you realize that you cannot guarantee against leaks because anyone who is privy to a secret can break it. But we are doing everything we can to make it unpopular within the Bureau to do that.

Mr. SMITH. Mr. Early?

Mr. EARLY. Thank you, Mr. Chairman.

TERRORISM

Mr. Webster, when we go off the record, I hope that we can be candid. I have tremendous problems with the FBI. It is just my own personal opinion. I used to think of it as a great agency. I see that now you are trying to promote public relations. You publish more charts and more reports, but from where I view the FBI, I am not impressed.

You said you set priorities, but you cut the funding level for terrorism investigations. You also cut money from the legal attachés. They would be my top priorities. Why do you see the other crime as more important than domestic terrorism?

LEGAL ATTACHÉS

Mr. WEBSTER. Let's take the legal attachés first.

Mr. EARLY. There is crime that is so sophisticated that it has become an international problem and yet you are going to cut back on your activities in this area and tell the people you are going in the right direction. I have trouble with that.

Mr. WEBSTER. I have to say in all candor, that the FBI did not propose the reduction in the Legal Attachés Program.

Mr. EARLY. I appreciate that.

TERRORISM

Mr. WEBSTER. With respect to the terrorism, we approach it in this way. We follow the statistics and our ability to deal with the terrorist incidents that have occurred in the last four years, using those as measuring sticks, in 1976 and 1977 we were experiencing about 100 political bombings a year. In 1978 it dropped to 52 due to a very concerted effort to find and identify and prosecute those responsible for it. In 1979, last year, they were in the low forties.

Now against that reduction in numbers, we have been troubled by some other clouds on the horizon, upping the ante. The killing of naval employees in San Juan represents the first time, with the exception of the Letelier bombing, in which those involved in terrorist activities in the United States or its territories deliberately undertook to kill in the process of their terrorist incidents. We have had injuries and deaths but they have been largely accidental, people in a building that was bombed, people who got too close to a bomb, et cetera.

We spent two years preparing for the Lake Placid Olympics and we spent about a year-and-a-half getting ready for the San Juan games. I was closely involved in preparations and followed them. I know how heavily we prepared. We planned for the games. We prepared for the games with the state police, the Army, the Secret Service, and others.

Had there been an incident in San Juan or in Lake Placid, we would have spent a sizable amount more. We would have found the money and we would have conducted the investigations within our budget. Maybe we would have had to come back to Congress and ask for help, but we would have beefed up for whatever was necessary.

Despite all these preparations, we have been underutilizing our available terrorism resources until this year. I understand because of heavy travel this year we will probably go a little over what we budgeted. We have been paying attention to the problem.

I have had two international symposiums on international terrorism at the FBI Academy at Quantico. We have brought people from all over the world to tell us about their separate experiences in various parts of the world, the Dutch, West Germans, Israelis, English, Spanish, Portuguese and French. We stay in touch with them and we try to maintain a high level of readiness. We have SWAT teams in all of our 59 field offices. There are other activities with the Department of Energy and with the Army.

My sense of it is that we have enough resources in our terrorism program or I would ask for more. The first time I appeared before this Committee I said we were at rock bottom. We continue to be at rock bottom but we are not finding ourselves unable to do our job.

Mr. EARLY. You have very impressive statistics, but I am concerned by that fact that what you don't find out you can't show in the statistics. You told Mr. Smith that there has been a decrease in the number of informers for domestic terrorism.

Mr. WEBSTER. That is right. This is bad.

Mr. EARLY. Several years ago there was a bombing in New York at the airport. The FBI called in 100 agents but never solved the case. I always perceived the FBI to be persistent and committed to solving its cases. It is not committed to fighting crime anymore, it is committed to improving its public relations. That is awfully discouraging to me. I am just one member.

Mr. WEBSTER. I would like to say to you, Mr. Early, that I am unaware of any kind of public relations claims that we have made about terrorism.

Mr. EARLY. The claims are here in all the charts.

Mr. WEBSTER. Every statement I have made, you will see back through the years, have evidenced a concern about terrorism.

Mr. EARLY. In your statement, you spoke briefly about the assassination of Judge John Wood. I read in the Boston papers that Wood's murder may have been the result of terrorist activities, that it might have been committed by an international drug smuggling ring. But you say that the FBI needs less money for investigations for terrorism.

Mr. WEBSTER. Let me tell you about that example. I would rank the Wood case alongside or maybe ahead of the Jimmy Hoffa case in terms of the difficulty and in terms of the application of our resources.

We have a special, what we call a special, that has been going on down there for something like 10 months, since the time he was assassinated. We have a team of about 18 agents working full-time on that one murder. There was not a single shred of forensic evidence at the scene, nor was there a single eyewitness. So we started with zero.

When I visited San Antonio, I spent two days down there working on the assassination effort and analyzing it with Assistant Director Mullen of our Criminal Investigative Division. We have a computer functioning to get every scrap of information. At that time, just after Thanksgiving, there were 118,000 transactions in the computer on that effort. It is like the Hoffa case. We are developing a lot of fallout, but it is a very, very difficult undertaking.

Mr. EARLY. We are spending less money for terrorism informants just when we need more.

Mr. WEBSTER. It is not that we are spending less money on them. We only have about 12 to 16 organizations which meet the Attorney General's guidelines for domestic terrorism investigations. We have a very small number of informants. They are pretty good but we would like to have more and we are making every effort to beef up the number.

Mr. EARLY. When we are cutting money from a program, it usually means that we are looking to do less.

Mr. WEBSTER. The cuts are not in informant money. We are not in disagreement. I want to see that program as effective as possible and I want to see more informants in the terrorist field.

Mr. EARLY. Aren't you requesting a staff decrease for terrorism activities?

Mr. WEBSTER. There is a program decrease of nine positions; however, we pick up 8 more in the international terrorism field.

Mr. EARLY. Will you supply for the record the number of acts of terrorism the FBI investigated for each of the last five years.

[The information follows:]

<i>Terrorism program, Federal Bureau of Investigation, number of cases handled</i>	
Fiscal year:	Cases
1975	38,064
1976	19,555
1977	6,658
1978	4,487
1979	2,656

Mr. EARLY. There used to be a day when, if a policeman was shot in any town or city, everything stopped until the case was solved.

Now judges and policemen are shot and killed every day and the news doesn't even make the front page of the newspapers. I suppose shootings are not such sensational news items today, but there still has to be as deep a commitment to solving the crimes as there once was.

I am not satisfied with the direction in which the FBI seems to be headed. Sometimes I really think, Mr. Webster, that the only way to make the FBI more productive would be to have Congress make huge cuts in the Bureau's budget. Such a move could be unpopular on the floor and unpopular with the people, but with a tighter budget you might be more efficient and produce better quality work.

I have mentioned two program areas that I feel should be top priority: the investigation of terrorism and international crime. But these two areas are being cut.

Mr. WEBSTER. On terrorism, this is a great concern to me, but it is based on what we have found it necessary to commit. I have publicly stated, and I will reaffirm it here, that any act of terrorism in this country is top priority for the FBI. We will find the money.

Mr. EARLY. Off the record.

[Discussion off the record.]

WIRETAPPING

Mr. EARLY. A final question, Mr. Chairman.

I appreciate your answer about the legal attachés. Mr. Alexander brought up the subject of wiretapping and you suggested that no Congressman has ever had his telephone tapped. Isn't wiretapping so sophisticated today that the wiretap machine will show where the call was coming from?

Mr. WEBSTER. No. We have what is called a pen register which is another aspect of Title III. We always get the courts to authorize it, even though the Supreme Court says you don't have to. A pen register will identify the phone numbers that are dialed from a specific telephone. There is also a device in the control of the phone company which will identify the source of a call if it is within the same phone exchange. We use these only with a court order.

Mr. EARLY. Off the record.

[Discussion off the record.]

PRINCIPAL TERRORISM PROBLEMS

Mr. WEBSTER. With regard to terrorism investigations, I can tell you there are others I do expect to see some good results on. We have important forensic investigations that have been put together that would make you proud of the laboratory facilities of the FBI.

The other incidents that are occurring around the country I think are being well managed. The Omega 7 problem is our biggest headache in terms of a recurring problem. This is a cellular group. I am not sure it is a discrete group. It is an accommodation group within the Cuban Nationalist Movement operating primarily in New York and New Jersey. They have been bombing, and taking credit for bombing, the Cuban mission, the Soviets because of their

relationship to the Cubans, and the Angola mission. We recently obtained authorization from the Attorney General to post a reward and we are taking other steps to apprehend them.

I hope we will be able to do something substantial about it before long. The Puerto Rican independent groups, there are a number of them, FALN and three other groups, that claim credit for the shootings.

We saw counter-terrorist activity in San Juan that involved bombing the Bar Association down there. We have solved that. We have made link-ups between the shootings of the Army colonels a few weeks ago and the original Navy killings in December. So we are making good progress where we have anything at all to work with.

We have had a number of plots, another thing that I have followed personally. We have reassured the judges and law enforcement officers of our intention to stay with them and support them all the way. I agree with you; if you can threaten and disrupt the justice system, then you can do it to anybody.

Mr. SMITH. Mr. Hightower?

INVESTIGATIVE PROGRAM MANAGEMENT

Mr. HIGHTOWER. Judge Webster, you said that we have an excess of 80 undercover operations, I believe.

Mr. WEBSTER. Well, the numbers change because we have been closing some down for budgetary reasons. I understand that now there are between 40 and 50 in Group 1, that is, the heavy expenditures that come up through the ongoing investigations. We have from 50 to 60 in Group 2 which is the "street-bust" type of operation that we don't monitor as closely because they are small and single and over in a short time.

Mr. HIGHTOWER. Do you include in Group 1 such investigations as the Judge Wood murder or the Hoffa murder?

Mr. WEBSTER. No.

Mr. HIGHTOWER. How do you categorize that type of investigation? How do you distinguish between the investigation of crimes rather than the investigation of activity that might produce indictments?

Mr. WEBSTER. I may have misunderstood you. I thought your question had to do with undercover operations.

Mr. HIGHTOWER. I am trying to see how they relate to one another.

Mr. WEBSTER. We conduct our investigations under programs. There has been a heavy emphasis on program management and it has worked out well for us because it allows us to target criminality rather than people or institutions.

So we have White-Collar Crime and Organized Crime as our two highest priority programs in the criminal area, along with Foreign Counter-Intelligence. Then we have General Property Crimes, Antitrust, Civil Rights, Terrorism, Personal Crimes, and other programs. Most of the undercover operations are targeted with three programs: White-Collar Crime, Organized Crime, and General Property Crimes.

In the latter category, we have had great success with so-called sting operations. The term sting has been broadened now because of ABSCAM to include everything in which you operate covertly. But it originally meant these store-front operations where we set up fencing operations to catch people trying to sell stolen property and then expanded it into more sophisticated operations using the same technique to get stolen art treasures and stolen securities, things of that kind.

Mr. HIGHTOWER. How did you break down the assignment of your resources and personnel within the whole FBI and within all these various categories?

Mr. WEBSTER. We have 23 percent of our resources, field resources, now in white-collar crime. We have 22 percent in organized crime. I could give you the other figures. It is significantly less for the lower priority programs.

Now within white-collar crime, to give you a rough idea of size, about one-half of one percent of our white-collar crime program was dedicated to undercover operations. That is a very small percentage of resources. In total, we had \$3 million and we ended up spending about \$3.6 million in undercover operations. It involved about 200 agents over that same period of time, fiscal year 1979.

For that \$3.6 million, we recovered over \$180 million during the same period of time. It is probably one of the most cost-effective techniques—it is not a program, it is an investigative technique—that we have. Most of our white-collar crime investigation is overt.

Mr. HIGHTOWER. When you say you recovered this amount, do you mean you recovered it for the United States?

Mr. WEBSTER. Either for the United States or for the owners of stolen property.

So undercover operations occupy a relatively small percentage of our resources. It has more pizzazz, I suppose, in terms of public interest. But it has been very effective. It has been effective in a deterrent way also.

Congressman Early is probably aware of our Operation Lobster up in the Boston area which we targeted against hijackers of cargoes, of over-the-road cargo. There was getting to be about two a week up there. It had gotten to the point that they were not just taking the cargo out of the truck, they were stealing the whole truck and the cargo. The trucks were ending up in chop shops and the cargo was disseminated and sold.

We started an undercover operation aimed at that. It went for several months. When we concluded it and made the arrests, we virtually stopped the level of over-the-road hijackings, in the New England area. I think there have been seven or eight months without a single hijacking as a result of that operation.

Mr. HIGHTOWER. Would you include the Hoffa murder in the organized crime category?

Mr. WEBSTER. Yes.

Mr. HIGHTOWER. Would the Wood murder be in organized crime?

Mr. WEBSTER. That is in the personal crimes category. We have developed in the Wood investigation the basis for an ongoing RICO, you are familiar with that, Racketeer Influenced and Corrupt Organizations Statute, a RICO investigation of the Bandido Organization which is an organization of about 8,000 to 11,000 subculture

people, a motorcycle crowd heavily involved in drugs and other types of crimes. We have also gotten leads from another part of that investigation.

There will be other fallouts from that investigation. We have interviewed hundreds and hundreds of people. We have conducted numerous polygraph tests, probably too many. We have used every technique that was available to develop information. We have rewards aggregating \$125,000 and not one taker. You can get that much money with a load of cocaine coming across the border down there and people are just not interested.

DRUG ENFORCEMENT COOPERATION

Mr. HIGHTOWER. That brings me to the next question. Do drug investigations fit in this area?

Mr. WEBSTER. Drugs fall in our Organized Crime category. The primary responsibility for investigation of drug abuse violations is with the DEA, the Drug Enforcement Administration. We cooperate with that agency by supplying leads, any leads that take us in their direction, and we have worked with them on joint operations, some very important joint operations.

Wherever we can identify an organized crime connection, we continue to follow our leads. In our approach to organized crime, we look at what they do, what are the fruits of organized crime. They continue to be gambling, loan sharking, prostitution, drugs, more recently arson, and these chop-shop commercial car theft rings.

So as we find these connections, we cooperate with the DEA. We also cooperate with the Bureau of Alcohol, Tobacco and Firearms when the exchanging of arms is involved.

In Miami there has been an enormous trafficking or flow of laundered money from organized crime interests in northern, and eastern states down to Miami. This money is laundered through various banks which are sort of indifferent, taking kind of a Swiss bank approach to all of this, and is being used to pay for these massive shipments of drugs from Colombia.

The Banco investigation, as we call it, has produced significant indictments, particularly a few months ago in the "Black Tuna" case in which the judge had been the subject of an assassination conspiracy. One of the jurors was taken off the jury and arrested.

The amount of money that is involved in and at stake in a number of these operations puts the integrity of the institutions up for grabs.

FBI FIELD ORGANIZATION

Mr. HIGHTOWER. How do you organize these problem areas? For example, do you have a Special Agent in Charge in San Antonio? In San Antonio?

Mr. WEBSTER. Yes.

Mr. HIGHTOWER. In San Antonio where you have the Wood case, you have a lot of drugs coming across from Mexico. You have organized crime, and a multiplicity of other problems. Is he responsible for all involvement within this certain geographic area?

Mr. WEBSTER. Each field division is organized somewhat differently but basically on certain principle lines. Each office has a Special Agent in Charge, he is the field commander.

Mr. HIGHTOWER. If something seems so important that an undercover operation ought to begin, does he initiate it?

Mr. WEBSTER. Well, if he wants an undercover operation to begin, if it is the kind of thing that can be handled on a local basis without the expenditure of funds, in other words, dressing somebody up and putting him out on the street that is not costing the Bureau any money, he is authorized to do that.

Mr. HIGHTOWER. Does he have to send it up through the channels?

Mr. WEBSTER. If he wants to put a fencing operation in place or he wants to establish a business which can be a potential target for one of the groups he is investigating, then that process will come up the line because it involves expenditures of money and we need to approve it. It starts with the squad and then goes to the supervisor and then comes to him and then comes up to the substantive desk at Headquarters.

Mr. HIGHTOWER. The agent in Dallas, or say the agent in New Orleans may work on an operation which flows over to San Antonio. Does the man in San Antonio take it over or does the fellow who started it in New Orleans continue?

Mr. WEBSTER. There is always an office that is a responsible office, or office of origin, and then there may be offices that follow the leads. The office that follows the leads reports through the office of origin. The control comes in that direction. But if it shifts for any reason, then Headquarters controls the shift.

COMMUNICATIONS SECURITY

Mr. HIGHTOWER. What kind of security do you have on your telephone lines between Washington and the various offices and between the offices?

Mr. WEBSTER. Most of our communications take place on our teletype which is a secure teletype. That is why so much of it comes that way. We know that is secure and not capable of being intercepted.

Mr. HIGHTOWER. Does each field office have a teletype?

Mr. WEBSTER. Yes. In addition, we have what we call green phones in all the establishment cities. We have been trying to get, when funds become available and when the agencies that make these phones available to us can provide them, to increase the number of green phone operations that we have around the country.

Mr. HIGHTOWER. Have you asked for the funds to do that?

Mr. WEBSTER. That is for 1980. It is in the 1980 budget.

When you talk about the leaks, because it is on everybody's mind, one of my concerns is the sophistication that investigative reporters now have in trying to keep track of what we are doing. They can monitor our wave lengths on our radio car communications when we are instructing our people in surveillance and other operations. I have asked for and have gotten a few, and we will

keep after this, for key places, a few scramble radio devices. We put them in places like the New York airport.

Mr. HIGHTOWER. You have none now?

Mr. WEBSTER. We have a few. We put them in the New York airport so when we have a skyjacking situation out there, we can communicate with our people without having everybody listening in on what we are doing.

BUDGETARY CONSTRAINTS

Mr. HIGHTOWER. One other question: Judge, do you feel that even with these limitations nothing is falling through the cracks? Can you feel reasonably sure that there is no promising lead, no good information, no place where time, personnel and resources could produce law enforcement results we do not now enjoy because of an inadequate budget or inadequate resources of personnel?

Mr. WEBSTER. I will try to answer that in about three or four ways. You can always do a better job if you have more money. Everybody makes that argument. I know of no leads that are not being followed because of lack of funds. There is some equipment that is expensive and there is some automobile maintenance and replacement that would make our capability sharper that tends to be deferred whenever we get into an inflation crunch situation. That is where you can find the money when you are ordered to find it. So I think we are probably delaying some inevitable improvements that will have to come.

We have not felt the pinch but I believe that we will before long as our equipment ceases to be at the level of efficiency that it ought to be. There are certain types of technology that we are trying to achieve such as the automation and computerization of our fingerprint system which would immeasurably shorten the response time and the accuracy and the ability to search records and identify suspects. These types of things fall victim to every counter-inflationary effort. You can find large sums of money there and that is what you have to do with them.

The third area that I think needs to be thought about is training. Our own training will not suffer, although recent constraints on travel will mean that we will not be doing what we thought we should be doing. But we are trying to make sure that our own training will not suffer. The training that we are providing for state and local law enforcement has already felt the pinch of these reductions and will continue to do so.

I hope that we can reach a point where we can persuade those who have the final say on this that we are working against our own efforts if we cut too deeply into our training relationships with state and local law enforcement.

Congressman Early alluded earlier to that relationship and esprit and the spirit of cooperation that is so important in law enforcement. If we can no longer provide those services, no one else is really going to provide them.

Our theory in moving into white-collar crime and organized crime has been that we are doing so in a way that permits state and local law enforcement to fill in and assume greater responsibilities in reactive crimes such as bank robbery. It seems to me that

we ought to give that a serious thought before we cut any deeper into our training responsibilities that we have traditionally had for the Nation's law enforcement.

That is a long-winded answer, but what it comes down to is that we are maintaining our ability to follow leads. There are more things we could do with more money and there is ultimately some adverse effect going to be experienced in the reduction of training throughout the country. At the present time we are all right.

Mr. HIGHTOWER. It was a long-winded question. I appreciate your answer.

Mr. SMITH. Mr. O'Brien?

Mr. O'BRIEN. Judge Webster, it is nice to have you back. I think you are a credit to the important role you occupy. Mr. Hightower pre-empted my question but I will follow on from it.

I was going to suggest that given the constraints of the times, if we could eliminate those, would you be requesting more funds for any particular activity of a high priority nature? Your answer to Mr. Hightower leads me to believe that you would look at the equipment area; is that correct?

Mr. WEBSTER. That is always the first victim of a retrenchment. We had to find about \$7 million for the new effort the Administration has announced. Some of it came out of maintenance and equipment. Automobiles need to be replaced, radio equipment needs to be replaced. There are one or two items of sophisticated, highly classified equipment that we will get at some point, but we won't get it right away, the AIDS program, the fingerprint identification system which started off to be about a 5-year project and is turning into a 15-year project if we don't continue.

Mr. O'BRIEN. Do you have enough scramblers?

Mr. WEBSTER. No, I don't think we do.

FREEDOM OF INFORMATION ACT

Mr. O'BRIEN. Last year when you were here we talked a little bit about the Freedom of Information Act. It is my recollection that you testified that you had 300 employees, 80 of whom were attorneys on a full-time basis handling requests under that Act, most of which were initiated by convicts. Are my figures correct?

Mr. WEBSTER. Your memory is almost accurate. It was 300 employees working full time. It is more like 30 that are lawyers. Anywhere from 11 to 16 percent of the requests are coming from convicted felons in penitentiaries. The annual cost is about \$9 million.

Mr. O'BRIEN. Excluding that 10 or 11 percent, I am trying to give a fair judgment, do you believe that Act has made your job more difficult?

Mr. WEBSTER. Yes, I do. I believe the principle of Freedom of Information is a sound one. I have never advocated the repeal of the statute, but I have made some specific suggestions on some improvements, based on, what I conceive to be the original intent of Congress, could be effectuated by some fine tuning of that Act.

I don't believe Congress intended to cast in doubt the confidentiality of law enforcement sources. In fact, there are exemptions, but the exemptions themselves as written and as implemented by

people trying to interpret what the Congress intended resulted in leaving gaps and open places that make those who have to supply the information wonder whether you can keep it secret.

We have Federal judges who don't want to talk to us when we go around to see what they think of prospective new judge. They have access to the Act and can read it themselves and know about it.

You can appreciate the concern that somebody who is inside or closely associated with some terrorist organization might feel about giving us information, knowing that the FBI is a record-oriented organization and that we will be keeping records of what they say to us and what they do, which we should. We don't want to generate a hip pocket informant program.

Mr. O'BRIEN. Does the Department of which you are a part make certain fine-tuning recommendations to, let's say, Mr. Rodino or others?

Mr. WEBSTER. They are just about to do so. When I was asked repeatedly by Members of Congress, before committees and otherwise, what my views were, Attorney General Bell and the then Deputy Attorney General Civiletti both thought it was entirely proper if they wanted the views of the Director of the FBI, that I should give them without waiting for the Department to finish its study. That was about a year ago.

I sent up several recommendations, any one of which would be helpful to us. The study had been under way for over a year at that time. It is just now winding down. I believe that Associate Attorney General Shenefeld will very shortly make his recommendations, none of which, I understand, are inconsistent with the recommendations that I made. They might use five years instead of seven years or something like that, but the principles are all intact.

Mr. O'BRIEN. When you were talking about the rush of money from the northeastern part of the country to Florida, you mentioned it being laundered through banks. You made a comment which suggested that the banks were sort of winking at that or not really doing a conscientious job to prevent that sort of thing. Is that true?

Mr. WEBSTER. I hope I didn't over-editorialize too much. I try not to do that. The impression I have is that there are a lot of banks down there, medium or small sized, that are looking for money. When somebody comes in with \$50,000 in cash to make a deposit they don't ask why did you happen to come in with \$50,000 in cash?

DISSEMINATION OF SENSITIVE INFORMATION

Mr. O'BRIEN. When you were testifying in response to Mr. Smith's inquiries, you referred to the leak that we are all concerned about, the ABSCAM leak, and you mentioned that you were concerned that actually a written memorandum was involved as distinguished, I would assume, from oral transmission of the information. Is a transfer of that type of information by an FBI Agent or a Special Agent, whatever, come under the category of illegality or impropriety?

Mr. WEBSTER. That subject has been addressed by the Department. If the information were classified information, it clearly would be a violation of law to do that. My candid assessment of the situation is that the Attorney General and those working for the Attorney General on the investigation have pretty much concluded that a criminal action is most unlikely in these circumstances. We have been more heavily concentrating on administrative action as the basis for the investigation.

Now that is important in one respect that I think you should understand. An administrative inquiry does not entitle an employee, whether it is a Departmental employee or an FBI employee, to be represented by counsel and to be afforded all of the panoply of rights that would be his if he were the subject of a criminal investigation. The chances are better of getting some answers and information.

Ultimately, on the issue of taking a polygraph, it is my understanding that the law is that if you compel a person to take a polygraph, then that cannot be used against him in any court, not only the fact of the polygraph but any information you develop as a result of the polygraph cannot be used against them in a criminal proceeding.

Mr. O'BRIEN. But it could be the basis for a discharge?

Mr. WEBSTER. Absolutely.

Mr. O'BRIEN. With respect to the memorandum that you say would be classified as distinguished from an unclassified one, would a newspaper reporter involved in that transaction also be guilty of a criminal offense?

Mr. WEBSTER. It is my understanding that if you had an illegal transfer of classified information, that the other person can be prosecuted if they knowingly receive it, knowing it to be classified. But whether or not there would be a prosecutive judgment to do that is an entirely different matter. Look at the Pentagon Papers as an example.

Mr. O'BRIEN. You spoke of a willful violation of regulations. Do you take out of the category of willful, say what might be termed conscious indifference or sort of a willful and wanton indifference?

Mr. WEBSTER. No. I don't think one's conscience can be substituted for the law's requirement. By willful I meant that they knew what they were delivering, they knew it was classified and they have that they were not entitled to deliver it.

Mr. O'BRIEN. As distinguished from extravagant negligence, let's say?

Mr. WEBSTER. Yes. The whistle blower aspect of these things has a long way to go before we all understand what is required. I know the Justice Department is in the process of putting into effect procedures I think for the entire intelligence community which will require some effort to achieve correction of a known problem within the agency before the person runs out and puts it in the public press. Without that, the person would not be entitled to the protection of a whistle-blower status.

Mr. O'BRIEN. With respect to in-house improprieties, one of the parties of Congress attempted to do that with respect to one of the gentlemen involved in the ABSCAM investigation. While it is rather cosmetic, I think we approached it from the standpoint of looking at

conduct becoming or unbecoming a Congressman, as distinguished from a criminal offense. We got into a lot of trouble on this but I still believe we were right.

We thought about it from the standpoint of what you do with a bank teller or a school teacher or a policeman who comes under charge or challenge. You suspend him temporarily. That is kind of what we tried to do as one branch of the House.

I would suppose that is the kind of situation that you are faced with in a way when you are looking for the people or persons responsible for the leak. But knowing the way the thing got out, I would assume your own in-house investigation has to be very, very tightly secure for fear that will also leak out. Is that true?

Mr. WEBSTER. That is the way we see it. From time to time there are efforts made to see and review the internal investigations that we conduct. We have our own Office of Professional Responsibility and our own inspectors who investigate any allegations of impropriety by an FBI employee. The Department of Justice has its own Office of Professional Responsibility. It can either assign that task to us if the complaint comes to the Department or do it themselves, depending on how they see it.

We try to keep those internal investigations out of the general reporting and disclosure on the theory that we want people to tell us what happened. It is like the people investigating an airplane crash. They want to know how it happened so it won't happen again. They don't want people to worry about covering their backsides in the process of the investigation.

We think we would be less likely to get candid cooperation from our employees if they thought that their statements were then going to be bandied around in a lot of other places. Whether or not we can maintain that confidentiality is something I don't think has ever been tested. But we have asked that the tightest controls be kept on those investigations. The Department, of course, knows the content of those investigations.

Mr. O'BRIEN. Do you anticipate the conclusion of that investigation within a reasonable time?

Mr. WEBSTER. Well, they are working at it with tremendous effort to complete it thoroughly. I understand there have been over 200 interviews completed to date. I believe I was the first one to be interviewed and it has gone from there. The Attorney General has been interviewed and on down the line. That first phase of it, as I understand it, has come to an end and now they are going back with secondary interviews, reinterviewing, following up the leads that developed and applying some analytical effort to narrow the focus to where they believe the problem lies.

They have made some progress in that direction. The investigation has been broadened into two other undercover operations, the BRILAB investigation and the PENDORF investigation. We have separate teams for BRILAB and PENDORF so as not to have those stacked up.

Mr. O'BRIEN. Thank you.

Mr. SMITH. Mr. Andrews?

Mr. ANDREWS. Mr. Director, it is good to have you back. No one can say you don't face serious challenges.

In responding to my colleague and friend from Illinois, you said there have been 200 interviews in the ABSCAM investigation so far. Does that mean there were 200 people privy to the documents that were involved in this? Obviously, you have a well defined group because you know everybody who had access to this official document or group of documents that were given in toto to the press. So you have a finite number of people. But were there 200 of them?

Mr. WEBSTER. Well, there were not 200 people who had this document but there were over 200 people who had something to do with one phase or another of the ABSCAM operation, The conclusion was that we had to know what everybody knew in order to be able to develop the leads to identify those who were the most probable candidates.

There was very little access to the document itself inside FBI Headquarters, for a reason—well, the reason was that when it came in, our copy of the document went to our Office of Legal Counsel and it had a “for information” stamp on it. It stayed there. I had not even seen the prosecutive memorandum nor anyone in the line of command up to me from the Legal Counsel Division. There were, I believe, three others in the FBI Headquarters who had seen it.

But in the strike force office in New York and Brooklyn they mimeographed it in order to assign interview responsibilities to various agents and strike force attorneys. I don't know at this point how many there were. I understood there was something like 80 copies in that office alone.

So there are a number of ways in which the press could have gotten hold of that document, including—we can't rule out this point, the fact that it went out of the building without permission.

Mr. ANDREWS. Do you mean accidentally? Obviously it went out without permission.

Mr. WEBSTER. I mean it went out without anybody in government giving it to the person who went out with it.

Mr. ANDREWS. In other words, somebody wandered in and saw it on somebody's desk and took it out?

Mr. WEBSTER. That is a possibility.

Mr. ANDREWS. Or it went out with the trash?

Mr. WEBSTER. That is a possibility. It is remote.

Mr. ANDREWS. It was either taken out by somebody privy to it or it was picked up by somebody who saw it and walked out with it.

Mr. WEBSTER. I agree.

“LAUNDERING” OF MONEY

Mr. ANDREWS. When you began talking about these banks that laundered crime money and you say that they don't ask too many questions about a \$50,000 cash deposit when it comes in, does your agency, and I would suspect, too, the IRS, routinely audit banks to find out if they have \$50,000 cash deposits made?

Mr. WEBSTER. No. I don't think we have a legal basis for doing that. There are reporting requirements for the banks that go to the Department of Treasury but we have no investigative responsibility there.

Mr. ANDREWS. But the point that comes to my mind is if you think that this is a sufficient problem to mention it to the committee, it would almost seem that the agency would routinely seek to find out who is dumping \$50,000 or \$100,000 in greenbacks into a bank account. Or am I mistaken?

Mr. WEBSTER. No. We are doing a much better and more thorough job of doing what you suggest because we can be informed of the amounts in excess of \$10,000 by Treasury. But in terms of going by the bank and asking the bank what is going on, the right to financial privacy, et cetera—

Mr. ANDREWS. But the bank has to report to Treasury any deposit in cash of over \$10,000?

Mr. WEBSTER. That is correct.

Mr. ANDREWS. That information goes to you within what type of a time frame?

Mr. WEBSTER. I understand we have received such information in the past.

Mr. ANDREWS. But it would be an old trail by the time it gets to you. Have you ever made any attempt to get that information faster? Would it be helpful if you did?

Mr. WEBSTER. It might very well be helpful if we had or at least if we could get—\$10,000 in today's world is not all that exciting. Maybe on a larger number, if we could have that called to our attention on a more timely basis.

I think I explained earlier the Right to Financial Privacy Act precludes us from just simply asking broadly for information about what is going on in the bank other than the reports that come through the Treasury Department to us.

Mr. ANDREWS. But the bank has to report to Treasury?

Mr. WEBSTER. Yes. We could get it from Treasury.

Mr. ANDREWS. Do you get all of these reports from Treasury?

Mr. WEBSTER. I am informed that we get a summary report of the kinds of activities. That will give us an indicator that we ought to be doing something. But we still have to have some names to go forward to have a legitimate basis for asking for information.

Mr. ANDREWS. This gets back to what my colleagues were saying, you know, what are you doing in the realm of ferreting out information? Here we find a point that you bring up to the committee and then we find out that you are not routinely getting the name of the individual who deposits the \$50,000 bucks in cold, hard cash which would certainly be, I think, something like—it is kind of like ABSCAM.

If all of a sudden someone turns up with \$25,000 in greenbacks, I will say this is probably not legitimate. If you do business, you make a check out to whoever you want to pay. The cash versus check is something that anybody who has an idea of what is right and what is criminal ought to take a look at.

Mr. WEBSTER. I agree with you.

Mr. ANDREWS. It is appalling to me that in this desire to find out what organized crime is doing, that we are not routinely finding out where these big bundles of greenbacks come from.

Mr. WEBSTER. The thrust has been the other way legislatively. The banks are requiring more and more from us before they will tell us the kinds of information that we have to have.

Mr. ANDREWS. And you have not made a request to any committee of Congress to give you the authority to find out in expedited fashion who is making a cash greenback deposit of \$50,000 or more in some bank?

Mr. WEBSTER. No. I think that is true. It may be that the Drug Enforcement Administration who has the primary responsibility here has made such a request, but I don't believe that we have.

Mr. ANDREWS. Do you think that it would be helpful if you had that information?

Mr. WEBSTER. I don't think there is any question about it.

ILLEGAL DRUG TRAFFICKING

Mr. ANDREWS. We had a DC-7 loaded with marijuana land in a field in South Dakota a month ago. Everyone was aghast, as you can imagine. Nobody knew much of anything about it. The DC-7 had to cross the Mexican border someplace, fly all the way up, pass all the air defense commands and land out in that field. I think they were looking for a small airport and they missed one. They landed out in a field and got caught. But nobody knows where they came from. Nobody knows who was in control. They got the guys who were flying it.

What part do you play in a case like this as far as taking the hint that something is going on if a DC-7 loaded with several tons of marijuana lands out in a farm field in South Dakota? Obviously, they have something other than the normal business transaction in mind. What following up do you do?

Mr. WEBSTER. If our resident agent was the first at the scene, the initial thing he would do would be to notify the Drug Enforcement Administration and the FAA/CAB authorities.

Now there is at El Paso, Texas, an operation called EPIC, the EPIC Center. It is operated in a joint venture capacity by the Drug Enforcement Administration and by Customs, INS, and the Coast Guard, with others participating.

I recently had an FBI agent there for 90 days to see if there was any role that the FBI could play beyond that of the FBI office at El Paso. I have personally visited it myself to see how it functions. They have a 24-hour watch in which they attempt to monitor these air flights across our borders and movements of ships coming up from Colombia and other countries in South America and Central America. I don't think I am the one to tell you whether it is working or not.

Mr. ANDREWS. Just for the record, this is an instance that really flew home to me and I suspect that it is not a group of high school students that wanted to get hold of some pot and wanted the DC-7 and flew it. It has to be somebody well organized, really professional.

I would appreciate it if, for the record, you could let us know what you did in this case to follow through and what information you were able to glean from the unexpected appearance of this DC-7 in a South Dakota field as far as using it to ferret out some obvious involvement of organized crime. If you could provide that for the record, it would be helpful.

Mr. WEBSTER. I would be happy to. If it is the subject of investigation, we cannot comment, but I can give you general information.

Mr. ANDREWS. If it is something that has to be classified, make it available to the Chairman.

[The information follows:]

Our Minneapolis Office has advised a DC-7 landed in a South Dakota field on January 28, 1980, and it was observed in the process of landing by citizens of the State of South Dakota. When the plane landed, it was met by South Dakota State Patrol officers. After unidentified individuals departed the plane, South Dakota law enforcement officials found that the plane contained thirteen and one-half tons of marijuana. The individuals were immediately arrested. Subsequent investigation by the South Dakota Attorney General's Office resulted in the conviction of six individuals for narcotics trafficking. All six are now serving sentences in the South Dakota State Penitentiary. The FBI's role in this matter was to provide assistance in the form of police cooperation at the request of the South Dakota State Attorney General's Office. The Attorney General's office had asked the FBI to assist in identifying to whom a passport had been issued through the United States Department of State.

INTERSTATE POWER LINE SABOTAGE

Mr. ANDREWS. In another question of what your agency does, in the Upper Midwest we have had, particularly in the State of Minnesota, a recurrent series of interstate power transmission lines sabotaged.

Now I talked with the Rural Electrification Administrator, Bob Fenagen, when he appeared at another subcommittee I serve on. He said they made a request a year-and-a-half ago for the Justice Department and the FBI to give them some help on this because knocking down these interstate transmission lines is certainly affecting interstate commerce, an act of terrorism, you might say. They have not been able to get an answer back on whether the FBI would be interested in this.

As I said, I am on another subcommittee and I will run that question by some people.

What do you do in the case of sabotage on interstate electric transmission lines?

Mr. WEBSTER. I might have to disqualify myself because they are threatening to put one across my farm.

Mr. ANDREWS. They have one across my farm and I don't like it, but I am not going to cut it down with a welding torch.

Mr. WEBSTER. It is a complicated answer. I will give it to you for the record.

Mr. ANDREWS. All right. Not only what you are doing now but what requests are being made of you and what you could foresee as a possible way that you could help resolve this problem.

Mr. WEBSTER. I will be glad to.

[The information follows:]

Prior to the time the transmission line was operational, the Department of Justice researched the applicability of several Federal criminal statutes to the acts of vandalism that were occurring and concluded no violation of Federal law was indicated.

Since the transmission line has been operational, the Department of Justice has continued to discuss the matter with the Department of Agriculture because of the Rural Electrification Administration's interest in the line. Pursuant to a request from the Department of Justice, our Minneapolis Office was instructed to make agents available for receipt of information concerning the acts of vandalism that continued to occur for forwarding to the Criminal Division in the Department of

Justice. Any information we have received in this regard we have forwarded to the Department. The decision as to whether or not the FBI will be asked to investigate this matter is currently pending with the Assistant Attorney General, Criminal Division, Department of Justice.

DOMESTIC TERRORIST ACTIVITIES

Mr. ANDREWS. Finally, following up on what my good friend from Massachusetts expressed as his concern for terrorism, I share that concern. We have a couple of SAC bases and a bunch of Minuteman III missiles, and if my congressional district would secede from the Nation, we would be the third ranking nuclear power in the world. All those things are sitting up there. A year or so ago the Air Force beefed up its security because of its concern about terrorism. Your shop is the shop that would give advanced warning as to what they are going for.

Now these things are scattered all around, fairly well protected, but they are all around. They are protected against some farmer that happens on them or a couple of college kids that happen on them. But an organized gang of terrorists obviously is what concerns the Air Force. If it concerns the Air Force, what is the FBI doing about it?

Mr. WEBSTER. I will try to give you perhaps a simplistic answer, but I will give you as much as I can in the record.

I believe that we are spending adequate sums to maintain our reactive capability in the terrorist field based upon these—

Mr. ANDREWS. I don't like to react. I would rather anticipate. That is the thing that gives me concern and gives my friend, Mr. Early, concern.

Mr. WEBSTER. That is the first half of the response.

On the reactive side, I think we are spending enough money and maintaining our capability based upon what we have experienced in the last four years and the reduction in actual numbers of bombing incidents.

In terms of preventive work, I am not satisfied with the level of our preventive capability, but at the same time I do not believe that giving us more money would solve that problem. The problem is one of identifying and staying with the underground terrorist groups and developing information about their plans.

We have, of course, in the guidelines certain threshold levels that must be met, before we can conduct an investigation of a terrorist group. Once we have that minimal required basis or factual predicate for an investigation, it would be very nice if we could reach up on the shelf and send in the nearest informant or call the nearest informant who we did not then have the right to have.

We can receive information from people inside the organization but we cannot put somebody in place until we have that predicate of planned force and violence. These are not things we have found you can do overnight. I am sure you can appreciate that.

We had two undercover agents in place for four years in a Weather underground on the West Coast until the group finally went forward with plans to bomb a California State Senator and then we stopped it.

It is one of the reasons that you hear me repeatedly complaining about the Freedom of Information Act. The ability to develop

sources of information in terrorist groups is a major problem for the FBI. One way of addressing that is to permit us to be able to give positive assurance that the information and the source of the information will remain confidential and we will protect them from risk of injury or disclosure.

Now we have only about 12 to 16 organizations that we can investigate under the guidelines today. We have a relatively small number of informants that I prefer not to place in the record. It is less than 25 compared with 2800 informants in the organized crime and other criminal activity field, exclusive of our international terrorist informants and foreign counterintelligence informants. But it is small. It is too small. We address this almost every day to try to improve it.

Some sources are quite good, but it is not going to tell us about a small, cellular group sitting out there in North Dakota somewhere planning something.

Mr. ANDREWS. The thing that concerns me and that I would like to convey to you is that I would hope that the security people on these bases in the innermost areas of our country will be alerted by you in advance of, say, 25 or 30 well-armed strike force members from Cuba or Afghanistan or from wherever moving in in a hurry and grabbing off something they should not have and taking off. If they can't anticipate and if we are left in just the position of being able to react, they could get something that would be extremely sensitive and pretty tough for us to really have any solution on how to retrieve or react to after the fact.

Mr. WEBSTER. I agree with you, Congressman Andrews. We have established good and swift liaison relationships with the Department of Energy and with the Defense Department.

Mr. ANDREWS. But you are not able to do enough in this terrorism sector that my colleague from Massachusetts shares my concern about. You might not have the information in time to alert them to something like this and that is why I share the concern of Mr. Early.

Mr. WEBSTER. If I were in a position where we had information about an organization and we couldn't develop that information because of limitations on funds, you would hear from me quicker than you could imagine. That is not our problem. Our problem is developing our ability to get inside these organizations.

Mr. ANDREWS. That calls for money up front. That, again, calls for anticipation rather than after you know something is going on, then you are going to come to us. I want to be sure that you know what is going on.

Mr. WEBSTER. I am never satisfied that we know enough of what is going on. We have a pretty good idea of where the main problems are, a pretty good idea of who the main problem makers are. But I am not ever satisfied and we will always be alert. That is one of the reasons why it is important to us to maintain our SWAT capability and our level of training to be alerted.

But those informants continue to be the most important part of law enforcement. They are our early warning signals. We are not going to get it sitting in our office.

Mr. ANDREWS. But when you look at the havoc that a group has caused by grabbing 50 hostages in Iran, you can imagine the havoc that could be caused here.

Off the record.

[Discussion off the record.]

Mr. WEBSTER. I couldn't agree with you more. The same is true with the access to nuclear fuel. I think it is entirely possible today to construct nuclear weapons from public source materials, perhaps not as sophisticated as we have in the military, perhaps not as small or light.

Mr. ANDREWS. No, but in the manufacturing company that makes the fuel or on the military installations that are maintaining the weaponry, much less the weaponry that is on line, that all represents a tempting target for a terrorist attack. I would rather know about it ahead of time instead of after the fact. I join my colleague from Massachusetts in expressing my concern.

Mr. WEBSTER. One positive thing you can do for us and we would deeply appreciate it, if you would take a good look at the proposals to refine the Freedom of Information Act because we have a perceptual problem of people whose lives might be on the line, that once we get information they are afraid somebody else can find out about it.

Mr. ANDREWS. We have had the same problem in international business.

Mr. WEBSTER. We have our foreign counterintelligence exchanges with all the friendly allies and they are all up tight about this problem.

Mr. ANDREWS. Thank you.

Mr. EARLY [Presiding]. Will you comment, Mr. Director, about the two agents who spent four years undercover and prevented a bombing? That was really money well spent. The FBI will never receive any publicity on it, but that is the way it should be.

Mr. WEBSTER. It is not every day that you can put an undercover agent in a terrorist organization and keep him there for any period of time if they are violence prone because we are not going to let them engage in violent activities. So it is very difficult. I can't stress how difficult it is. But we keep trying and we keep doing it.

PERSONNEL RESOURCES

Mr. EARLY. Mr. Director, I have expressed an opinion contrary to the opinion of other members here, but I think you have too many people and too much money. I honestly believe that you could do more with less people if you were more selective in your hiring process.

Congress has been treating all agency problems for the last several years by giving the agencies more money and more people. But it is not money and people that is important but the quality of the work. You stated in your justifications that you are more concerned with quality than quantity. That is my feeling, too.

Mr. WEBSTER. Congressman Early, you may have been giving other people more money but you have not given us more in terms of people. We have lost 800 agents from 1976 to 1980.

Mr. EARLY. But we also narrowed your areas of responsibility.

Mr. WEBSTER. At the same time you took 800 agents away from us, you enormously expanded our responsibilities.

Mr. EARLY. I was against that cut.

Mr. Director, I would like to thank you for your testimony. The Chairman has a number of questions he would like to have answered in the record.

Thank you very much and good luck.

[The questions and responses thereto follow:]

- Q: I believe your 1981 appropriation requires authorization which has just been marked up by the Judiciary Committee; is that correct?
- A: It is the FBI's understanding that the House Judiciary Committee has marked up the 1981 authorization request and that the Senate Judiciary Committee will do so soon. It is also the understanding of the FBI that both the authorization and the appropriation are required.
- Q: In recent testimony before our Committee, Attorney General Civiletti indicated that he continued to place strong emphasis on organized crime, white-collar crime, and drug trafficking. How is that emphasis reflected in your budget?
- A: Organized crime and white-collar crime continue to be two of three priority investigative areas receiving principal investigative emphasis for Fiscal Year (FY) 1981. As part of the Organized Crime Program, the FBI joins forces with the Drug Enforcement Administration to penetrate jointly organized criminal involvement in narcotics trafficking. For FY 1981, approximately 43 percent of the FBI's request for investigative manpower is being made for the Organized Crime and White-Collar Crime programs.
- Q: You show an increase of 131 positions in the activity criminal, security, and other investigations for 1981 over 1980. What are these increases for?
- A: The overall increase of 131 positions includes an increase in several programs and a decrease in others as follows:

Organized Crime	+59
White-Collar Crime	+80
Fugitive	-30
Personal Crimes	-15
Terrorism	-9
Other Field Programs	<u>+46</u>
Total	<u>+131</u>

Q: Is there a major change in the investigative emphasis of the FBI for the current fiscal year and will there be a change in emphasis in fiscal year 1981?

A: There has not been a major change of investigative emphasis for either FY 1980 or FY 1981. The major investigative emphasis for the FBI continues to be in the area of foreign counterintelligence, white-collar crime, and organized crime.

Q: Your budget proposes a reduction of 30 positions in the fugitive program. How is the reduction possible?

A: The reduction of 30 fugitive positions is the remaining adjustment associated with the transfer of investigative responsibility for locating escaped Federal prisoners, probation, parole, mandatory release, and bond default fugitive matters to the U.S. Marshals Service, which took effect on October 1, 1979.

Q: Your budget proposes a reduction of nine positions in the terrorism area. Has there been a decline in terrorist activities?

A: Yes, there has been a general decline in terrorist activities. The decline in the number of terrorist related bombings for the past three years, 42 in FY 1979, 52 in FY 1978, and 100 in FY 1977, and the fact that the United States has been relatively free of the terrorist type activity that has been evidenced overseas, consisting of assassinations; takeovers of embassies, religious or government buildings; and armed attacks upon government officials attest to that fact.

Another indication of the activity level in the terrorist area has been the decrease in investigative cases received for FY 1979, 2,656, compared to 4,487 in FY 1978. Since the reactive segment of the Terrorism Program constitutes 87.9 percent of the workload, the level of investigative matters received and resources utilized become a function of the number of terrorist incidents, which occur unpredictably. The success achieved during FY 1979, including prosecutions of individuals involved in terrorist activity, e.g. six Serbian emigres convicted for conspiracy to bomb a Yugoslav social club and the conviction of three Cuban exiles for the bombing of the former Chilean Ambassador to the United States and a business associate in Washington, D. C., serve as a preventive measure and example for other members of the same group or different groups who have the propensity, inclination, and capacity to engage in terrorist acts.

- Q: Page twenty-seven (The FY Budget Estimate for the Congress) indicates that you are proposing a reduction of 11 positions in the legal attache program. How would this affect your overseas operations?
- A: The reduction of our FY 1980 complement of 57 to an FY 1981 complement of 46 represents a 20 percent cut. This reduction will necessitate the closing of one office and the reduction of personnel in probably three other offices. We anticipate a loss of efficiency and timeliness of reporting in these affected offices. Of particular concern, this loss makes it necessary to close our Legal Attache Office in Buenos Aires, Argentina and realign coverage for all South America to our remaining office in Bogota, Colombia. This will necessarily reduce the incidence of contact with many police and intelligence services in South America. Most of the other reductions are to be taken from support staff currently assigned to our other offices. These reductions will impact mostly on flexibility, efficiency, and timeliness of reporting.
- Q: On Page thirty-six under state and local assistance, you show a reduction of 60 positions for General Law Enforcement Training? Is this for training in the field provided by FBI agents? What has been the reaction at the state and local level to this proposed reduction?
- A: While the program will be reduced approximately 38 percent from the present fiscal year in manpower resources, the net effect will be a 50 percent reduction in classroom instruction provided, since some of the manpower in this program is dedicated to the FBI National Academy Program, coordinating student attendance at the FBI Academy, and other training related functions.

The full impact of the reduction of training services at the field level has not been ascertained since it has not been implemented or widely publicized. At a recent meeting of the National Association of State Directors of Law Enforcement Training (NASDLET) held at the FBI Academy, the proposed reduction was discussed. NASDLET members expressed grave

concern over the reduction of FBI training assistance. They were particularly concerned since this reduction comes at the same time that funds from the Law Enforcement Assistance Administration (LEAA) may be reduced. NASDLET members advised they would not be able to duplicate the expertise and national perspective of FBI instructors, and even if comparable instruction was available, their respective states do not have funds budgeted to pay for the training previously provided by the FBI.

In a study published in September 1978, entitled "The National Manpower Survey of the Criminal Justice System, Volume II, Law Enforcement," it is stated in part ". . . only 36 percent of all sworn personnel have ever participated in an in-service training course. Less than four percent of all incumbents of responding agencies have received in-service training in the last year." Additionally, this survey states that there are approximately 487,000 municipal, county, and state law enforcement officers employed in some 19,000 separate non-Federal law enforcement agencies. Approximately two-thirds of these agencies are located in small cities or local jurisdictions, and due to necessity, 74 percent of these agencies must rely on outside sources to supply training services. The FBI continues to receive more requests for training than it can fulfill. As a result of budgetary constraints, we have been forced to be highly selective in the utilization of manpower and travel funds.

- Q: What is the rationale behind the proposed reduction in state and local assistance?
- A: The FBI has limited resources available for its operations. These resources must be used to support the investigative mission of the FBI at the expense of some support activities. Assistance to local and state law enforcement is considered extremely important, but because of the limitation of funds, the FBI must first direct its available resources to priority investigative programs. This is in keeping with policies of the Administration and the Attorney General.
- Q: I note in looking at page 36 that you are proposing a reduction of 208 positions associated with fingerprint identification. On page 41 you say, "This reduction is expected to be offset by the requested addition of an equivalent number of work-years for personnel to be employed on a part-time basis." This seems a bit phony if you are merely going to replace permanent personnel with part-time personnel. Would you care to comment on this proposal?

A: The substitution of 208 part-time positions for 208 full-time positions has been proposed so that the Identification Division can gain experience in the use of part-time employment. The Division has traditionally relied on full-time employees and in recent years has experienced difficulty in recruiting them in the numbers needed to keep the Division adequately staffed. Through the use of part-time positions, the Division will be drawing from another pool of available labor. It is hoped that this will to some extent alleviate the recruiting problem, as well as help offset the losses of full-time employees caused by high personnel turnover.

While it is anticipated that applicants for part-time employment would come from several sources, it is hoped that many of the positions will be filled by former employees of the Identification Division who left because they were unable to work full time, but who are still in the vicinity and desire a part-time job. Since such persons were previously cleared and trained to work for the Identification Division, they could be quickly assimilated into the Division's work force.

- Q: At the bottom of page 39 and the top of page 40 you indicate that unless the Justice authorization for 1981 includes language authorizing fingerprint checks for federally chartered or insured banking institutions and for State and local agencies for employment and licensing purposes, the program will cease as of September 30, 1980. What is the status of this proposal in the authorizing committee? Are any funds included in your 1981 budget for this purpose? If so, how much?
- A: Both the House and Senate versions of the Department of Justice Authorization Bill for fiscal year 1981 currently contain language which would continue services for banking institutions and state and local employment and licensing through September 30, 1980. While no specific funds are earmarked for such services, they are included in the overall budget figure for the Fingerprint Identification Program, which provides funds for all of the functions and services performed by the Identification Division.
- Q: I believe there was some delay in the purchase of computer equipment because of problems associated with message switching or exchange of criminal data. What is the status of that matter at the present time? Has the computer been purchased?

A: The FBI has had several years' delay in procuring replacement telecommunications control equipment for the National Crime Information Center (NCIC). This delay has been primarily due to expressed concerns of members of the U.S. Congress. During the past year, these concerns were resolved and the FBI was given approval to continue its procurement of the required communications control equipment. Competitive procurement has been underway, and it is anticipated that a contract will be awarded in September 1980. NCIC has also been experiencing unacceptable periods of down-time due to the operational failures of the host computer. The current lessor has made an unsolicited proposal to replace this host computer with more modern equipment at the current lease price. This offer was set forth in the March 20, 1980, issue of the Commerce Business Daily to give other private sector vendors an opportunity to compete with the current lessor's proposal.

Q: What is the FBI's present policy with respect to the investigation of bank robberies and is there additional funding in the FY 1981 budget for the FBI to conduct bank robbery investigations?

A: FBI field offices are instructed to provide an immediate measured agent response to all reported violations of the Federal Bank Robbery and Incidental Crimes Statute with subsequent investigation utilizing sufficient agent manpower to insure effective handling of all incidents. This has been the policy in the past and it is expected to remain so during FY 1981.

In view of recent reductions in the level of investigative resources allocated to this program area, the FBI has sought to reduce, where practical, the level of manpower responding to each violation, without jeopardizing the effectiveness of the response. Consequently, the number of agents responding to a report of a bank robbery is now less than in previous years.

The FY 1981 appropriation request for the Personal Crimes Program includes a planned allocation of 715 positions and \$24.9 million for investigation of bank robbery and related offenses. This plan reflects a reduction of 116 positions in this program area when compared to the fiscal 1980 planned level. The reduction of resources for this area can be attributed to non-inclusion of the 101 positions restored by Congress for bank robbery investigations for FY 1980 in the Personal Crimes Program base for fiscal 1981 and a decrease of 15 additional positions due to underutilization of resources. Overall, the Personal Crimes Program is being reduced 71

positions from the FY 1980 funded level. Forty-five of the positions that are being reduced in the bank robbery area will be redirected toward other Personal Crimes Program investigative areas.

Q: What effect would the parental kidnaping statute, if passed, have on the FBI if the FBI was given responsibility for this program?

A: Senate Bill S. 105, the Parental Kidnaping Prevention Act of 1979, specifically delegates to the FBI enforcement responsibility for the parental kidnaping section of the Act. Under the provisions of this Act, FBI investigation would commence only after the complainant satisfies certain criteria described in the bill. Briefly, these criteria include 1) notification of local law enforcement authorities and request for assistance from the State Parental Locator Service in locating the child and the person alleged to have violated the Statute; 2) State Parent Locator Service request for assistance from the Federal Parent Locator Service, an agency of the Department of Health, Education, and Welfare, in locating the child and the person alleged to have violated the Statute; and 3) after completion of these two steps, a 60-day waiting period. After the elapse of this 60-day period, the FBI may commence investigation of the offense.

Q: In the recent continuing resolution for appropriations for FY 1980 there was a travel restriction present on all government agencies. Has this travel restriction caused any trouble for the FBI in conducting its investigations?

A: Up to this time, the FBI has not failed to conduct an investigation because of the travel restriction. Over the past years, FBI management has attempted to limit the amount of travel performed in connection with its investigative programs to that which directly affects the successful resolution of cases. Field and Headquarters managers are required to provide strong justification in support of all such travel.

Recent cuts in the already reduced travel budget have resulted in travel restrictions which may have long term negative effects on investigative operations. For example, regional conferences in such programs as White-Collar Crime have been eliminated. These conferences have provided invaluable opportunities for field investigative personnel to meet with Headquarters' managers and representatives of United States Attorneys' Offices to discuss mutual problems faced by all in the implementation of this program. Similar restraints have been placed in connection with on-site evaluations by

Headquarters' personnel of major cases, undercover operations and other investigative techniques which require strong management support and supervision.

FBI management realizes the severity of current economic conditions and will continue to closely monitor travel to insure that it is absolutely necessary and that it is properly justified. Even with close monitoring of travel, it is anticipated that the FBI's available travel funds will be exhausted by August 1980.

Q: Does the FBI still have a policy of frequent rotations of Special Agents? With the recent emphasis on reductions of travel and transportation costs, has this affected in any way the FBI's transfer policy?

A: No, the FBI does not have a policy of frequent transfers and makes only those transfers necessary to meet investigative and administrative needs. Due to the reductions of transfers recently ordered by the Attorney General, for the remainder of FY 1980, the FBI will transfer only those individuals in the career development program in order to adequately staff the positions of supervisor through Assistant Director or to fill other vacancies of an emergency nature.

Q: What impact will the President's efforts to balance the 1981 budget have on funds for the balance of this fiscal year and on your request for FY 1981?

A: There is no current proposal for a reduction of outlays for FY 1980 which affects the FBI. There is currently a proposed reduction for the FBI of budget authority of \$7.3 million and outlays of \$6.3 million applicable to FY 1981. The proposal would defer the purchase of some replacement automobiles, the equipping of the FBI's forensic training facility, and reduce the purchase of certain other equipment. In addition, there would be a reduction of funding included in the 1981 request in certain areas which had been eroded by inflation.

The following table lists the areas involved in the proposed amendment:

	<u>(Dollars in millions)</u>
Purchase of replacement vehicles (314)	\$2.2
Purchase of forensic building equipment	1.1
Equipment purchase reduction	.6
Materials, services and rents	1.2
Price level increases for equipment	2.2
	<u>\$7.3</u>

- Q: The General Accounting Office (GAO) indicated last year that the FBI operates two intelligence gathering systems which in many instances duplicate each other. What are you doing to eliminate such duplications?
- A: The two systems which are the subject of the General Accounting Office report are the FBI's Automated Identification Division Systems (AIDS) and National Crime Information Center (NCIC) Computerized Criminal History (CCH) System. Both systems are automated record collection systems for arrest, conviction and corrections information. Neither is an intelligence gathering system.

While there is some duplication in the individual records stored, the systems have two separate functions. AIDS is simply the internal automation of the recordkeeping function of the Identification Division. CCH is a file created by the states and the FBI to allow the criminal justice community on-line access to criminal history information so that better quality decisions can be made in a more timely fashion.

The duplication which does exist is in the process of being eliminated. Computer programs are being written which will eliminate the necessity for dual entry of these records. It is in the FBI's best interest to eliminate this duplication; and for the past three years the variances between the two systems have been addressed, causing them to become compatible enough for the duplication to be eliminated.

- Q: What is the status of the FBI charter legislation? Did the FBI propose this legislation and what is its purpose?
- A: The FBI Domestic Charter Act of 1979 (S.1612, H.R.5030) was introduced in the Congress on July 31, 1979. Hearings before the Senate Judiciary Committee have been completed and it is expected that the bill will go to mark-up in June. The bill is also being considered by the Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee. The proposal evolved from the initiative of the FBI and the Department of Justice. The statutory jurisdiction of the FBI is currently derived from a single paragraph in the U. S. Code which gives the Attorney General the power to appoint officials "to detect and prosecute crime against the United States." This authority has been supplemented by a series of Executive Orders and Presidential directives and statements, and by several statutes that give the Bureau special responsibilities to investigate particular crimes.

The proposed charter would bring these authorities together in one statute and would provide the first exclusive statement of the FBI's duties and responsibilities outside the field of foreign intelligence and foreign counterintelligence. We believe that it will give the public major assurance that the Bureau is acting within the law to achieve the legitimate ends of law enforcement. It will permit our Agents to meet their responsibilities with greater confidence and effectiveness and without fear of legal liability. And it will provide a clear mandate for the FBI to do what the American people expect of us in a way that the Constitution demands of us.

THE FOLLOWING QUESTIONS WERE SUBMITTED FOR THE RECORD BY MR. EARLY

Q: You have requested an increase in positions and funding to conduct a "post implementation audit staff to conduct audits of newly developed ADP systems to ensure that systems goals and objectives have been met." Exactly how much money and how many positions will you devote to this activity? Could you clarify for me the need for such an audit staff. Don't you know whether your goals and objectives are being met? Will this staff be a permanent part of the FBI or is this staff supposed to conduct a one-time only investigation? It seems to me that our computer system should reduce the need for staff rather than increase the need.

A: The FBI's fiscal year 1981 request includes an enhancement of five support work-years to establish a permanent post-implementation audit staff. The FBI is involved in several developmental projects, and it is essential that an audit staff, independent of the project development staffs, be available to provide reviews of cost analyses and to conduct audits of newly developed automated systems to insure that the systems goals and objectives have been met. These independent post-implementation evaluations are an important factor in the management of information systems during their life cycle. They will provide quality assurance; that is, insure the integrity, the operational performance, and the cost-effectiveness of new systems. During the development phase, the audit staff will also assist with the reviews to re-evaluate developmental efforts which have fallen behind schedule and/or are exceeding initial developmental cost estimates. This audit staff will be a permanent part of the FBI's Technical Services Division and will initially be involved only in the audit of FBI in-house developmental efforts. It is anticipated that, with the implementation of the Federal Computer Protection Act, it will be necessary to add two to five computer-trained special agents to this staff to assist FBI field agents with the investigation of complex computer crimes.

Therefore, the audit staff will be a permanent group performing multiple functions in investigative support and systems quality assurance.

Q: On page 15 of your justification you have requested an increase of positions and funding for further implementation of the OCIS. Exactly how many people and how much money are you requesting for this activity? When will the program be fully implemented? Has this system proven, so far, to be successful in fulfilling the goal to provide information to five field divisions?

A: Of the fifty-nine requested positions to be designated for organized crime, thirty-two positions are being requested for

the Organized Crime Information System (OCIS) implementation at \$477,000. On-line access to OCIS will be implemented in three field offices during fiscal year 1980, 12 field offices in fiscal year 1981, and eight field offices in fiscal year 1982.

As of April 8, 1980, the system had not proven to be successful because on-line access had not been implemented. The initial implementation in the Detroit Field Division will be made on April 15, 1980. At that time, Detroit's investigative information will be converted to an automated data base. Once the automated data base is established, the initial benefits of the system will be realized. In the design and training seminars with agent personnel from various field divisions, the participants were confident that the expected benefits of OCIS will be achieved. OCIS benefits will not be fully realized until multiple field offices are participating and OCIS is providing on-line access to interoffice investigative information.

Q: I see you are requesting an increase of 80 positions and \$3,408,000 for activities in white-collar crime. How much of that will be devoted to investigations of Government corruption?

A: The FY 1981 budget requests an increase of 80 positions in white-collar crime. Public corruption is only one part of the overall White-Collar Crime Program which also includes Bank Fraud and Embezzlement, Fraud Against the Government, and Fraud by Wire. Although the specific number of positions which will be devoted to investigations of Government corruption has not been determined, it is anticipated that a number of these Agents and support personnel positions will be utilized to combat public corruption. These needs are continually evaluated and resources are adjusted to meet the needs of the various types of white-collar crime investigations.

Q: On page 18 of your justification you have requested a decrease of 30 positions and \$610,000 for fugitive activities because the FBI is placing "added emphasis on locating individuals wanted for high impact crimes." It is my understanding that the 30 positions is the remaining adjustment associated with the transfer of certain fugitive responsibilities to the U.S. Marshals Service. Could you define for me the term "high impact crimes."

A: High impact cases, as they relate to fugitive matters, include subjects wanted as fugitives in connection with the commission of crimes of violence, substantial property loss or destruction, and/or significant illicit narcotics trafficking. In this regard, the handling of fugitive cases from local and state authorities involving lesser crimes is being de-emphasized.

- Q: On page 18 of your justification you request a decrease of 15 positions and \$330,000 for personal crimes due to the President's request to reduce expenditures in lower priority programs. It is my understanding that this program activity includes crimes aboard aircraft, assassinations, and kidnaping, just to name a few. Apparently, the President does not feel that personal crimes constitute a top priority designation. What is your feeling of this designation?
- A: The FBI affords any kidnaping, extortion, air hijacking, bank robbery, or other offense encompassed by Personal Crimes Programs priority investigative attention when the safety of the victim is threatened or there is actual injury or loss of life, or hostages are taken. The potential for violence in these offenses is one reason many of our field offices consider the Personal Crimes Program among their top investigative priorities. The planned reduction is the result of an underutilization of resources during fiscal year 1979. Even though this program is structured within the Priority II level, the FBI maintains the flexibility necessary to insure a prompt and effective handling of these incidents when they occur.
- Q: I notice you are requesting a decrease in funding and staffing levels for terrorism activities. Could you supply for the record the number of acts of terrorism the FBI investigated in the past 3 years?
- A: The following schedule denotes the number of acts of terrorism in terms of cases investigated by the FBI during fiscal years 1977, 1978 and 1979:

TERRORISM PROGRAM
FEDERAL BUREAU OF INVESTIGATION
NUMBER OF CASES HANDLED

<u>Fiscal Year</u>	<u>Cases</u>
1977	6,658
1978	4,487
1979	2,656

- Q: In reference to page 24 of your justification, I see that you are requesting 46 extra positions for "other field programs." Some of these positions will be used to supply additional data entry input into the Intelligence Information System (IIS). Exactly how many of the 46 positions will be used for this activity? It seems to me that whenever an agency requests some new automation program the rationale is

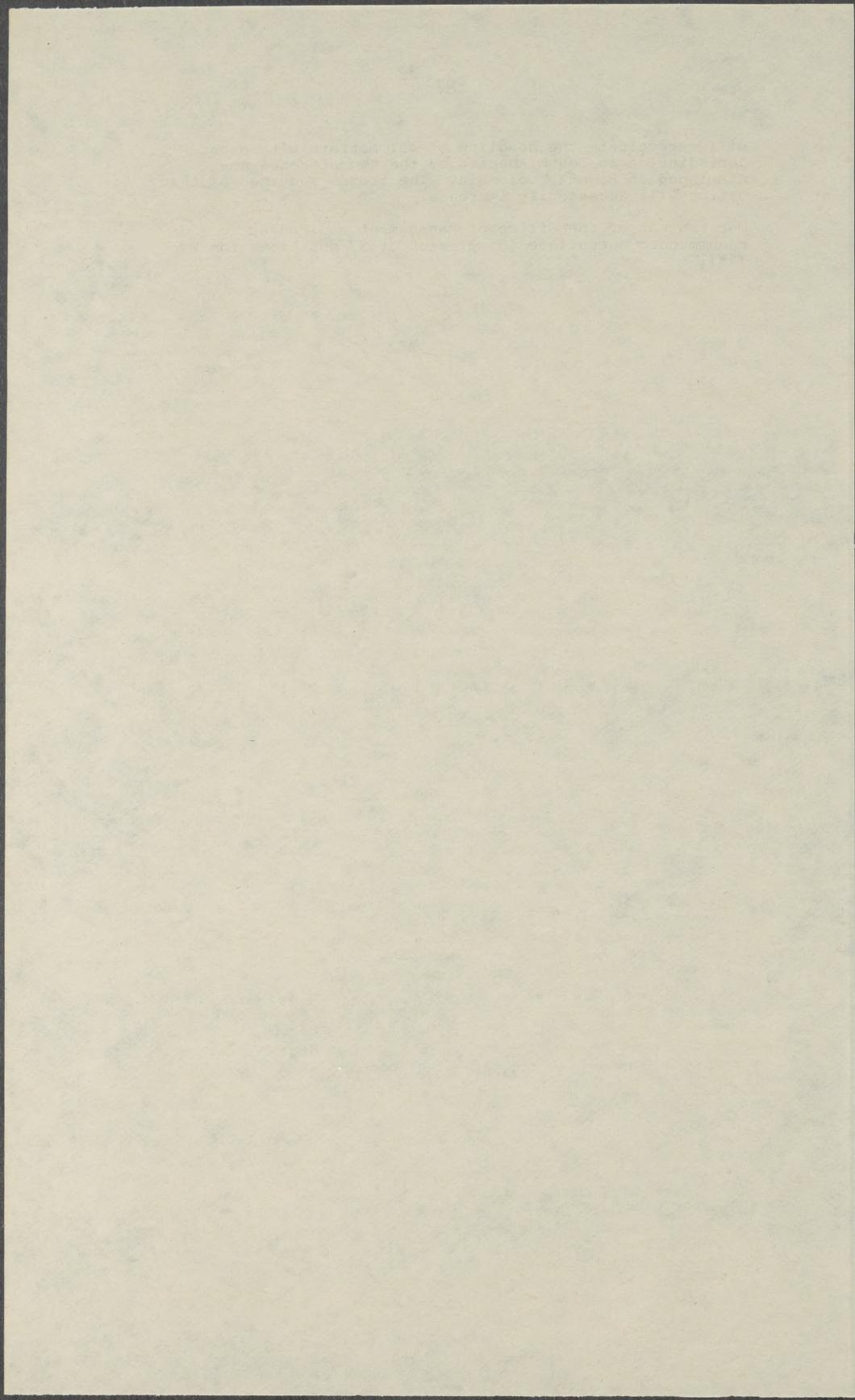
that the computer will result in greater efficiency for the Department. A few years later the Department comes back and tells us that they need more people to run the computer. That is not my idea of efficiency. Do you have any comments on this?

- A: A computerized information system might be expected to reduce manpower requirements if it automated a number of tasks that were previously done manually and less efficiently. Generally, this has not been the case with the IIS because the system was designed to provide the FBI's Foreign Counterintelligence Program with entirely new investigative and analytical capabilities. To the extent that new capabilities have been introduced, additional manpower has been required. Of the 46 positions referred to, four are new IIS support positions.
- Q: In reference to page 32 of your justification, I see that you are requesting a decrease of 11 positions and \$269,000 for legal attaches. Judging from the tone of your justification, it appears that you are not comfortable with that cut. What will be the impact of the cut on foreign counterintelligence operations? What was your request to OMB for this activity?
- A: The major objectives of the FBI posts abroad include the providing of a constant and prompt exchange of information with foreign law enforcement and security/intelligence agencies. This is essential to accomplishment of FBI responsibilities in the applicant, criminal, domestic security, foreign counterintelligence and international terrorism fields. Liaison contacts in the over 80 countries covered by our posts frequently prove useful to our Ambassadors and other U. S. Government agencies in confronting the day-to-day problems of each embassy where the FBI has attaches.

A reduction of the FY 1980 complement of 57 to a FY 1981 complement of 46 represents a 20 percent cut. This reduction will necessitate the closing of one office and the reduction of personnel in probably three other offices. While it is difficult to accurately describe the specific impact of such a cut on foreign counterintelligence specifically, it is expected that proportionate loss of efficiency in timeliness and possibly in the quality of this type of information received from the foreign agencies may result. Many of these agencies are contacted on a regular road trip basis. Reduced staffing will necessarily reduce the frequency of these contacts. The closing of our Buenos Aires, Argentina, Office

will necessitate the handling of all matters within our jurisdiction in South America by the two attaches now stationed in Bogota, Colombia. The travel required of that office will necessarily increase.

Our request of the Office of Management and Budget recommended a continued complement of 57 positions for FY 1981.



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