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| **U.S. Department of Justice** |
| Federal Bureau of Investigation |

**FY 2014**

**Authorization and**

**Budget Request to Congress**



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**A. Introduction**

***Budget Summary:*** The Federal Bureau of Investigation’s (FBI’s) Fiscal Year (FY) 2014 budget request proposes a total of $8,292,669,000 in direct budget authority, including 34,787 permanent positions (13,082 Special Agents (SAs), 3,026 Intelligence Analysts (IAs), and 18,679 professional staff (PS)) and 36,442 full time equivalents (FTE). The request includes a total of $8,211,687,000 for Salaries and Expenses (S&E) and $80,982,000 for Construction to address the FBI’s highest priorities.

The request includes program increases totaling $214,959,000 and 748 positions (104 SAs, 1 IA, and 643 PS) and 374 FTE to address the Next Generation Cyber Initiative, Expansion of the National Instant Criminal Background Check System (NICS), operations and maintenance (O&M) for the Biometrics Technology Center (BTC) in Clarksburg, West Virginia, Surveillance and Financial Fraud. The request includes program offsets totaling $61,191,000. The request also includes a rescission of $150,000,000 to unobligated S&E balances.

The FBI continues to strategically assess current and prospective operations to ensure that mission requirements are met at the lowest possible cost to the U.S. taxpayer. The FY 2014 budget request is a product of these assessments and provides the resources to continue the FBI’s strategic vision into the future.

Electronic copies of the Department of Justice’s Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://www.justice.gov/02organizations/bpp.htm>.

***The FBI’s Mission and Strategic Goals:*** The mission of the FBI is to protect and defend the U.S. against terrorism and foreign intelligence threats, to uphold and enforce the criminal laws of the U.S., and to provide leadership and criminal justice services to federal, state, municipal, and international agencies and partners.

***Organization of the FBI:*** The FBI operates Field Offices in 56 major U.S. cities and over 360 “resident agencies” throughout the country. Resident agencies are satellite offices that support the larger Field Offices and allow the FBI to maintain a presence in and serve a greater number of communities. FBI employees assigned to Field Offices and resident agencies perform the majority of the investigative and intelligence work for the FBI. Special Agents in Charge of FBI Field Offices report to the Deputy Director and Director. The FBI also operates over 60 Legal Attaché (Legat) offices and 14 sub-offices in 67 foreign countries around the world.

Other major FBI facilities include the FBI Academy, the Engineering Research Facility (ERF), and the FBI Laboratory, all at Quantico, Virginia; a fingerprint identification complex in Clarksburg, West Virginia that includes the Criminal Justice Information Services (CJIS) Division and the Biometrics Technology Center; and the Hazardous Devices School at Redstone Arsenal, Alabama.

FBI Headquarters, located in Washington, D.C., provides centralized operational, policy, and administrative support to FBI investigations and programs conducted throughout the U.S. and in foreign countries. Under the direction of the FBI Director and Deputy Director, this support is provided by:

* The National Security Branch, which includes the Counterterrorism Division, Counterintelligence Division, the Directorate of Intelligence, Terrorist Screening Center, and the Weapons of Mass Destruction Directorate.
* The Criminal, Cyber, Response and Services Branch, which includes the Criminal Investigative Division, the Cyber Division, the Critical Incident Response Group, the International Operations Division, and the Office of Law Enforcement Coordination.
* The Science and Technology Branch, which includes the Criminal Justice Information Services Division, the Laboratory Division, and the Operational Technology Division.

A number of other Headquarters offices also provide FBI-wide mission support:

* The Information and Technology Branch oversees the IT Management Division, IT Engineering Division, and the IT Services Division.
* The Human Resources Branch includes the Human Resources Division and the Training Division.
* Administrative and financial management support is provided by the Facilities and Logistics Services Division, the Finance Division, the Records Management Division, the Security Division, the Resource Planning Office, and the Inspection Division.
* Specialized support is provided directly to the Director and Deputy Director through a number of staff offices, including the Office of Public Affairs, the Office of Congressional Affairs, the Office of the General Counsel, the Office of Equal Employment Opportunity, the Office of Professional Responsibility, the Office of the Ombudsman, and the Office of Integrity and Compliance.

**B.** **Threats to the U.S. and its Interests**

In an effort to better address all aspects of the FBI’s requirements, the FBI’s Budget is formulated and structured according to the threats that the FBI works to deter. These threats have been identified by the Director as the FBI’s priorities and, as such are resourced accordingly.

***Terrorism Threat:*** Terrorism, in general, and al-Qa’ida and its affiliates in particular, continues to represent the most significant threat to the country’s national security. Al-Qa’ida remains committed to its goal of conducting attacks inside the U.S. and continues to adjust its tactics and tradecraft in response to U.S. security countermeasures.

Al-Qa’ida seeks to infiltrate overseas operatives who have no known nexus to terrorism into the U.S. using both legal and illegal methods of entry. Further, al-Qa’ida’s access to chemical, biological, radiological, or nuclear material poses a serious threat to our Nation. Finally, al-Qa’ida’s choice of targets and attack methods will likely continue to focus on economic targets, such as aviation, the energy sector, and mass transit; soft targets such as large public gatherings; and symbolic targets, such as monuments and government buildings.

Religious extremists are using increasingly-diverse methods of member recruitment and development, which pose a very serious threat. One of the bigger issues materializing is the threat of Homegrown Violent Extremists (HVEs). The extremists are those who reside or operate in the U.S. and become inspired by al-Qa’ida or similar group through English-language propaganda, but do not have any ties to al-Qa’ida or any other foreign terrorist organization. In February 2011, Khalid Ali-M Aldawsari was arrested for planning to build bombs and attack U.S. targets like the home of former President George W. Bush, hydroelectric dams, nuclear power plants, night clubs and homes of soldiers who were stationed at Abu Ghraib prison. A journal Aldawsari kept, found during the investigation, indicated he had become inspired by Usama bin Laden’s speeches.

The internet is an effective terrorist recruitment tool. Through chat rooms, websites, and social media pages, one can obtain data on and make contact with radical groups without the risk of alerting authorities through overseas travel. In July 2011, Emerson Begolly was indicted for solicitation to commit a crime of violence and distribution of information relating to explosives, destructive devices and weapons of mass destruction. He was a known moderator on the Islamic Extremist web forum, Ansar al-Mujahideen English Forum, which is used to promote and distribute jihadist propaganda.

Although the internet may provide a “below-the-radar” introduction to the radical side of Islam, it appears that many would-be terrorists still meet with their sponsors and trainers in person. U.S. citizens have increasingly traveled overseas to countries or camps with terrorist ties and then returned to the U.S. to do harm. Wa’ad Ramadan Alwan and Mohanad Shareef Hammadi were arrested and indicted in May 2011 for attempting to provide material support to al-Qa’ida in Iraq (AQI). Both men had previously been in Iraq, under the direction of AQI, and conducted improvised explosive device (IED) attacks. Alwan was encouraged to come to the U.S., but not to conduct attacks in the U.S.; however they were still supporting AQI.

While much of the national attention is focused on the substantial threat posed by radicalized religious terrorists who target the Homeland, the U.S. must also contend with an ongoing threat posed by domestic terrorists based and operating strictly within the U.S. Domestic terrorists, motivated by a number of political or social issues, continue to use violence and criminal activity to further their agendas. In December 2011, Kevin William Harpham was sentenced to 32 years in jail for attempting to bomb the Martin Luther King, Jr. Unity March in Spokane, Washington. Harpham intended to harm participants, which included racial minorities, along the path of the march. Harpham had previously ties to a white supremacist organization.

***Weapons of Mass Destruction Threat:*** “Nuclear, chemical and biological weapons pose an increasing global risk despite international non-proliferation treaties. In an increasingly fragmented world, the chief threats are no longer rival superpowers but unstable states and terrorists.”

*- Global Risks 2011 Sixth Edition, An initiative of the Risk Response Network, 2011 World Economic Forums.*

The Weapons of Mass Destruction (WMD) threat continues to grow and pose significant danger to the U.S. and its allies. The U.S. Government has taken decisive and strategic actions to address this threat; however, the threat continues to evolve at a rapid pace as the capabilities and agility of those who would do harm to the U.S. and its international allies increase. In an effort to provide effective risk response to the WMD threat, the FBI has identified four threat areas that constitute the greatest vulnerabilities:

* **Development and Use of Biological Weapons**, including synthetic and advanced biotechnology;
* **Domestic Acquisition of Chemical Agents**, including the vulnerability of chemical facilities in the U.S.;
* **Proliferation of WMD Materials,** including dual-use materials that have a wide range of non-nefarious and legitimate uses but could be utilized to develop a WMD capability; and
* **Smuggling and Proliferation of WMD Technology**, including foreign government interest in acquiring Chemical, Biological, Radiological, Nuclear (CBRN) materials and reduced controls over nuclear materials.

FBI WMD countermeasure, tripwire, counterproliferation, and outreach activities support policy priorities identified by the International Policy Committee on Countering Biological Threats. One example is the synthetic biology/emergent biotechnology initiative where the FBI partners with U.S. synthetic DNA providers to evaluate uncertainties or suspicious information in customer orders. Industry members follow established security protocol to vet customers prior to releasing genetic sequences of Biological Select Agents and Toxins and contact the FBI to report suspicious requests. Of concern are orders that may allow reconstruction of pathogenic organisms with synthesized DNA, circumventing the regulatory oversight that controls access to dangerous pathogens. Another example is the academic biosecurity partnership initiative where the FBI reaches out to members of the research enterprise and raises awareness of physical and cyber security concerns, personnel reliability and safety, exploitation of research for nefarious purposes, theft of intellectual property, and insider threat mitigation strategies. The FBI continues to collaborate with industry, academia, public health, law enforcement, and the Intelligence Community to advance early detection of a biological event with potential terrorism nexus through the development of notification mechanisms and situational awareness to mitigate these risks. In 2010, the FBI placed a WMD expert in the International Criminal Police Organization (INTERPOL) to expand information sharing internationally, and continues to provide WMD training and assistance to U.S. international partners.

During February 2013, in the “**Strategy for Homeland Defense and Defense Support of Civil Authorities**” the Department of Defense identifies “the proliferation of weapons of mass destruction (WMD) capabilities and means of delivery to adversary nation-states, combined with terrorists’ interest in obtaining WMD, represent direct, high consequence, and serious physical threats to the homeland” as a significant security threat. The reports states that “through WMD, state and non-state actors adversaries actively seek to inflict mass civilian casualties in the United States, cripple our economy, or disrupt U.S. military operations overseas.”

The Director of National Intelligence, James R. Clapper, stated in the March 12, 2013 release of the **Worldwide Threat Assessment of the US Intelligence Community** report to the Senate Select Committee on Intelligence (SSCI) “Nation-state efforts to develop or acquire weapons of mass destruction (WMD) and their delivery systems constitute a major threat to the security of our nation, deployed troops, and allies. The Intelligence Community is focused on the threat and destabilizing effects of nuclear proliferation, proliferation of chemical and biological warfare (CBW)-related materials, and development systems.”

During calendar year 2012, the FBI investigated 1,816 total WMD cases, of which 181 were pure WMD cases, 118 were Counterterrorism cases with a WMD-nexus, 218 were Counterintelligence/Criminal Investigative cases with a WMD-nexus and 780 were Counterproliferation cases.

USIC agencies assess that, in the next five years, at least one terrorist group will conduct an attack against U.S. interests overseas and possibly against the U.S. Homeland using a biological, chemical, or nuclear weapon, potentially resulting in mass casualties. The USIC must increase strategic and tactical intelligence and enhance partnerships to minimize WMD vulnerabilities.

***Foreign Intelligence Threat:*** The foreign intelligence threat to the U.S. continues to increase as foreign powers seek to establish economic, military, and political preeminence and to position themselves to compete with the U.S. in economic and diplomatic arenas. The most desirable U.S. targets are political and military plans and intentions; technology; and economic institutions, both governmental and non-governmental. Foreign intelligence services continue to target and recruit U.S. travelers abroad to acquire intelligence and information. Foreign adversaries are increasingly employing non-traditional collectors – e.g., students and visiting scientists, scholars, and businessmen – as well as cyber-based tools to target and penetrate U.S. institutions. For example, on February 7, 2012, A Federal grand jury indicted five individuals and five companies on charges of Economic Espionage and Theft of Trade Secrets in the conspiracy to steal DuPont company information. On March 1, 2012, Tze Chao, one of three individuals named in the indictment, pleaded guilty to conspiring to commit economic espionage and agreed to cooperate with the investigation. This is the largest economic espionage case in FBI history.

***Cyber Threat:*** The United States continues to face a range of criminal, terrorist and nation-state threats. Their activities range from simple vandalism and lucrative organized crime rings to terrorism and nation-state intelligence collection. Terrorists seek to sabotage critical infrastructure; organized crime syndicates seek to defraud banks and corporations; and spies seek to steal defense and intelligence secrets, or Corporate America’s intellectual property.

While these threats are not new, the means by which they act are changing. Today, these threats act via the Internet and other computer networks. These networks provide ample cover from attribution, making managing the broad reaching consequences of the intrusion difficult as the motive of the attacker - be it criminal, terrorist or nation-state espionage - can remain unknown. Concurrently, just as the Internet has enabled businesses to maximize profits by inexpensively connecting with millions of customers, it has also enabled threats to amplify their impacts by inexpensively attacking millions of victims.

These circumstances have created risks to national security, global economic stability and public welfare. Despite formidable investments and concerted efforts by the private sector and government to build more secure and defendable computer networks, these risks remain high. As technology continues to proliferate into every facet of modern life - from social media and smart phones to critical infrastructure, automobiles and implanted medical devices - cybersecurity continues to be a rapidly growing concern with no easy solutions in sight.

The FBI’s mission in cybersecurity is not to study computer networks to patch vulnerabilities, nor is the FBI’s jurisdiction confined to only those assets owned by the U.S. government or critical infrastructure providers. Rather, the FBI’s mission focuses on countering the threat by investigating intrusions to determine criminal, terrorist, and nation-state actor identities, and engaging in activities which reduce or neutralize these threats. At the same time, the FBI also collects and disseminates information significant to those responsible for defending networks, including information regarding threat actor targets and techniques. The FBI’s jurisdiction is not defined by network boundaries; rather it includes all territory governed by U.S. law, whether domestic or overseas, and spans individual citizens, private industry, critical infrastructure, U.S. government, and other interests alike. Collectively, the whole-of-government approach being taken by the FBI and its federal partner agencies will serve to help deter future threats and bring closure to current threats which would otherwise continue to infiltrate and harm our network defenses.

***White Collar Crime*: The White Collar Crime (WCC) program addresses the following principal threats: public corruption (including government fraud and border corruption); corporate fraud; securities and commodities fraud; mortgage fraud and other financial institution fraud; health care fraud; money laundering; and other complex financial crimes.**

* **Public Corruption:** Public Corruption, which involves the corruption of local, state, and federally elected, appointed, or contracted officials, undermines our democratic institutions and threatens public safety and national security. Government fraud affects how well U.S. borders are secured and neighborhoods protected; how verdicts are handed down in court; and the quality of public infrastructure such as schools and roads. Many taxpayer dollars are wasted or lost as a result of corrupt acts by public officials.
* **Border Corruption: The federal government is responsible for protecting approximately 7,000 miles of the U.S. border and 95,000 miles of shoreline. Each day, approximately 1.1 million persons visit the U.S. and enter through one of the 329 official Ports of Entry (POEs) located along the southwestern and northern land borders of the U.S., as well as at seaports and international airports. The documented presence of corrupt border officials facilitates a wide range of illegal activities along the northern and southern borders. Resource-rich cartels and criminal enterprises employ a variety of methods in order to target and recruit U.S. Border Patrol Agents, Customs and Border Protection Officers, and local police officers who can facilitate criminal activity. Corrupt officials assist these entities by providing intelligence and contraband across these borders. To help address this threat, the Border Corruption Initiative (BCI) was established in 2009. The BCI has developed a threat-tiered methodology, targeting border corruption in all land, air and sea ports of entry in order to mitigate the threat posed to national security. The FBI has established the National Border Corruption Task Force (NBCTF) and established 26 Border Corruption Task Forces (BCTFs) in high-risk cities along the northern and southern borders.**
* **Corporate Fraud: As the lead agency investigating corporate fraud, the FBI focuses on cases involving complex accounting schemes, self-dealing corporate executives and obstruction of justice. The majority of cases pursued by the Bureau involve accounting schemes—deceiving investors, auditors and analysts about the true condition of a corporation. Through the manipulation of financial data, the share price of a corporation remains artificially inflated based on fictitious performance indicators provided to the investing public. In addition to significant financial losses to investors, corporate fraud has the potential to cause immeasurable damage to the U.S. economy and investor confidence.**

**Another high priority component of the Corporate Fraud program is insider trading. Insider trading continues to pose a serious threat to the U.S. financial markets. The FBI in recent years has broken the veil of secrecy on the hedge fund industry. The use of sophisticated techniques has exposed a vast network of corrupt participants trafficking in material non-public information. As part of the insider trading-focused Fair Markets Initiative, the FBI strives to protect the fair and orderly operation of the U.S. financial markets. FBI investigative efforts have led to more than a 60 percent increase in insider trading cases between FY 2010 and FY 2012.**

Examples of Corporate Fraud include:

* 1. Falsification of financial information, including:
     + False accounting entries
     + Bogus trades designed to inflate profits or hide losses
     + False transactions designed to evade regulatory oversight
  2. Self-dealing by corporate insiders, including:
     + Insider Trading
     + Kickbacks
     + Backdating of Executive Stock Options
     + Misuse of corporate property for personal gain
     + Individual tax violations related to self-dealing
  3. Fraud in connection with an otherwise legitimately-operated mutual or hedge fund, including:
     + Late Trading
     + Certain market timing schemes
     + Falsification of net asset values
     + Other fraudulent or abusive trading practices by, within, or involving a mutual or hedge fund
  4. Obstruction of justice designed to conceal any of the above-noted types of criminal conduct, particularly when the obstruction impedes the inquiries of the Securities and Exchange Commission (SEC), as well as other regulatory and/or law enforcement agencies.

* **Securities/Commodities Fraud:** The FBI focuses its efforts in the securities fraud arena on schemes involving high yield investment fraud market manipulation, and commodities fraud. During and after the recent crisis, the FBI saw an unprecedented rise in the identification of Ponzi and other high yield investment fraud schemes, many of which involve thousands of victims and staggering losses. Indeed, the FBI still continues to open new Ponzi scheme cases on a weekly basis. Additionally, the development of new schemes, such as stock market manipulation via cyber intrusion, continues to indicate that securities fraud is on the rise. Since 2007, FBI securities fraud investigations have increased by 57 percent.

The FBI has adopted an intelligence-led approach to identifying and targeting the most egregious perpetrators of securities fraud, utilizing undercover operations to identify and stop perpetrators before they are able to victimize individuals and damage financial markets. Securities and Futures Industries Suspicious Activity Reports (SARs) contain some of the best intelligence available to criminal and regulatory law enforcement personnel. In 2009, the FBI established a process to better exploit this intelligence to identify new securities fraud schemes and perpetrators. With the coordinated effort of special agents and intelligence analysts, these SARs are analyzed on a national level, leading to the creation of targeting packages which are presented to relevant Field Offices to open investigations.

Corporate fraud, along with securities and commodities fraud, remains a top priority of the FBI Financial Crimes Section and the FBI is committed to addressing this significant crime problem. Between FY 2003 and FY 2012, FBI special agent resources dedicated to corporate and securities/commodities fraud increased by 104 percent (177 to 361 agents) while the caseload increased at roughly the same pace (1,263 to 2,713 cases). The return on investment for these resources is significant: since 2001, the FBI has averaged 287 arrests, 582 information and indictments, and 494 convictions per year. These cases have resulted in billions of dollars in restitutions, recoveries, fines, and asset forfeitures. From FY 2008 through FY 2012, the FBI realized restitutions, recoveries, fines and forfeitures of $19.3 billion from corporate fraud matters and $30.9 billion for securities/commodities fraud matters. These resulted in an average of $18.8 million per corporate fraud agent utilized, and $58.3 million per securities/commodities fraud agent utilized.

* **Mortgage Fraud and Other Financial Institution Fraud:** Mortgage fraud, a subset of financial institution fraud, continues to absorb considerable FBI resources while showing no signs of subsidence. At the end of FY 2012, approximately 72 percent of the FBI’s 2,265 mortgage fraud cases involved losses exceeding $1 million per case. The FBI received over 93,000 SARs in FY 2011, the highest number ever, followed by 70,921 filed in FY 2012. Since the beginning of FY 2013, 29,094 mortgage fraud SARs have been filed. FBI intelligence predicts mortgage fraud will remain at elevated levels during FY 2013, due in significant part to an increase in fraud targeting distressed homeowners. Foreclosure actions, which are the best predictor of distressed homeowner fraud, are predicted by industry analyst RealtyTrac to remain at elevated levels for the foreseeable future.

The majority of FBI Mortgage Fraud cases are broken into three types of schemes:

* + Loan Origination Schemes. Borrowers and real estate insiders provide false financial information and documentation as part of the loan application package and false appraisals.
  + Illegal property-flipping occurs when a property is resold for a profit at an artificially inflated price shortly after being acquired by the seller. The key to this scheme is the fraudulent appraisal.
  + Builders employ bailout schemes to offset losses and circumvent excessive debt and potential bankruptcy as home sales suffer from escalating foreclosures, rising inventory, and declining demand. One type of Builder Bail-Out Scheme is the Condo Conversion. Builders entice individuals into purchasing the excess inventory by offering major incentives to buyers, including cash back at close, prepayment of homeowner association dues and other fees, and significant upgrades, all of which are undisclosed to the lender. The perpetrators artificially inflate the value of the condo to offset the cost of these incentives.
* **Health Care Fraud: Total health care expenditures in the U.S. are expected to surpass the $4 trillion mark by 2015, representing a 139 percent increase or more than double the 2003 $1.67 trillion expenditures.** This creates an environment prevalent to fraud, as the National Health Care Anti-Fraud Association (NHCAA) estimates conservatively that 3 to 5 percent of total health care expenses are fraudulent, resulting in an estimated $60-$100 billion in health care losses. The independent National Insurance Crime Bureau (NICB) estimates that health care fraud currently exceeds $130 billion annually.

Today, the FBI seeks to infiltrate illicit operation and terminate scams involving staged auto accidents, online pharmacies, Durable Medical Equipment, outpatient surgery centers, counterfeit pharmaceuticals, nursing homes, hospital chains, and transportation services. Besides the federal health benefit programs of Medicare and Medicaid, private insurance programs lose billions of dollars each year to blatant fraud schemes in every sector of the industry.

Despite a drop in health care fraud cases since 2001 (FY 2001: 2,870 / FY 2012: 2,835), the average jail sentence has significantly increased during that timeframe, from 16 to 27 months, illustrating that the FBI is targeting the worst offenders. Meanwhile, health care fraud cases prove to be extremely resource intensive as the average time from case initiation to sentencing was 31 months per health care fraud case in FY 2011.

* **Money Laundering: Money laundering allows criminals to infuse illegal money into the stream of commerce, thus corrupting financial institutions and the money supply while providing the criminals with unwarranted economic power. The FBI investigates money laundering cases by identifying the process by which criminals conceal or disguise the proceeds of their crimes or convert those proceeds into goods and services. The major threats in this area stem from emerging technologies, such as stored value devices, pre-paid gift cards and reloadable debit cards, in order to move criminal proceeds; as well as shell corporations, which are used to conceal the beneficial ownership of funds being moved through financial institutions and international commerce. In FY 2010, the FBI initiated the Priority International Money Laundering Threat (PIMLAT) initiative. Through this program, FBI Headquarters applies a variety of intelligence and investigative resources to address money laundering schemes that are international, that occur across multiple FBI Field Offices, or that support significant threats to the U.S.**

At the end of FY 2012, the FBI had 283 open money laundering investigations; money laundering violations occur across all programs – from counterterrorism to organized crime to gangs – and can be contained as pieces of higher priority investigations.

* **Other Complex Financial Crimes (Insurance, Bankruptcy, and Mass Marketing Fraud): The FBI anticipates insurance fraud to continue to increase, contributing to increases in insurance premiums as well as threatening the financial viability of insurance companies. Since 2006, the year after bankruptcy laws were changed to make it more difficult for an individual to discharge all debts, bankruptcy filings have significantly increased each year. The potential for fraud within bankruptcy is large. According to the Federal Trade Commission, complaints concerning mass marketing fraud have also increased.**
* Intellectual Property Rights The FBI’s overall strategy for Intellectual Property Rights (IPR) enforcement is to disrupt and dismantle international and domestic criminal organizations and individuals that manufacture or traffic in counterfeit and pirated goods and/or steal, distribute or otherwise profit from the theft of intellectual property. Investigative priorities include theft of trade secrets, counterfeit goods that pose a threat to health and safety, and copyright and trademark infringement cases having a national security, organized crime, or significant economic impact.
  + The FBI is a primary partner at the National Intellectual Property Rights Coordination Center (IPR Center). The IPR Center serves as a centralized, multiagency entity to coordinate, manage and advocate the U. S. Government’s Federal criminal enforcement of intellectual property rights laws. The FBI pursues intellectual property rights enforcement by coordinating investigations with law enforcement partners at the IPR Center. This coordination includes initiating aggressive criminal initiatives based on current and emerging threats as well as coordinating intelligence components and investigative strategies with both private industry and domestic and foreign law enforcement partners.

***Gang Violence:*** Across the country, violent street gangs operate with impunity in communities of all sizes: urban, suburban and rural areas. FBI Violent Gang Safe Streets Task Forces (VGSSTFs) report that violent street gangs, whether they are neighborhood based or national gangs, are a top threat to our communities followed by prison gangs and outlaw motorcycle gangs. The FBI's Violent Gang Sub-Program is designed to reduce gang related violence by identifying, prioritizing, and targeting the most violent gangs whose activities constitute criminal enterprises. This is accomplished through the administration of 164 VGSSTFs.

Gangs continue to proliferate and commit violent crime and are expanding to suburban and rural areas. This migration is believed to be a result of better organized urban gangs expanding their criminal networks into new market areas in suburban and rural locations, where they can absorb local unaffiliated gangs or use violence to intimidate them. As these expanding gangs encounter resistance from local gangs or other drug distributors in these communities, violent crimes such as assaults, drive-by shootings, and murders can be expected to increase.

Gangs are becoming more violent and are establishing strong alliances with drug trafficking organizations. In addition, they are also partaking in less typical gang-related crime, such as human trafficking, white-collar, and cyber crime.

***Transnational Criminal Organizations and Enterprises:*** **T**ransnational organized crime is an immediate and increasing concern of the domestic and international law enforcement and intelligence communities. Geopolitical, economic, social, and technological changes within the last two decades have allowed these criminal enterprises to become increasingly active worldwide. The criminal enterprises include the following distinct groups: Eurasian Organizations that have emerged since the fall of the Soviet Union; Asian Criminal Enterprises; traditional organizations such as the La Cosa Nostra (LCN) and Italian Organized Crime; Balkan Organized Crime; Middle Eastern Criminal Enterprises, and African Criminal Enterprises.

In FY 2010, two Threat Fusion Cells (TFC) were created in order to meet the number one goal of the Organized Crime Program (OCP): to target, dismantle, disrupt, neutralize, and render impotent transnational criminal organizations and enterprises that pose a threat to national security. The TFCs are specifically focused on two criminal enterprises, Brothers’ Circle and Semion Mogilevich Organization, and is staffed with personnel from various intelligence and law enforcement communities, including the National Security Agency.[[1]](#footnote-2)

***Civil Rights:*** The FBI has primary responsibility for investigating all alleged violations of federal civil rights laws. These laws protect the civil rights of all citizens and persons within the U.S., and include the four major areas described below:

* Hate Crimes: Hate crimes are the top investigative priority of the Civil Rights Program as they impact not only the victims, but also the entire community. In October 2009, President Obama signed the Matthew Shepard and James Byrd, Jr. Hate Crimes Prevention Act of 2009 into law. For the first time in the history of the nation, the federal government has the authority to prosecute violent hate crimes, including violence directed at the gay, lesbian, bisexual, and transgender community, to the fullest extent of its jurisdiction.
* Color of Law (COL): COL violations are the deprivation of any rights, privileges, or immunities secured or protected by the U.S. Constitution by someone in his/her official, governmental capacity. The FBI has investigative responsibility for federal COL matters involving local and state law enforcement and concurrent responsibility with the Office of Inspectors General for other federal agencies.

* Human Trafficking: Human trafficking is a form of modern-day slavery and is a significant and persistent problem in America and internationally. Victims are often lured with false promises of good jobs and better lives and then forced to work under brutal and inhumane conditions. Many trafficking victims are forced to work in the sex industry; however, trafficking can also take place in labor settings involving domestic servitude, prison-like factories, and migrant agricultural work. Human trafficking cases require extensive outreach and cooperation with local, state, and federal agencies, as well as non-governmental organizations, to properly address the problem.
* Freedom of Access: Under the Freedom of Access to Clinic Entrances (FACE) Act, the FBI has the sole investigative responsibility for conducting investigations of potential FACE Act violations. Incidents include murder, death threats, invasions, burglaries, harassing telephone calls, hate mail, assaults, arsons, and other acts of intimidation. The number of FACE Act violations remains relatively low, with occasional spikes during dates which mark significant events in the pro-choice and pro-life movements.

***Crimes Against Children:*** The Violent Crimes Against Children Program has developed a nationwide capacity to provide a rapid and effective investigative response to reported federal crimes involving the victimization of children; reduce the vulnerability of children to acts of sexual exploitation and abuse; reduce the negative impacts of international parental rights disputes; and strengthen the capabilities of federal, state and local law enforcement agencies through training programs and investigative assistance. The FBI is the only federal agency with sole jurisdiction to investigate child abductions, as legislated in Title 18, U.S. Code, Section 1201. The FBI Crimes Against Children Unit supports the Child Abduction Rapid Deployment Team (CARD Team), Innocence Lost National Initiative, Innocent Images National Initiative and the Child Sex Tourism (CST) Initiative.

* + Child Abductions: In FY 2012, the FBI investigated 173 pending child abduction cases. In an effort to enhance the FBI's response to abductions and the mysterious disappearance of children, the FBI’s Violent Crimes Section in coordination with the Critical Incident Response Group (CIRG)/Behavior Analysis Unit III (BAU III) created regional Child Abduction Rapid Deployment (CARD) Teams. Teams are geographically distributed throughout the 5 regions of the U.S., consistent with the FBI Corporate Management Structure. Each region has two teams comprised of Supervisory Special Agents and Special Agents representing 35 field divisions. To date, the CARD Teams have deployed on 87 occasions resulting in the successful recovery of 36 children.
  + Innocence Lost investigations address the commercial sexual exploitation of children. Investigations have identified national criminal organizations responsible for the sex trafficking of hundreds of children, some as young as nine years old. As of January 2013, the Innocence Lost National Initiative (ILNI) has resulted in 797 pending cases, 985 information/indictments, and 1,251 convictions. Furthermore, subjects of these investigations are regularly sentenced to terms of 25 years or more, while nine have received life sentences. Since its inception, over 2,408 children have been recovered and removed from the cycle of abuse. In FY 2012 alone, 534 children were recovered. In the first quarter of FY 2013, the Crimes Against Children Sub-Program merged resources with the Cyber Division’s Innocent Images Sub-Program to establish 66 Child Exploitation Task Forces designed to combat all child exploitation matters to include the commercial sexual exploitation of children through sex trafficking.
  + Child Sex Tourism (CST) initiative targets U.S. citizens who travel to foreign countries and engage in sexual activity with children under the age of 18. As of January 2012 the initiative had conducted ten threat assessments in countries in Southeast Asia and Latin America in order to identify predicated venues where CST is occurring. The initiative has also organized and participated in capacity building for foreign law enforcement, prosecutors, and non-government organizations in these countries. As of January 2013, the CST Initiative has 41 open investigations, and has led to the conviction of 10 offenders and the arrest and indictment of 2 additional individuals.

***Indian Country:*** The Indian Country Crimes (ICC) Sub-Program has developed and implemented strategies to address the most egregious crime problems in Indian Country (IC) where the FBI has responsibility. ICC supports joint investigative efforts with the Bureau of Indian Affairs-Office of Justice Services, tribal law enforcement, and manages 15 Safe Trails Task Forces. ICC cases are mostly reactive; however, many are cross-programmatic in nature and include public corruption and complex financial fraud.

At the end FY 2012, the FBI had more than 3,000 pending Indian Country (IC) investigations on approximately 200 reservations and 400 Indian gaming facilities throughout 28 states. Approximately 75 percent of these investigations are in the Minneapolis, Salt Lake City, Phoenix, and Albuquerque Field Offices and the majority of the investigations involve death, sexual/physical assault of children, and/or felony assaults. Statistics indicate more than one-third of all Native American women will be raped at least once during their lifetime and nearly two-thirds will be victims of violent assaults. In addition to the violence, a significant emerging threat for the FBI is white collar crimes associated with the Indian Gaming industry.

Due to jurisdictional issues, the FBI is the primary law enforcement entity in the IC. Furthermore, the Bureau of Indian Affairs has a limited number of investigators, though they are not present on every reservation. Additionally, Tribal authorities can only prosecute misdemeanors of Indians, and state/local law enforcement does not have jurisdiction within the boundaries of the reservation, with the exception of Public Law 280 states and tribes. DOJ has reported that 25 percent of all violent crimes prosecuted by the U.S. Attorney Offices are related to IC. There are 15 Safe Trails Task Forces that are addressing drug/gang and violent crimes in IC. The gang threat on Indian Reservations has become evident to the tribal community leaders, and gang-related violent crime is reported to be increasing.

***Fugitives*:** remain a concern to law enforcement with approximately 1.5 million active warrants within the National Crime Information Center (NCIC) system. The FBI is conducting investigations on more than 8,000 violent fugitives under the Unlawful Flight to Avoid Prosecution violation. Further, the FBI has more than 6,500 substantive case file fugitives outstanding and approximately 2,143 fugitives from the U.S. are believed to be in foreign countries.

***Transportation Crimes:*** Within the Transportation Crimes area, there were more than 500 crimes that occurred aboard an aircraft and another 100 incidents were reported regarding the destruction of aircraft. Personal and property crimes continue to be a concern within Special Jurisdiction Crimes areas such as within federal penal institutions, on other federal government properties, and in special jurisdictional areas, such as on the high seas.

***Southwest Border:*** Thevolatility among Transnational Criminal Organizations (TCOs) and violent gangs (e.g., Mexican Mafia, Barrio Azteca, Los Zetas, MS-13, and 18th Street) along the Southwest Border has resulted in historic levels of drug-related violence. As rival TCEs and gangs battle for control over the lucrative drug markets, spikes in kidnappings, homicides and a myriad of other violent acts have occurred along the U.S.-Mexico border. In addition, these transnational groups are utilizing several “tools” to aid in their objectives, such as public corruption, money laundering, human trafficking, and threats to law enforcement.

To address the Southwest Border threat, the FBI has developed an intelligence-driven, cross-programmatic strategy to penetrate, disrupt and dismantle the most dangerous organizations as well as identify and target individuals in leadership roles. This strategy includes the deployment of hybrid squads in areas assessed to be particularly vulnerable to violence and criminality associated with TCOs, regardless of their physical proximity to the border. The primary goal of the hybrid squad model is to bring a threat-based domain view of these dynamic, multi-faceted enterprises, thus fusing strategic and tactical intelligence with investigative operations. In turn, this can increase the likelihood that the FBI is aware of every facet of illicit activity within the organization at all levels and can link them back to priority targets outside the U.S. To that end, hybrid squads consist of multi-disciplinary teams of Special Agents, IAs, Staff Operations Specialists (SOS), and other professionals who approach TCEs holistically. The agent composition on the squads provides different backgrounds and functional expertise, ranging from violent gangs, public corruption, and violent crimes.

**C. FBI’s 2014 Budget Strategy**

***Required Capabilities to Address National Security, Cyber, and Criminal Threats:*** The FBI’s budget strategy is based on the FBI’s knowledge of current and future national security, cyber, and criminal investigative threats. Based on this information, the FBI has identified critical, enterprise-wide capabilities needed to perform its mission. This capabilities-based approach to planning the FBI’s future resource requirements is necessary since it is not possible to project with certainty who will be the future adversary (e.g., nation, combination of nations, non-state actor, gangs, criminal enterprises, or individuals). In other words, future capabilities are designed to enable the FBI to address the range of expected national security and cyber threats and crime problems regardless of who actually perpetrates the acts.

The FBI’s FY 2014 budget supports funding growth in computer intrusions investigative capacity, financial fraud investigations, surveillance, and the capacity to perform background checks for the sales of firearms. Additionally, this budget request also supports operations and maintenance (O&M) for the Biometrics Technology Center (BTC) in Clarksburg, West Virginia. While these program increases are imperative to address high priority threats, the FBI continues to strive for cost savings and efficiencies in all mission essential operations.

***Foundation for Achieving the Desired Capabilities:*** The foundation of the FBI’s budget is supported by four objectives: (1) the application of a Strategy Management System (SMS) to FBI planning; (2) accelerated improvements in program management through intelligence-driven operations; (3) continuation of a multi-year planning process; and (4) a directed-growth strategy aligned to the FBI’s most critical requirements.

**FBI Strategy Management System:**

The FBI uses the SMS to guide its strategy development and decision-making. The SMS is a strategic planning and execution process that is maintained throughout the Bureau. Strategies and priorities are developed at the Enterprise, Branch, and Division levels; those entities then measure, track, and review performance against achieving their priorities on a quarterly basis.

Through the SMS, the FBI aims to strike the appropriate balance between its national security and criminal missions, and between short-term tactical efforts and longer-term strategic initiatives. Strategic management of the FBI’s two greatest assets, its employees and information, helps address the current mission and positions the FBI to meet future challenges.

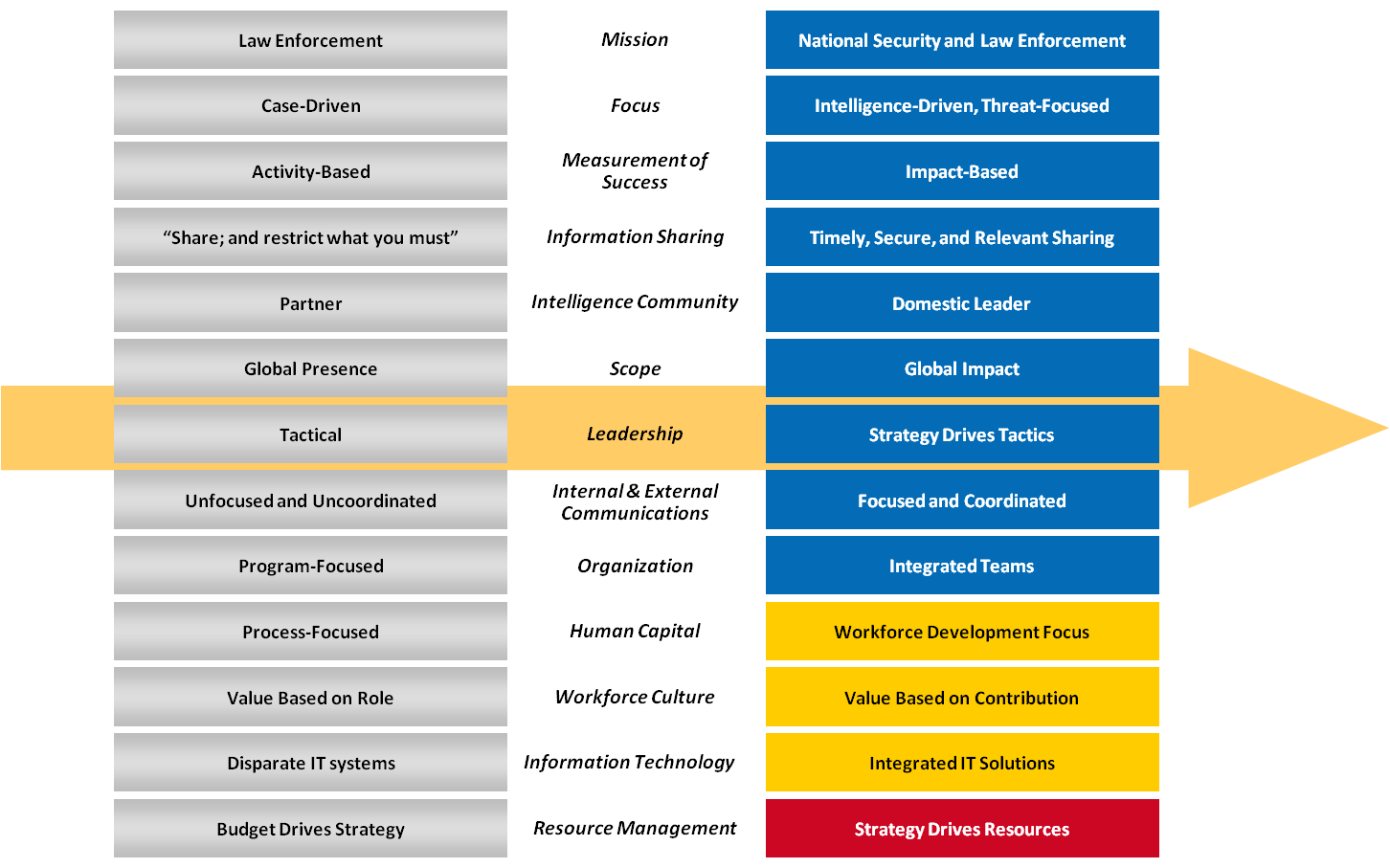
Led by the Director and facilitated by the Resource Planning Office (RPO), SMS is based on the Balanced Scorecard framework and has a twofold purpose: to implement the FBI’s strategic plan, and to unify strategic planning efforts throughout the Bureau. SMS accomplishes this by aligning each Division’s resources and activities to the FBI’s top ten priorities and delineating how the priorities will be achieved.

The FBI’s SMS consists of several major, interrelated components:

* Strategic Shifts
* Strategy Map
* Balanced Scorecard/SMS Profile
* Strategic Initiatives

Strategic Shifts

The FBI’s strategic shifts, shown below, consist of a set of focus areas selected by FBI leadership, along with the perceived present state (on the left) and intended future state (on the right) for each area. While the focus areas are not designed to be all-encompassing, they represent the key dimensions in which the organization needs to change in order to achieve its mission. The areas are often a combination of organizational, cultural, and technological changes that FBI leadership has identified as necessary to address over the next five years in order to realize the Bureau’s vision. The strategic shifts were initially identified and defined in 2006. Five years later, in 2011, FBI management assessed the Bureau’s progress on each shift and re-defined the strategic shifts, as shown below.



Strategy Map

The FBI Strategy Map is a visual representation of the organization’s strategic objectives. These objectives are organized by four broad themes: American Public Expectations, Internal Processes, Talent and Technology, and Resources. The FBI is guided by a Strategy Map consisting of 25 strategic objectives, falling under 7 different themes, as shown below. The Strategy Map describes the “story of the strategy” through a one-page, concise visual representation.



The Strategy Map provides the ability to more effectively communicate the FBI’s strategy through the use of a visual aid. The story can be told from the “top down:” the FBI will achieve its mission and meet the expectations of the American public by utilizing intelligence and investigations to deter, detect, and disrupt national security threats and criminal activity. It will support these critical operational processes by excelling at managing the organization and by maximizing partnerships with federal, state, local, and international partners. The organization’s people and technology provide the capabilities to operate these critical internal processes. Therefore, the FBI must optimize and align its resources in order to maximize workforce success and leverage technology and science.

Alternatively, the story can be told from the “bottom up:” the FBI will optimize its resources in order to hire, train, and retain the right people, while implementing the necessary technology to support its operations. The Bureau will manage the business effectively and leverage partnerships in order to help deter, detect, and disrupt national security threats and criminal activity. By integrating intelligence with law enforcement, and maintaining traditional standards in other operations, the FBI will execute its mission and meet the expectations of the American people.

SMS Profile and Initiatives

The SMS profile serves as the framework to translate strategy into a list of operational objectives, measures, and initiatives that drive behavior and performance. Each of the objectives identified on the Strategy Map is linked to one or more measures and each measure has a target that defines success. In addition, key strategic initiatives are identified and tracked to ensure that any performance gaps are closed.

The FBI’s leadership team uses SMS to manage organizational performance by conducting regular strategy review meetings. At these meetings, leadership reviews SMS profiles, along with information and data on SMS objectives, measures, and initiatives. During these meetings, the leadership team discusses performance and makes decisions on resolving critical performance issues.

Ultimately, the FBI’s Field Offices are central to implementing the organization’s strategy. Accordingly, in addition to these strategy review meetings, the FBI uses Strategic Performance Sessions (SPS) to better understand key strategic issues from the Field Offices’ perspective. These sessions are led by the Deputy Director and typically focus on discussions with field managers on a key area of the FBI’s strategy.

The SMS is a continuous process for driving evolutionary improvements. Reviews not only track strategic progress; they also examine what is working and not working and what needs to be adjusted. Over time, the Strategy Map and the 25 objectives may change. Initiatives that are not succeeding are provided with the support they need to succeed or will be eliminated, and other initiatives are added to address identified gaps. The SMS provides the flexibility the FBI needs to stay ahead of changing threats and demographic and other trends that impact its mission.

**Intelligence-Driven Operations:**

Since the events of September 11, 2001, the FBI significantly increased its intelligence capability. Prior to the 9/11 attacks, the organization’s operations were heavily weighted towards its law enforcement mission; intelligence tools and authorities were primarily used for the counterintelligence mission. In the immediate aftermath of 9/11, the FBI quickly identified the need to enhance intelligence programs with improved analytical and information sharing capabilities to detect and prevent future terrorist attacks. The FBI uses intelligence to understand national security threats, and to conduct operations to dismantle or disrupt those threats. Some examples of how the FBI uses intelligence to drive its operations include:

* Field Intelligence Groups (FIGs): The FBI developed a standardized model for field intelligence that can be adjusted to the size and complexity of small, medium, and large offices. There are now 56 FIGs throughout the Nation.
* Fusion Cells: Fusion Cells are intelligence teams within operational divisions designed to integrate all aspects of the intelligence cycle for a unique threat. The Fusion Cells integrate intelligence and operations and collaborate across work roles to ensure intelligence drives and supports operations. Fusion Cells consist of Intelligence Analysts (IAs) who cover the strategic, domain, collection, and tactical intelligence functions. The structure and process of the Fusion Cells are designed to streamline intelligence support and more directly collaborate with operations.
* The Collection Operations Requirements Environment (CORE): CORE is a technology solution that makes FBI and national intelligence requirements easily accessible to all Field Office personnel and improves information flow between operational squads and the FIGs.

**Multi-year Planning:**

An increasing number of the FBI's programs and initiatives are multi-year in nature, and require phased development, deployment, and operations/maintenance funding. A multi-year planning approach allows FBI management to better understand the implications of proposed initiatives.

A newer aspect of the multi-year planning effort is the Corporate Capital Planning Office, which is currently examining the long-term needs of and certain large-scale capital projects.

**D. Environmental Accountability**

The FBI is rolling out an organizational Environmental Management System (EMS) that provides corporate environmental protection standards to deploy to the Field Offices and major facilities (including CJIS, Quantico, and HQ). Individual facility and Field Office EMSs will follow. The FBI established an overarching environmental policy in February 2012 to serve as the guiding framework for developing, implementing, and continually improving the EMS. The organizational EMS is implemented through Environmental Protection Programs (EPPs) that establish policy and procedure in major environmental programmatic areas. The first three EPPs (i.e., Solid Waste & Recycling Management; Petroleum, Oil, & Lubricants (POL) Management; and Hazardous Waste Management) were developed and fully implemented at the end of FY 2012. EPPs for Energy Management and Water Management have been developed in FY 2013. The FBI is currently developing EPPs for implementing the National Environmental Policy Act (NEPA), Electronics Stewardship, Green Purchasing, and High Performance & Sustainable Green Buildings—all scheduled for completion in FY 2014.

The FBI has revised its safety committee policy and procedures to expand the jurisdiction of our safety committees to include environmental issues. In essence, these safety committees – which are in place within all Bureau Divisions and major facilities – will become “green teams” and will provide a forum for discussion of environmental issues and a mechanism for EMS implementation. Additionally, the FBI has added a higher level Executive Environmental, Health and Safety Committee that meets every six months to address FBI environmental and safety policies and initiatives.

The FBI actively participates in DOJ’s overall efforts to implement Executive Order 13514. The FBI provided data and input into the Department’s Strategic Sustainability Performance Plan (SSPP) and routinely corresponds with DOJ and the other Bureaus to determine the most efficient, effective methods to protect the environment. The FBI completed its greenhouse gas inventory in FY 2012 and the results of this inventory will provide additional input to decision makers as they determine where to target efficiency measures.

The FBI has developed a sustainable building policy that addresses requirements of Executive Orders 13423 and 13514, the Federal Leadership in High Performance and Sustainable Buildings Memorandum of Understanding of 2006, the Energy Policy Act of 2005, and the Energy Independence and Security Act of 2007. The FBI's policy requires that new FBI-owned facilities over $25 million be designed and constructed to meet the minimum of a Leadership in Energy and Environmental Design (LEED) Certified Silver Rating in the New Construction category. In addition, the policy - which was signed and implemented in 2008 requires the installation of advanced metering devices and the use of recycled content or environmentally preferable products in construction of new facilities. The FBI expects to obtain LEED Silver certification for the new BTC at the CJIS Complex by December 2014.

The FBI's Fleet Management Program integrates environmental accountability into its operations in various ways. The FBI is in the process of incorporating hybrid vehicles, alternative fuel vehicles (E85), and more fuel efficient vehicles (4 cylinders) into the fleet. Additionally, the FBI's automotive maintenance and repair facilities incorporate environmental accountability through various programs. These facilities use re-refined motor oil for a majority of the vehicles serviced and recycle all used oil. Automotive facilities also use air conditioning and coolant recycling machines in connection with the servicing of vehicles. A battery exchange program is in place to ensure used batteries are returned to the vendor for proper recycling. In addition, many facilities are reviewing the use of environmentally friendly chemicals, including degreasers, hand cleaners, and general purpose cleaners in day to day operations. Finally, facilities are ramping up hazardous waste training through pollution prevention and recycling programs.

**II. Summary of Program Changes**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Description** | **Pos.** | **FTE** | **Dollars**  **($000)** | **Page** |
| **Salaries and Expenses Enhancements** | | | | | |
| Next Generation Cyber (NGC) Initiative | To enhance the FBI’s capacity to collect, coordinate, integrate, and share information related to cyber intrusion investigations. | 152 | 76 | $86,584 | 5-1 |
| National Instant Criminal Background Check System (NICS) Expansion | To double the capacity of the existing NICS system and personnel to accommodate an anticipated increased workload of NICS checks. | 524 | 262 | $100,000 | 5-8 |
| Biometrics Technology Center (BTC) | To support O&M costs for the new BTC facility, which will bring together the FBI’s Biometric Center of Excellence and the Department of Defense’s Biometrics Fusion Center. | … | … | $7,375 | 5-12 |
| Surveillance | To enhance the investigative productivity of the current workforce in meeting critical  Tier 1 priority surveillance requirements. | 28 | 14 | $6,000 | 5-15 |
| Financial and Mortgage Fraud | To support the investigation of financial industry fraud schemes perpetrated by individuals, as well as criminal organizations, which target our nation’s financial institutions. | 44 | 22 | $15,000 | 5-16 |
| **Total, Salaries and Expenses Enhancements** | | **748** | **374** | **$214,959** |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Description** | **Pos.** | **FTE** | **Dollars**  **($000)** | **Page** |
|  | |  |  |  |  |
| **Salaries and Expenses Offsets** | | | | | |
| Administrative Efficiencies | To reduce funding for administrative areas such as travel and transportation, supplies and materials, and equipment. | … | … | ($11,158) | 6-1 |
| Contractor Reduction | To reduce national security non-personnel funding. | … | … | ($7,113) | 6-3 |
| Critical Incident Response | To reduce funding for training and equipment. | … | … | ($3,417) | 6-5 |
| Eliminate National Gang Intelligence Center | To close the National Gang Intelligence Center (NGIC). | (15) | (15) | ($7,826) | 6-7 |
| Facilities Reduction | To right-size several programs that support facilities and logistics services. | … | … | ($22,562) | 6-9 |
| Lower-Priority Program Reduction | To reduce funding for lower priority initiatives in order to support higher priority National Security and Cyber initiatives. | … | … | ($2,000) | 6-11 |
| Permanent Change of Station/Relocation Program | To reduce the FBI’s funding supporting its Relocation Program, which will limit employee relocation according to mission priority. | … | … | ($5,000) | 6-13 |
| State and Local Security Clearances | To discontinue the use of direct resources on security clearances for state and local task force officers that are not members of the Joint Terrorism Task Force (JTTF). | … | … | ($2,115) | 6-15 |
| **Total, Salaries and Expenses Offsets** | | **(15)** | **(15)** | **($61,191)** |  |

**III. Appropriations Language and Analysis of Appropriations Language**

**Appropriations Language for Salaries and Expenses**

For necessary expenses of the Federal Bureau of Investigation for detection, investigation, and prosecution of crimes against the United States, [$8,151,021,000] $8,361,687,000: Provided, That not to exceed $216,900,000 shall remain available until expended: Provided further,That not to exceed $184,500 shall be available for official reception and representation expenses.

(Cancellation)

Of the unobligated balances from prior year appropriations under this heading, [$162,226,000] *$150,000,000* are hereby permanently cancelled: *Provided*, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

**IV. Decision Unit Justification**

**A. Intelligence Decision Unit**

|  |  |  |  |
| --- | --- | --- | --- |
| INTELLIGENCE DECISION UNIT | Direct Pos. | FTE | Amount  ($000) |
| 2012 Enacted1/ | 7,211 | 6,864 | $1,683,508 |
| 2013 Continuing Resolution | 7,211 | 6,954 | 1,683,508 |
| 2013 Continuing Resolution 0.612% Increase | … | … | 10,303 |
| 2013 Supplemental Appropriation –  Sandy Hurricane Relief | … | … | 2,099 |
| Base and Technical Adjustments | -67 | -57 | 24,818 |
| 2014 Current Services | 7,144 | 6,897 | 1,718,629 |
| 2014 Program Increases | 3 | 1 | 14,017 |
| 2014 Program Offsets | (15) | (15) | (20,841) |
| 2014 Request | 7,132 | 6,883 | 1,711,805 |
| Total Change 2012-2014 | (79) | 19 | $28,297 |

1/2012 FTE represents Actual FTE

|  |  |  |  |
| --- | --- | --- | --- |
| Intelligence - Information Technology Breakout (of Decision Unit Total) | Direct Pos. | FTE | Amount  ($000) |
| 2012 Enacted | … | … | 315,741 |
| 2013 Continuing Resolution | … | … | 315,741 |
| 2013 Continuing Resolution 0.612% Increase | … | … | 317,673 |
| Adjustments to Base and Technical Adjustments | … | … | … |
| 2014 Current Services | … | … | 308,209 |
| 2014 Program Increases | … | … | 195 |
| 2014 Program Offsets | … | … | … |
| 2014 Request | … | … | 318,405 |
| Total Change 2012-2014 | … | … | $2,664 |

1. Program Description

The FBI’s Intelligence Decision Unit (IDU) is comprised of the Directorate of Intelligence (DI); the intelligence functions within the Counterterrorism, Counterintelligence, Cyber, Criminal Investigative, and Weapons of Mass Destruction Divisions; Field Intelligence Groups (FIGs); Special Technologies and Applications Section (STAS); Terrorist Screening Center (TSC);Infrastructure and Technology; Intelligence Training; Critical Incident Response Group; Laboratory Division and the International Operations Division. Additionally, to capture all resources that support these programs, a prorated share of resources from the FBI's support divisions (including Training, Laboratory, Facilities and Logistics Services, Information Technology (IT), and Human Resources) are calculated and scored to the decision unit.

***Directorate of Intelligence***

The FBI established the DI as a dedicated and integrated intelligence service. The DI is the FBI’s core intelligence element and one of the four major organizations that comprise the National Security Branch (NSB). It provides dedicated national intelligence workforce with delegated authorities and responsibilities for all FBI intelligence functions, including information sharing policies, from three Executive and Legislative documents: a Presidential Memorandum to the Attorney General dated November 16, 2004; the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004; and the Fiscal Year (FY) 2005 Omnibus Appropriation Bill. The Directorate carries out its functions through embedded intelligence elements at FBI Headquarters (FBIHQ) and in each field office.

***Intelligence Analysts***

The work performed by Intelligence Analysts (IAs) is essential to the FBI's ability to understand today's threats to national security, and to develop a deeper understanding of tomorrow’s potential threats. To safeguard national security, the FBI must focus analytic resources to analyze the threat, determine potential courses of action, and place analysis in the context of ongoing intelligence and investigative operations.

The FBI’s intelligence analytic cadre covers three career paths (Tactical, Collection/Reporting and Strategic) and performs functions which include: understanding emerging threat streams to enhance domain knowledge and exploit collection opportunities; enhancing collection capabilities through the deployment of collection strategies; reporting raw intelligence in a timely manner; identifying human and technical source collection opportunities; performing domain analysis in the field to articulate the existence of a threat in the field offices’ area of responsibility; performing strategic analysis at FBIHQ to ascertain the ability to collect against a national threat; serving as a bridge between intelligence and operations; performing confidential human source validation; and recommending collection exploitation opportunities at all levels. The products generated by intelligence analysis drive FBI investigative and operational strategies by ensuring they are based on an enterprise-wide understanding of the current and future threat environments.

***Field Intelligence Groups (FIGs)***

FIGs are the centralized intelligence components in the field that serve to integrate the intelligence cycle (requirements, collection, analysis, and dissemination) into field operations. In accordance with FBI policy and guidance to the field, it is the responsibility of the FIG to coordinate, guide, and support the field office’s operational activities through the five core intelligence functions. These functions are: domain management; collection management; requirements-based (sometimes non-case) collection – including human intelligence (HUMINT); tactical intelligence analysis; and intelligence production and dissemination. All five of the core intelligence functions require the FIG to work seamlessly with the operational squads in order to be successful.

FIG Special Agents (SAs) are required to perform one or more of the following primary functions: intelligence collection, collection management, Confidential Human Source (CHS) coordination, focused source recruitment, source development and validation, and intelligence and partner relations. FIG SAs’ intelligence collection activities include maintaining CHSs and conducting threat assessments.

All SAs assigned to the FIG work closely with IAs to report observations indicating new trends in the local environment, collect key intelligence based upon the FBI’s priority threat or vulnerabilities, and spot areas and targets for source recruitment. FIG SAs serve to facilitate the handling of cross-programmatic intelligence information obtained from CHS debriefings. To do this effectively, HUMINT collectors (SAs) on the FIG must maintain close and constant communication with other collectors (SAs) and embedded IAs on investigative squads in order to augment their collection abilities beyond reporting on the squad’s investigations.

***Foreign Language Program (FLP)***

The FLP provides quality language solutions, analysis, and cultural expertise to the FBI and its partners. The FBI’s success at protecting the U.S. from future terrorist attacks, countering foreign intelligence operations and espionage, and dismantling transnational organized criminal enterprises is increasingly dependent upon maximizing the usage and deployment of its linguist workforce, language tools, and technology. As of February 2013, the FBI workforce has certified capabilities in over 90 languages and dialects in a distributed environment spanning approximately 100 FBI domestic and overseas locations. The FLP promulgates policies and compliance requirements to ensure true fidelity of the finished English-language intelligence product. Additionally, the FLP develops the foreign language skills of the FBI employees through on-going language testing, assessments and multi-tiered training strategies designed to build and sustain a high performance intelligence workforce.

***Language Analysis***

Nearly every major FBI investigation now has a foreign language component, and the demand for highly qualified linguists and foreign language and culture training continues to increase. Language analysis is a critical process in the FBI’s effort to acquire and accurately process real-time, actionable intelligence to detect and prevent foreign-originated terrorist attacks against the Nation. The FBI’s language analysis capabilities promptly address all of its highest priority counterterrorism intelligence translation requirements, often within 24 hours. Language Analysts also play a significant role in the FBI’s counterintelligence and criminal investigative missions.

***National Virtual Translation Center (NVTC)***

The NVTC was established under the authority of Section 907 of the USA Patriot Act to provide accurate and timely translations for the U.S. Intelligence Community (USIC) in support of national security. On February 11, 2003, the Director of Central Intelligence awarded executive agency authority of the NVTC to the FBI. The NVTC is one of the Offices of the Director of National Intelligence’s (ODNI) multi-agency centers, and receives its operational guidance and oversight from the ODNI. The NVTC’s mission (unique within the U.S. Government) is to provide translation services to all IC agencies and Department of Defense intelligence elements, using a translation workflow management system that virtually connects NVTC program staff, translators, and customers. NVTC translators also support law enforcement organizations, but cannot appear in court in connection with any case. NVTC integrates advanced technologies and applications into its translation work flow so that NVTC Staff can work more efficiently and share knowledge and data obtained through the application of these technologies with partners and customers.

***Intelligence Training***

The FBI strives to ensure that its training programs leverage intelligence training expertise not only within the FBI, but also within the USIC, academia, and industry to ensure the best intelligence training and educational opportunities are available to the FBI workforce. The FBI’s training program also facilitates the identification of adjunct faculty, communicates relevant training and educational opportunities available outside the FBI, and permits opportunities for research related to intelligence analysis. The FBI “Dual Mission from Day One” initiative was established by the DI and Training Division to provide clear expectations that the responsibilities of the intelligence mission assume the same stature as that of the law enforcement mission. This will be developed by ensuring New Agent Trainees, IAs, Linguists, and Surveillance Personnel are introduced to these responsibilities from “Day One” in the FBI, and continuously reinforced throughout the organization. FBI SAs, IAs, Linguists, and Surveillance Personnel receive specialized training designed to provide the skill set necessary to conduct the intelligence-driven mission of the FBI. Improving and expanding the FBI’s training capacity will allow the FBI to conduct its intelligence-driven mission and to make a greater contribution to the USIC.

In an effort to train the intelligence workforce and to build a cadre of highly skilled intelligence professionals, the FBI has developed, in addition to the Intelligence Career Path for SAs, three distinct career paths (Strategic, Tactical, Collection/Reporting) for IAs. These career paths will ensure the FBI National Intelligence Workforce (NIW) personnel receive the training, experiences, and opportunities for joint duty assignments appropriate for their position and stage of development. The FBI is re-designing its intelligence training curriculum to align with career paths to ensure all NIW personnel have the training necessary to analyze and mitigate current and future threats to the U.S. Homeland.

***Communications Exploitation Section (CXS)***

CXS leads law enforcement and intelligence efforts in the U.S. to detect, penetrate, and dismantle existing and emerging terrorists and their activities by exploiting their communications. This work includes targeting terrorists’ use of the Internet and on-line forums, as well as exploiting terrorists’ use of digital media.

***Foreign Terrorist Tracking Task Force (FTTTF)***

The FTTTF assists in locating, tracking, and removing foreign terrorists and their supporters from the Nation. FTTTF utilizes specialized analytical techniques, technologies, and data analysis to enhance terrorist identification, tracking, and risk assessments.

***Terrorist Screening Center (TSC)***

The TSC consolidates and coordinates the U.S. Government’s approach to terrorist screening, and facilitates the sharing of terrorism information to protect our Nation and foreign partners. In order to identify, prevent, deter, and disrupt potential terrorist activity, the TSC’s main objective is to maintain a thorough, accurate, and current database of known and suspected terrorists, and to share this information with law enforcement, intelligence, screening, and regulatory agencies at the federal, state, local, territorial, tribal, and international levels. This effort includes direct support for the FBI, Department of Justice, Department of Homeland Security, Department of State, the ODNI, the USIC, and other major federal law enforcement, screening, and regulatory agencies. The TSC accomplishes this mission through a unique, interagency business model that incorporates information technology and information sharing, as well as operational and analytical expertise from its interagency specialists. In FY 2012, the TSC assisted its partners in positively identifying 20,307 known or suspected terrorists.

***Special Technologies and Applications Section (STAS)***

STAS provides the FBI's investigative and intelligence priorities with technical analysis capability through innovative techniques, tools, and systems. STAS develops and maintains systems that store electronic data lawfully obtained or developed by the FBI, and provides SAs, IAs, and linguists access to that data for the purpose of developing actionable information through the aid of analytic software applications.

***Infrastructure and Technology***

The FBI’s infrastructure and technology helps to manage, process, share, and protect classified and unclassified information critical to national security. Taken together, these efforts form a comprehensive system of security and efficiency. The classified side of the comprehensive system includes secure workspaces, or Sensitive Compartmented Information Facilities (SCIFs) and a secure information sharing capability through the Sensitive Compartmented Information Operations Network (SCION), the FBI enterprise network for processing, transmitting, storing and sharing information at the Top Secret (TS)/Sensitive Compartmented Information (SCI) level, enabling FBI analysts to connect with the USIC through a connection to the Joint Worldwide Intelligence Communication System (JWICS) and utilize powerful applications to extract and analyze intelligence data in an efficient and timely manner. The unclassified side of the comprehensive system includes the FBI’s ability to share unclassified information with other federal, state, and local governments and other partners through the Criminal Justice Information Services’ Law Enforcement Online (LEO) system and UNet, the FBI’s unclassified connection to the Internet.

***Sensitive Compartmented Information Facilities (SCIF)***

A SCIF is an accredited room, group of rooms, floors, or buildings where national security professionals collect, process, exploit, analyze, disseminate, and/or store Sensitive Compartmented Information. SCIFs are outfitted with Information Technology, telecommunications, general office machines, and requisite infrastructure to process unclassified through Top Secret (TS) information. SCIFs are afforded intrusion detection and access control systems to prevent the entry of unauthorized personnel.

***Sensitive Compartmented Information Operations Network (SCION)***

SCION is a compartmented network for Top Secret information which is administered by employing increased security measures, enforcing user accountability, and enhancing information assurance methodology.

Please refer to the Classified Addendum for the performance discussion for this decision unit.

**B. Counterterrorism/Counterintelligence Decision Unit**

|  |  |  |  |
| --- | --- | --- | --- |
| COUNTERTERRORISM/  COUNTERINTELLIGENCE DECISION UNIT | Direct Pos. | Estimate FTE | Amount  ($000) |
| 2012 Enacted1/ | 12,757 | 12,143 | $3,229,096 |
| 2013 Continuing Resolution | 12,757 | 12,303 | 3,229,096 |
| 2013 Continuing Resolution 0.612% Increase | … | … | 19,762 |
| 2013 Supplemental Appropriation –  Sandy Hurricane Relief | … | … | 4,026 |
| Base and Technical Adjustments | 296 | 324 | 91,447 |
| 2014 Current Services | 13,053 | 12,627 | 3,340,305 |
| 2014 Program Increases | 119 | 62 | 68,488 |
| 2014 Program Offsets | … | … | (23,261) |
| 2014 Request | 13,172 | 12,689 | 3,385,532 |
| Total Change 2012-2014 | 415 | 546 | $156,436 |

1/2012 FTE represents Actual FTE

|  |  |  |  |
| --- | --- | --- | --- |
| CT/CI – Information Technology Breakout – (of Decision Unit Total) | Direct Pos. | Estimate FTE | Amount  ($000) |
| 2012 Enacted | … | … | $274,352 |
| 2013 Continuing Resolution | … | … | 274,352 |
| 2013 Continuing Resolution 0.612% Increase | … | … | 1,678 |
| Adjustments to Base and Technical Adjustments | … | … | … |
| 2014 Current Services | … | … | 275,698 |
| 2014 Program Increases | … | … | 1,835 |
| 2014 Program Offsets | … | … | … |
| 2014 Request | … | … | 277,533 |
| Total Change 2012-2014 | … | … | $3,182 |

1. Program Description

Please refer to the Classified Addendum for additional information on this decision unit.

The FBI’s Counterterrorism/Counterintelligence (CT/CI) Decision Unit is comprised of the Counterterrorism (CT) Program, the Weapons of Mass Destruction Directorate (WMDD), the Counterintelligence (CI) Program, a portion of the Cyber Computer Intrusions Program, a portion of the Critical Incident Response Group (CIRG), and the portion of the Legal Attaché (LEGAT) Program that supports the FBI’s CT and CI missions. Additionally, to capture all resources that support these programs, a prorated share of resources from the FBI's support divisions (including Training, Laboratory, Security, Information Technology Divisions, administrative divisions, and staff offices) are calculated and scored to the decision unit.

***Counterterrorism Program***

The mission of the FBI’s CT program is to prevent, disrupt, and defeat terrorist operations before they occur; to pursue the appropriate sanctions for those who have conducted, aided, and abetted those engaged in terrorist acts; and to provide crisis management following acts of terrorism against the U.S. and U.S. interests. This mission is accomplished by gathering intelligence from all sources and using intelligence and analysis to enhance preventive efforts and exploit links between terrorist groups and their support networks. Threat information is shared with all affected agencies and personnel to create and maintain efficient threat mitigation response procedures and provide timely and accurate analysis to the Intelligence Community (IC) and senior policy makers.

The FBI is committed to stopping terrorism at any stage, from thwarting those intending to conduct an act of terrorism, to investigating the financiers of terrorist operations. All CT investigations are managed at FBI Headquarters, thereby employing and enhancing a national perspective that focuses on the CT strategy of creating an inhospitable terrorist environment.

The FBI aims to protect the U.S. from terrorist attacks by disrupting terrorists’ ability to perpetrate harm. Training, finances, recruiting, logistical support, pre-attack planning, and preparation are all required components of terrorist operations. These requirements create vulnerabilities, and the FBI focuses on creating a comprehensive intelligence base to exploit these vulnerabilities.

To develop a comprehensive intelligence base, the FBI employs its Model Counterterrorism Investigative Strategy, focusing each terrorist case on intelligence, and specifically on the identification of terrorist training, fundraising, recruiting, logistical support, and pre-attack planning.

The FBI has moved aggressively to implement a comprehensive plan that has fundamentally transformed and enhanced the organization. The FBI has overhauled its counterterrorism operations, expanded its intelligence capabilities, modernized its business practices and technology, and improved coordination with its partners. The FBI is no longer content to concentrate on investigating terrorist crimes after they occur. Instead, it is dedicated to disrupting terrorist plots before they are executed. The FBI’s CT Program has five priorities:

* Detect, disrupt, and dismantle terrorist sleeper cells in the U.S. before they act;
* Identify and prevent acts of terrorism by individuals with a terrorist agenda acting alone;
* Detect, disrupt, and dismantle terrorist support networks, including financial support networks;
* Enhance its capability to quickly ascertain the reliability, implications and details of terrorist threats, and to improve the capacity to disseminate threat-related information to local, state, and federal agencies, and to the private sector as needed; and
* Enhance its overall contribution to the IC and senior policy makers in government by providing timely and accurate in-depth analysis of the terrorist threat and other information of value on an on-going basis.

To implement these priorities, the FBI has increased the number of Special Agents (SAs) assigned to terrorism matters. The FBI has also established a number of operational units and entities that provide new or improved capabilities to address the terrorist threat. The National Joint Terrorism Task Force (NJTTF) and the around-the-clock Counterterrorism Watch manage and share threat information. Additionally, the Terrorism Financing Operations Section centralizes efforts to stop terrorist financing. The FBI also utilizes document/media exploitation squads to exploit material found both domestically and overseas for its intelligence value. Deployable “Fly Teams” lend counterterrorism expertise wherever it is needed. The Terrorist Screening Center (TSC) and Foreign Terrorist Tracking Task Force (FTTTF)[[2]](#footnote-3) help identify terrorists and keep them out of the U.S. Finally, the Counterterrorism Analysis Section1 “connects the dots” and assesses the indicators of terrorist activity against the U.S. from a strategic perspective.

Transformation efforts are making the FBI more efficient and more responsive to operational needs. The FBI has revised its approach to strategic planning, and refocused recruiting and hiring efforts to attract individuals with skills critical to its counterterrorism and intelligence missions. The FBI has also developed a comprehensive training program and instituted new leadership initiatives to keep its workforce flexible.

The FBI has divided its CT operations into branches, each of which focuses on a different aspect of the current terrorism threat facing the Nation. These components are staffed with SAs, Intelligence Analysts (IAs), and subject matter experts who work closely with investigators in the field and integrate intelligence across component lines. This integration allows for real-time responses to threat information and quick communication with decision-makers and the field.

The FBI has also established strong working relationships with other members of the IC. Through the Director’s daily meetings with other IC executives, the regular exchange of personnel among agencies, joint efforts in specific investigations and in the National Counterterrorism Center (NCTC), the TSC, other multi-agency entities, and the co-location of personnel at Liberty Crossing, it is clear that the FBI and its partners in the IC are now integrated at nearly every level of operations.

With terrorists traveling, communicating, and planning attacks all around the world, coordination with foreign partners has become more critical than ever before. The FBI has steadily increased its overseas presence, and now routinely deploys SAs and crime scene experts to assist in the investigation of overseas attacks. Their work has played a major role in successful international operations.

***Weapons of Mass Destruction Directorate (WMDD)***

The WMDD was established in FY 2006 to create a unique combination of law enforcement authorities, intelligence analysis capabilities, and technical subject matter expertise. Creation of the WMDD enabled the FBI to bring its WMD preparedness, prevention, and response capabilities into a single, focused organization, which builds a cohesive and coordinated FBI approach to WMD.

The WMDD’s mission is to lead the FBI’s efforts to deny state and non-state sponsored adversaries’ access to WMD materials and technologies, to detect and disrupt the use of WMDs, and to respond to WMD threats and incidents. WMDD is responsible for preventing, countering, and investigating threats of terrorism or proliferation involving chemical, biological, radiological, nuclear, and explosive weapons.

The WMDD coordinates the FBI’s WMD program through a multifaceted approach that addresses all areas of the WMD incident spectrum from prevention through response. This approach includes:

* *Preparedness* - This perspective incorporates the development of comprehensive plans and policies. It also implements planning, training, and practice exercises to ensure that the FBI and its USG partners are ready to respond to WMD threats.
* *Countermeasures* – Countermeasures are actions taken to counter, eliminate, or offset the WMD threat. This includes outreach activities, tripwires, and more specialized countermeasures.
* *Investigations and Operations* – The WMDD investigates the threatened, attempted, and actual use of a WMD, as well as the attempted or actual transfer of materials, knowledge, and technology needed to create a WMD. WMDD coordinates the FBI’s efforts to ensure a robust capability that can collect evidence in contaminated areas, disarm hazardous devices, and provide direct command and control support in on-scene situations.
* *Intelligence* – The WMDD proactively leverages timely and relevant intelligence to drive preparedness, countermeasures, and investigative programs that are designed to prevent a threat from becoming a reality. The FBI utilizes this intelligence to combat WMD threats and events and also shares the intelligence products with the intelligence community to globally improve awareness of the WMD threat.

WMDD’s case management responsibilities fall into two primary categories: WMD terrorism and WMD proliferation. The WMD terrorism cases include non-attributed instances involving the threat, attempt, or use of a WMD. Cases fall into the proliferation category, however, when an organization or nation state attempts to acquire material and expertise relevant to a WMD program.

In July 2011, the FBI combined the operational activities of the Counterintelligence Division's counterproliferation program with the subject matter expertise of the WMDD, and the analytical capabilities of the Directorate of Intelligence to create a Counterproliferation Center (CPC) in order to detect, deter, and defeat the threat posed by state-sponsored groups, individuals, and/or organizations as they attempt to obtain WMD or other sensitive technologies. All investigations concerning counterproliferation will be managed by the CPC, including all investigations directed to prevent the acquisition of information and technologies which would enhance a foreign government’s abilities to create, use, share, or sell WMDs, including: Chemical, Biological, Radiological, Nuclear, Explosive, missile delivery system, space, or advanced conventional weapons or components.

***Cyber Program***

The FBI’s Cyber Program integrates Headquarters and field resources dedicated to combating national security computer intrusions. This enables the Cyber Program to coordinate, supervise, and facilitate the FBI's investigation of those federal violations in which the Internet, computer systems, or networks are exploited as the principal instruments or targets of terrorist organizations, foreign government-sponsored intelligence operations, or criminal activity. Included under the purview of the Cyber Program within the CT/CI DU are counterterrorism, counterintelligence, and national security computer intrusion investigations.

Also within the FBI Cyber Program is the FBI-led National Cyber Investigative Joint Task Force (NCIJTF). The NCIJTF serves as a multi-agency national focal point for coordinating, integrating, and sharing pertinent information relating to cybersecurity threat investigations. The NCIJTF maximizes the government’s impact under a unified strategy that identifies, mitigates, and neutralizes cyber threats through the combined counterintelligence, counterterrorism, intelligence, and law enforcement authorities and capabilities of its member agencies.

***Critical Incident Response Program***

The CIRG facilitates the FBI's rapid response to, and management of, crisis incidents. CIRG was established to integrate tactical and investigative resources and expertise for incidents requiring an immediate law enforcement response. CIRG furnishes distinctive operational assistance and training to FBI field personnel as well as state, local, federal, tribal and international law enforcement partners. CIRG personnel are on call around the clock to respond to crisis incidents.

CIRG’s readiness posture provides the USG with the ability to counter a myriad of CT/CI threats—from incidents involving WMDs to a mass hostage taking. The FBI's crisis response protocols are built upon lessons learned from past incidents. They include a tiered response, streamlined command and control, standardized training, equipment, and operating procedures, and coordination with other partners. To counter the range of potential crises, an integrated response package that brings command and control, aviation, and technical and tactical assets under a unified structure is essential, and CIRG encompasses all of these elements.

CIRG also manages the FBI’s mobile surveillance programs – the Mobile Surveillance Teams - Armed (MST-A) and the Mobile Surveillance Teams (MST) - and its Aviation Surveillance program. MST-As are comprised of armed agents who perform surveillances of targets that might have the propensity for violence; MSTs are comprised of unarmed investigative specialists who perform surveillances of targets who are unlikely to be violent. MST-As, MSTs, and Aviation Surveillance provide critical support to CT and CI investigations.

***Legal Attaché (LEGAT) Program***

LEGATs are the forward element of the FBI's international law enforcement effort and often provide the first response to crimes against the U.S. and its citizens that have an international nexus. The counterterrorism component of the LEGAT Program is comprised of SAs stationed overseas who work closely with their foreign counterparts to prevent terrorism from reaching into the U.S., help solve crimes, and assist with the apprehension of international terrorists who violate U.S. laws.

Please refer to the Classified Addendum for the performance discussion for this decision unit.

**C. Criminal Enterprises and Federal Crimes Decision Unit**

|  |  |  |  |
| --- | --- | --- | --- |
| CRIMINAL ENTERPRISES AND FEDERAL CRIMES DECISION UNIT TOTAL | Perm. Pos. | FTE | Amount ($000) |
| 2012 Enacted1/ | 11,948 | 11,373 | $2,624,371 |
| 2013 Continuing Resolution | 11,948 | 11,522 | 2,624,371 |
| 2013 Continuing Resolution 0.612% Increase | … | … | 16,061 |
| 2013 Supplemental Appropriation –  Sandy Hurricane Relief | … | … | 3,272 |
| Adjustments to Base and Technical Adjustments | (147) | (83) | 16,422 |
| 2014 Current Services | 11,801 | 11,439 | 2,656,854 |
| 2014 Program Increases | 102 | 49 | 39,853 |
| 2014 Program Offsets | … | … | (14,720) |
| 2014 Request | 11,903 | 11,488 | 2,681,987 |
| Total Change 2012-2014 | (45) | 115 | $57,616 |

1/2012 FTE represents Actual FTE

|  |  |  |  |
| --- | --- | --- | --- |
| CEFC – Information Technology Breakout  (of Decision Unit Total) | Direct Pos. | Estimate FTE | Amount  ($000) |
| 2012 Enacted | … | … | $199,593 |
| 2013 Continuing Resolution | … | … | 199,593 |
| 2013 Continuing Resolution 0.612% Increase | … | … | 1,221 |
| Adjustments to Base and Technical Adjustments | … | … | … |
| 2014 Current Services | … | … | 183,881 |
| 2014 Program Increases | … | … | 416 |
| 2014 Program Offsets | … | … | … |
| 2014 Request | … | … | $184,297 |
| Total Change 2012-2014 | … | … | $(15,296) |

1. Program Description

The Criminal Enterprises and Federal Crimes (CEFC) decision unit (DU) comprises all headquarters and field programs that support the FBI's criminal investigative missions. The DU includes:

* The FBI’s Organized Crime, Gang/Criminal Enterprise (G/CE), and Criminal Intelligence programs;
* The Financial Crime, Integrity in Government/Civil Rights, and Violent Crime programs;
* The Public Corruption and Government Fraud programs, part of the Financial Crime program, which investigate state, local and federal government acts of impropriety, including the rising level of federal and state legislative corruption;
* The criminal investigative components of the Cyber Division's programs including, Criminal Computer Intrusions and the Internet Crime Complaint Center (IC3); and
* A share of the FBI's Legal Attaché (Legat) program.

Additionally, the decision unit includes a prorata share of resources from the FBI's support divisions (including Training, Laboratory, Security, Information Technology, and the administrative divisions and offices).

The structure of the FBI’s Criminal Intelligence Program maximizes the effectiveness of resources; improves investigation and intelligence gathering processes; focuses on threats from criminal enterprises; and promotes the collection, exchange, and dissemination of intelligence throughout the FBI and other authorized agencies.

**Financial Crime**

***White Collar Crime*: The White Collar Crime (WCC) program addresses the following principal threats: public corruption (including government fraud, economic stimulus fraud, and border corruption); corporate fraud; securities and commodities fraud; mortgage fraud and other financial institution fraud; health care fraud; money laundering; and other complex financial crimes.**

* **Public Corruption:** Public Corruption involves the corruption of local, state, and federally elected, appointed, or contracted officials. This sort of corruption undermines our democratic institutions and threatens public safety and national security. More specifically, it can affect how well U.S. borders are secured and neighborhoods protected; how verdicts are handed down in court; and the quality of public infrastructure such as schools and roads. Many taxpayer dollars are wasted or lost as a result of corrupt acts by public officials.
* **Border Corruption: The federal government is responsible for protecting approximately 7,000 miles of the U.S. border and 95,000 miles of shoreline. Each day, approximately 1.1 million persons visit the U.S. and enter through one of the 329 official Ports of Entry (POEs) located along the southwestern and northern land borders of the U.S., as well as at seaports and international airports. The documented presence of corrupt border officials facilitates a wide range of illegal activities along the northern and southern borders. Resource-rich cartels and criminal enterprises employ a variety of methods in order to target and recruit U.S. Border Patrol Agents, Customs and Border Protection Officers, and local police officers who can facilitate criminal activity. Corrupt officials assist these entities by providing intelligence and contraband across these borders. To help address this threat, the Border Corruption Initiative (BCI) was established in 2009. The BCI has developed a threat-tiered methodology, targeting border corruption in all land, air and sea ports of entry in order to mitigate the threat posed to national security. The FBI has established the National Border Corruption Task Force (NBCTF) and established 26 Border Corruption Task Forces (BCTFs) in high-risk cities along the northern and southern borders.**
* **Corporate Fraud: As the lead agency investigating corporate fraud, the FBI focuses on cases involving complex accounting schemes, self-dealing corporate executives (e.g. insider trading), and the obstruction of justice. The majority of cases pursued by the Bureau involve accounting schemes—deceiving investors, auditors and analysts about the true condition of a corporation. Through the manipulation of financial data, the share price of a corporation remains artificially inflated based on fictitious performance indicators provided to the investing public. In addition to significant financial losses to investors, corporate fraud has the potential to cause immeasurable damage to the U.S. economy and investor confidence.**

**Another high priority component of the Corporate Fraud program is insider trading. Insider trading continues to pose a serious threat to the U.S. financial markets. The FBI in recent years has broken the veil of secrecy on the hedge fund industry. The use of sophisticated techniques has exposed a vast network of corrupt participants trafficking in material non-public information. As part of the insider trading-focused Fair Markets Initiative, the FBI strives to protect the fair and orderly operation of the U.S. financial markets. FBI investigative efforts have led to more than a 60 percent increase in insider trading cases between FY 2010 and FY 2012.**

* **Securities/Commodities Fraud:** The FBI focuses its efforts in the securities fraud arena on schemes involving high yield investment fraud, market manipulation, and commodities fraud. During and after financial crisis, the FBI saw an unprecedented rise in the identification of Ponzi and other high yield investment fraud schemes, many of which involve thousands of victims and staggering losses. Indeed, the FBI still continues to open new Ponzi scheme cases on a weekly basis. Additionally, the development of new schemes, such as stock market manipulation via cyber intrusion, continues to indicate that securities fraud is on the rise. Since 2007, FBI securities fraud investigations have increased by 57 percent.

The FBI has adopted an intelligence-led approach to identifying and targeting the most egregious perpetrators of securities fraud, utilizing undercover operations to identify and stop perpetrators before they are able to victimize individuals and damage financial markets. Securities and Futures Industries Suspicious Activity Reports (SARs) contain some of the best intelligence available to criminal and regulatory law enforcement personnel. In 2009, the FBI established a process to better exploit this intelligence to identify new securities fraud schemes and perpetrators. With the coordinated effort of special agents and intelligence analysts, these SARs are analyzed on a national level, leading to the creation of targeting packages which are presented to relevant Field Offices to open investigations.

Corporate fraud, along with securities and commodities fraud, remains a top priority of the FBI Financial Crimes Section and the FBI is committed to addressing this significant crime problem. Between FY 2003 and FY 2012, FBI special agent resources dedicated to corporate and securities/commodities fraud increased by 104 percent (177 to 361 agents) while the caseload increased at roughly the same pace (1,263 to 2,713 cases). The return on investment for these resources is significant: since 2001, the FBI has averaged 287 arrests, 582 information and indictments, and 494 convictions per year. These cases have resulted in billions of dollars in restitutions, recoveries, fines, and asset forfeitures. From FY 2008 through FY 2012, the FBI realized restitutions, recoveries, fines and forfeitures of $19.3 billion from corporate fraud matters and $30.9 billion for securities/commodities fraud matters. These resulted in an average of $18.8 million per corporate fraud agent utilized, and $58.3 million per securities/commodities fraud agent utilized.

* **Health Care Fraud: Total health care expenditures in the U.S. are expected to surpass the $4 trillion mark by 2015, representing a 139 percent increase or more than double the 2003 $1.67 trillion expenditures.** This creates an environment prevalent to fraud, as the National Health Care Anti-Fraud Association (NHCAA) estimates conservatively that 3 to 5 percent of total health care expenses are fraudulent, resulting in an estimated $60-$100 billion in health care losses. The independent National Insurance Crime Bureau (NICB) estimates that health care fraud currently exceeds $130 billion annually.

Today, the FBI partners with HHS to infiltrate illicit operation and terminate scams involving staged auto accidents, online pharmacies, Durable Medical Equipment, outpatient surgery centers, counterfeit pharmaceuticals, nursing homes, hospital chains, and transportation services. Besides the federal health benefit programs of Medicare and Medicaid, private insurance programs lose billions of dollars each year to blatant fraud schemes in every sector of the industry.

Despite a drop in health care fraud cases since 2001 (FY 2001: 2,870 / FY 2012: 2,835), the average jail sentence has significantly increased during that timeframe, from 16 to 27 months, indicating that the FBI is targeting the worst offenders.

* **Mortgage Fraud and Other Financial Institution Fraud:** Mortgage fraud, a subset of financial institution fraud, continues to absorb considerable FBI resources while showing no signs of subsidence. The majority of FBI mortgage fraud cases include loan origination schemes, illegal property flipping, and bailout schemes. At the end of FY 2012, approximately 72 percent of the FBI’s 2,265 mortgage fraud cases involved losses exceeding $1 million per case. The FBI received over 93,000 SARs in FY 2011, the highest number ever, followed by 70,921 filed in FY 2012. Through the second quarter of FY 2013, 29,094 mortgage fraud SARs have been filed. FBI intelligence predicts mortgage fraud will remain at elevated levels during FY 2013, due in significant part to an increase in fraud targeting distressed homeowners. Foreclosure actions, which are the best predictor of distressed homeowner fraud, are predicted by industry analyst RealtyTrac to remain at elevated levels for the foreseeable future.
* **Money Laundering: Money laundering allows criminals to infuse illegal money into the stream of commerce, thus corrupting financial institutions and the money supply while providing the criminals with unwarranted economic power. The FBI investigates money laundering cases by identifying the process by which criminals conceal or disguise the proceeds of their crimes or convert those proceeds into goods and services. The major threats in this area stem from emerging technologies, such as stored value devices, pre-paid gift cards and reloadable debit cards, in order to move criminal proceeds; as well as shell corporations, which are used to conceal the beneficial ownership of funds being moved through financial institutions and international commerce. In FY 2010, the FBI initiated the Priority International Money Laundering Threat (PIMLAT) initiative. Through this program, FBI Headquarters applies a variety of intelligence and investigative resources to address money laundering schemes which are international, occur across multiple FBI Field Offices, or support significant threats to the U.S.**

At the end of FY 2012, the FBI had 283 open money laundering investigations. At the same time, money laundering violations occur across all programs – from counterterrorism to organized crime to gangs – and can be contained as pieces of higher priority investigations.

* **Other Complex Financial Crimes (Insurance, Bankruptcy, and Mass Marketing Fraud): The FBI anticipates insurance fraud to continue to increase, contributing to increases in insurance premiums as well as threatening the financial viability of insurance companies. Since 2006—the year after bankruptcy laws were changed to make it more difficult for an individual to discharge all debts—bankruptcy filings have significantly increased each year. The potential for fraud within bankruptcy is large. According to the Federal Trade Commission, complaints concerning mass marketing fraud have also increased.**
* **Intellectual Property Rights** The FBI’s overall strategy for Intellectual Property Rights (IPR) enforcement is to disrupt and dismantle international and domestic criminal organizations and individuals that manufacture or traffic in counterfeit and pirated goods and/or steal, distribute or otherwise profit from the theft of intellectual property. Investigative priorities include theft of trade secrets, counterfeit goods that pose a threat to health and safety, and copyright and trademark infringement cases having a national security, organized crime, or significant economic impact.
  + The FBI is a primary partner at the National Intellectual Property Rights Coordination Center (IPR Center). The IPR Center serves as a centralized, multiagency entity to coordinate, manage and advocate the U. S. Government’s Federal criminal enforcement of intellectual property rights laws. The FBI pursues intellectual property rights enforcement by coordinating investigations with law enforcement partners at the IPR Center. This coordination includes initiating aggressive criminal initiatives based on current and emerging threats as well as coordinating intelligence components and investigative strategies with both private industry and domestic and foreign law enforcement partners.

***Civil Rights:*** The FBI has primary responsibility for investigating all alleged violations of federal civil rights laws. These laws protect the civil rights of all citizens and persons within the U.S., and include the four major areas described below:

* Hate Crimes: Hate crimes are the top investigative priority of the Civil Rights Program as they impact not only the victims, but also the entire community. In October 2009, President Obama signed the Matthew Shepard and James Byrd, Jr. Hate Crimes Prevention Act of 2009 into law. For the first time in the history of the nation, the federal government has the authority to prosecute violent hate crimes, including violence directed at the gay, lesbian, bisexual, and transgender community, to the fullest extent of its jurisdiction.
* Color of Law (COL): COL violations are the deprivation of any rights, privileges, or immunities secured or protected by the U.S. Constitution by someone in his/her official, governmental capacity. The FBI has investigative responsibility for federal COL matters involving local and state law enforcement and concurrent responsibility with the Office of Inspectors General for other federal agencies.

* Human Trafficking: Human trafficking is a form of modern-day slavery and a significant and persistent problem in America and internationally. Victims are often lured with false promises of good jobs and better lives and then forced to work under brutal and inhumane conditions. Many trafficking victims are forced to work in the sex industry; however, trafficking can also take place in labor settings involving domestic servitude, prison-like factories, and migrant agricultural work. Human trafficking cases require extensive outreach and cooperation with local, state, and federal agencies, as well as non-governmental organizations, to properly address the problem.
* Freedom of Access: Under the Freedom of Access to Clinic Entrances (FACE) Act, the FBI has the sole investigative responsibility for conducting investigations of potential FACE Act violations. Incidents include murder, death threats, invasions, burglaries, harassing telephone calls, hate mail, assaults, arsons, and other acts of intimidation. The number of FACE Act violations remains relatively low, with occasional spikes during dates which mark significant events in the pro-choice and pro-life movements.

***Organized Crime:* T**ransnational organized crime is an immediate and increasing concern of the domestic and international law enforcement and intelligence communities. Geopolitical, economic, social, and technological changes within the last two decades have allowed these criminal enterprises to become increasingly active worldwide. The criminal enterprises include the following distinct groups: Eurasian Organizations that have emerged since the fall of the Soviet Union; Asian Criminal Enterprises; traditional organizations such as the La Cosa Nostra (LCN) and Italian Organized Crime; Balkan Organized Crime; Middle Eastern Criminal Enterprises, and African Criminal Enterprises.

In FY 2010, two Threat Fusion Cells (TFC) were created in order to meet the number one goal of the Organized Crime Program (OCP): to target, dismantle, disrupt, neutralize, and render impotent transnational criminal organizations and enterprises that pose a threat to national security. The TFCs are specifically focused on two criminal enterprises, Brothers’ Circle and Semion Mogilevich Organization, and is staffed with personnel from various intelligence and law enforcement communities, including the National Security Agency.

The potential for terrorism-related events associated with criminal enterprises is ever-increasing due to alien smuggling across the southwest border by drug and gang criminal enterprises; Colombian-based narco-terrorism groups influencing or associating with traditional drug trafficking organizations; prison gangs being recruited by religious, political, or social extremist groups; and major theft criminal enterprises conducting criminal activities in association with terrorist related groups or to facilitate funding of terrorist-related groups. There also remains the ever present concern that criminal enterprises are, or can, facilitate the smuggling of chemical, biological, radioactive, or nuclear weapons and materials.

Major Theft as Organized Crime including Organized Retail, Cargo, and Art Theft.

* **Major Theft crimes caused by transnational, national, and regionally based criminal enterprises have a devastating effect on the U.S. economy, not only contributing to the rise of consumer prices, but also to the loss of tax revenues to states and communities. More than 60 percent of the crimes reported to the police are theft/fraud related crimes, according to the Uniform Crime Reporting (UCR) system. Major Theft crimes can be directly related to organized crime groups, drug trafficking organizations, gang criminal enterprises and illegal alien groups. Major Theft groups actively engage in other criminal activities such as violent crime, fraud, money laundering, wire and mail fraud, and public corruption matters. Estimates from certain Major Theft crimes, such as cargo theft and organized retail crime, are nearly impossible to calculate, but industry experts estimate losses in the tens of billions of dollars. Monetary and product losses from vehicle thefts are estimated at more than $8 billion per year. The Jewelry and Gem Industry estimates losses in excess of $135 million annually and the Art/Cultural Property Community estimate thefts to be about $500 million annually.**

**Violent Criminal Threats**

The mission of the Violent Criminal Threat Section (VCTS) is to combat violent criminal threats and to disrupt and dismantle local, regional, national, and transnational cells of criminal enterprises that pose the greatest threat to the economic and national security of the U.S.. This is accomplished through initiatives established in the VCTS subprograms of Violent Gangs, Violent Crimes, Crimes Against Children, and Indian Country Crimes.

***Gang Violence:*** Across the country, violent street gangs operate with impunity in communities of all sizes: urban, suburban, and even rural areas. According to law enforcement officials throughout the Nation, criminal gangs commit as much as 80 percent of the crime in our communities. FBI Violent Gang Safe Streets Task Forces (VGSSTFs) report that violent street gangs, whether they are neighborhood based or national gangs, are a top threat to our communities followed by prison gangs and outlaw motorcycle gangs. The FBI's Violent Gang Sub-Program is designed to reduce gang related violence by identifying, prioritizing, and targeting the most violent gangs whose activities constitute criminal enterprises. This is accomplished through the administration of 164 VGSSTFs.

Gangs are becoming more violent and establishing strong alliances with drug trafficking organizations. In addition, they are also partaking in less typical gang-related crime, such as human trafficking, white-collar, and cyber crime. Gang members are also migrating from urban areas to suburban and rural communities in order to expand the gang’s influence. In most instances, this allows the gang to expand drug distribution territories, increase illicit revenue, recruit new members, hide from law enforcement, and escape other gangs. Many suburban and rural communities are experiencing an increase in gang-related crime and violence due to gang expansion. The direct economic impact of gang activity in the U.S. is estimated at $5 billion and the indirect impact as much greater.

***Violent Crime:*** The Violent Crime (VC) Sub-Program combats the most significant violent crime threats falling within the FBI's investigative jurisdiction. Violent crime continues to threaten communities within the U.S. and its citizens. Major violent crime incidents such as mass killings, sniper murders, serial killings, and violent fugitives can paralyze whole communities and stretch state and local law enforcement resources to their limits. Particular emphasis is directed toward matters involving significant violence, including bank robberies, armored car robberies, fugitives, kidnappings for ransom, extortions, police killings, and assault on federal officers.

* Fugitives remain a concern to law enforcement as approximately 1.5 million active warrants currently exist within the National Crime Information Center (NCIC) system. The FBI is conducting investigations on more than 8,000 violent fugitives under the Unlawful Flight to Avoid Prosecution violation. Further, the FBI has more than 6,500 substantive case file fugitives outstanding and approximately 2,143 fugitives from the U.S. are believed to be in foreign countries.
* Within the Transportation Crimes area, there were more than 500 crimes that occurred aboard an aircraft and another 100 incidents were reported regarding the destruction of aircraft. Personal and property crimes continue to be a concern within Special Jurisdiction Crime areas such as within federal penal institutions, on other federal government properties, and in special jurisdictional areas, such as on the high seas.

***Crimes Against Children:*** The Violent Crimes Against Children Program has developed a nationwide capacity to provide a rapid and effective investigative response to reported federal crimes involving the victimization of children; reduce the vulnerability of children to acts of sexual exploitation and abuse; reduce the negative impacts of international parental rights disputes; and strengthen the capabilities of federal, state and local law enforcement agencies through training programs and investigative assistance. The FBI is the only federal agency with sole jurisdiction to investigate child abductions, as legislated in Title 18, U.S. Code, Section 1201. The FBI Crimes Against Children Unit supports the Child Abduction Rapid Deployment Team (CARD Team), Innocence Lost National Initiative, Innocent Images National Initiative and the Child Sex Tourism (CST) Initiative.

* + Child Abductions: In FY 2012, the FBI investigated 173 pending child abduction cases. In an effort to enhance the FBI's response to abductions and the mysterious disappearance of children, the FBI’s Violent Crimes Section in coordination with the Critical Incident Response Group (CIRG)/Behavior Analysis Unit III (BAU III) created regional Child Abduction Rapid Deployment (CARD) Teams. Teams are geographically distributed throughout the 5 regions of the U.S., consistent with the FBI Corporate Management Structure. Each region has two teams comprised of Supervisory Special Agents and Special Agents representing 35 field divisions. To date, the CARD Teams have deployed on 87 occasions resulting in the successful recovery of 36 children.
  + Innocence Lost investigations address the commercial sexual exploitation of children. Investigations have identified national criminal organizations responsible for the sex trafficking of hundreds of children, some as young as nine years old. As of January 2013, the Innocence Lost National Initiative (ILNI) has resulted in 797 pending cases, 985 informations/indictments, and 1,251 convictions. Furthermore, subjects of these investigations are regularly sentenced to terms of 25 years or more, while nine have received life sentences. Since its inception, over 2,408 children have been recovered and removed from the cycle of abuse. In FY 2012 alone, 534 children were recovered. In the first quarter of FY 2013, the Crimes Against Children Sub-Program merged resources with the Cyber Division’s Innocent Images Sub-Program to establish 66 Child Exploitation Task Forces designed to combat all child exploitation matters to include the commercial sexual exploitation of children through sex trafficking.
  + Child Sex Tourism (CST) initiative targets U.S. citizens who travel to foreign countries and engage in sexual activity with children under the age of 18. As of January 2012, the initiative had conducted ten threat assessments in countries in Southeast Asia and Latin America in order to identify predicated venues where CST is occurring. The initiative has also organized and participated in capacity building for foreign law enforcement, prosecutors, and non-government organizations in these countries. As of January 2013, the CST Initiative has 41 open investigations, and has led to the conviction of 10 offenders and the arrest and indictment of 2 additional individuals.

***Indian Country:*** The Indian Country Crimes (ICC) Sub-Program has developed and implemented strategies to address the most egregious crime problems in Indian Country (IC) where the FBI has responsibility. ICC supports joint investigative efforts with the Bureau of Indian Affairs-Office of Justice Services, tribal law enforcement, and manages 15 Safe Trails Task Forces. ICC cases are mostly reactive; however, many are cross-programmatic in nature and include public corruption and complex financial fraud.

At the end FY 2012, the FBI had more than 3,000 pending Indian Country (IC) investigations on approximately 200 reservations and 400 Indian gaming facilities throughout 28 states. Approximately 75 percent of these investigations are in the Minneapolis, Salt Lake City, Phoenix, and Albuquerque Field Offices and the majority of the investigations involve death, sexual/physical assault of children, and/or felony assaults. Statistics indicate more than one-third of all Native American women will be raped at least once during their lifetime and nearly two-thirds will be victims of violent assaults. In addition to the violence, a significant emerging threat for the FBI is white collar crimes associated with the Indian Gaming industry.

Due to jurisdictional issues, the FBI is the primary law enforcement entity in the IC. Furthermore, the Bureau of Indian Affairs has a limited number of investigators, though they are not present on every reservation. Additionally, Tribal authorities can only prosecute misdemeanors of Indians, and state/local law enforcement does not have jurisdiction within the boundaries of the reservation, with the exception of Public Law 280 states and tribes. DOJ has reported that 25 percent of all violent crimes prosecuted by the U.S. Attorney Offices are related to IC. There are 15 Safe Trails Task Forces that are addressing drug/gang and violent crimes in IC. The gang threat on Indian Reservations has become evident to the tribal community leaders and gang-related violent crime is reported to be increasing.

***Latin America/Southwest Border:***Thevolatility among Transnational Criminal Organizations (TCOs) and violent gangs (e.g., Mexican Mafia, Barrio Azteca, Los Zetas, MS-13, and 18th Street) along the Southwest Border has resulted in historic levels of drug-related violence. As rival TCOs and gangs battle for control over the lucrative drug markets, spikes in kidnappings, homicides, and a myriad of other violent acts have occurred along the U.S.-Mexico border. In addition, these transnational groups are utilizing several “tools” to aid in their objectives, such as public corruption, money laundering, human trafficking, and threats to law enforcement.

To address the Southwest Border threat, the FBI has developed an intelligence-driven, cross-programmatic strategy to penetrate, disrupt, and dismantle the most dangerous organizations as well as identify and target individuals in leadership roles. This strategy includes the deployment of hybrid squads in areas assessed to be particularly vulnerable to violence and criminality associated with TCOs, regardless of their physical proximity to the border. The primary goal of the hybrid squad model is to bring a threat-based domain view of these dynamic, multi-faceted enterprises, thus fusing strategic and tactical intelligence with investigative operations. In turn, this can increase the likelihood that the FBI is aware of every facet of illicit activity within the organization at all levels and can link them back to priority targets outside the U.S. To that end, hybrid squads consist of multi-disciplinary teams of Special Agents, IAs, Staff Operations Specialists (SOS), and other professionals who approach TCEs holistically. The agent composition on the squads provides different backgrounds and functional expertise, ranging from violent gangs, public corruption, and violent crimes.

***Cyber Program***

Included under the purview of the Cyber Program within the CEFC DU are criminal computer intrusion investigations and the FBI’s Internet Crime Complaint Center.

***Legal Attaché Program***

Crime-fighting in an era of increasing globalization and interconnectivity has become a truly international effort, and the people who make up the FBI’s International Operations Division (IOD) and Legal Attaché (Legat) Program work together to lead and direct the FBI’s growing number of operations around the globe.

IOD’s Legal Attaché offices - or Legats – and their staffs work hard to combat crime, even as they partner with, and strengthen the bonds between law enforcement personnel throughout the world. Special Agents and professional staff working in IOD use their unique skill sets and knowledge to coordinate investigations large and small, by partnering with the FBI’s criminal and intelligence divisions, foreign law enforcement, and U.S. and foreign intelligence and security services.

The IOD and Legat program work also includes a major training component, whether it is the support of the International Law Enforcement Academies in Budapest or Botswana, or teaching their law enforcement partners about conducting proper investigations at crime scenes or crisis management.

***Management and Support Services***

In addition to the Criminal Investigative and Legat programs that make up the core elements of the CEFC DU, the FBI's various administrative and other security programs provide essential support services.

**Program Objectives**

***White Collar Crime:***

* Facilitate the intelligence and administrative requirements related to complex public corruption investigations to reduce the incidence of government fraud within targeted sectors of local, state, and federal government.
* Reduce the amount of reported economic loss due to fraud and abuse in federally funded procurement, contracts, Electronic Benefits Transfer, and entitlement programs.
* Expand the Border Corruption Initiative (BCI) and threat methodology to better target border corruption in all land, air, and sea ports of entry to mitigate the threat posted to national security.
* Continue Border Corruption Task Force (BCTFs) coordination with other field divisions and agencies on cross-program strategies regarding the threats associated with counter terrorism, weapons of mass destruction, and counter intelligence matters.
* Deploy FBI resources to combat significant complex financial crimes in order to:
  + Minimize the economic loss due to mortgage fraud by identifying, investigating, and disrupting fraudulent activity.
  + Reduce the economic loss associated with the theft of U.S. intellectual property by criminals.
  + Reduce the amount of economic loss and market instability resulting from corporate fraud committed by both individuals and enterprises.
  + Identify, disrupt, and dismantle money laundering industries and confiscate criminal assets associated with said industries.
  + Reduce the economic loss attributable to fraudulent billing practices affecting private and public health care insurers.
  + Minimize economic loss due to crimes such as check fraud, loan fraud, and cyber-banking fraud in federally-insured financial institutions.
  + Reduce the amount of economic loss to the insurance industry due to fraud, both internal and external.
  + Reduce economic loss to investors due to fraud in the investment marketplace, bogus securities, and Internet fraud.
  + Reduce the amount of economic loss caused by fraudulent bankruptcy filings throughout the U.S.
  + Reduce the amount of economic loss associated with the theft of U.S. intellectual property by criminals.

***Cyber:***

* Develop partnerships between the FBI and private sector, academia, and other public entities to support the FBI’s mission and assist those institutions.
* Serve as a vehicle to receive, develop, and refer criminal complaints regarding cyber crime.
* Identify, develop, and deliver core and continuing education for Cyber investigators across all levels of the law enforcement, both domestic and international.

***Civil Rights:***

* Deter civil rights violations through aggressive investigation of those crimes wherein the motivation appears to have been based on race, sexuality, color, religion, or ethnic/national origin; reports of abuse of authority under color of law; reports of slavery and involuntary servitude; and reports of the use of force or the threat of force for the purpose of injuring, intimidating, or interfering with a person seeking to obtain or provide reproductive health services and through proactive measures such as the training of local law enforcement in civil rights matters.

***Gang Violence:***

* Infiltrate, disrupt, and dismantle violent gang activities by targeting groups of gangs using sensitive investigative and intelligence techniques to initiate long term proactive investigations.

***Organized Crime*:**

* Combat transnational criminal organizations and collect resources supporting intelligence and investigation actions to disrupt and dismantle organized criminal activities worldwide.
* Continually assess the international organized crime threat in the country by outlining current state of FBI resources and better position the FBI to strategically direct investigatory resources to the highest threat areas.
* Execute a comprehensive strategy to disrupt and dismantle Semion Mogilevich Organization and Brothers’ Circle through coordination with other agencies, including through the Threat Fusion Cells (TFCs).

***Violent Crime:***

* Investigate the most egregious and violent criminal acts across Indian Country including homicide, child sexual/physical assault, violent assault, drugs/gangs, gaming violations, and property crimes.
* Promote and encourage a level of self-sufficiency for tribal law enforcement on Indian Reservations and allotment territory, thereby allowing the FBI to improve the response and efficiency of Special Agents and support resources in IC; improve the overall quality of law enforcement service in IC through increased coordination with BIA and tribal police, joint training efforts, and joint investigative efforts; establish Safe Trails Task Forces, with objectives focused on specific priority crime problem(s) not effectively addressed by the FBI or other law enforcement agencies in IC; provide training to IC Special Agents, support personnel, and BIA/tribal police; and support DOJ efforts to professionalize law enforcement operations in IC, including crime statistics reporting, records management, automation, and case management.
* Provide a rapid and effective investigative response to reported federal crimes involving the victimization of children; reduce the vulnerability of children to acts of sexual exploitation and abuse; reduce the negative impact of domestic/international parental rights disputes; and strengthen the capabilities of federal, state and local law enforcement through training programs and investigative assistance.

***Latin America/Southwest Border:***

* Infiltrate, disrupt and dismantle Mexican and South and Central American Criminal Enterprises by targeting their center of gravity utilizing sensitive investigative and intelligence techniques to initiate long term proactive investigations.
* Expand and create new partnerships with the USIC and OGA in order to better coordinate and facilitate the flow and utilization of intelligence against the threat posed by Mexican and South, and Central American Criminal Enterprises.
* Continually assess the in-country threat posed by Mexican and South and Central American Criminal Enterprises by outlining the current state of FBI resources and better positioning the FBI to strategically direct investigatory and intelligence resources to the highest threat areas.

| **2. PERFORMANCE/RESOURCES TABLE** | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Decision Unit:** Criminal Enterprises and Federal Crimes | | | | | | | | | | | | | | | | | |
| **DOJ Strategic Goal/Objective Goal 2:** Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law. Objectives 2.1-2.5. | | | | | | | | | | | | | | | | | |
| **WORKLOAD/ RESOURCES** | | | **Target** | | | **Actual** | | | **Projected** | | | **Changes** | | | **Requested (Total)** | | |
| **FY 2012** | | | **FY 2012** | | | **FY 2013** | | | **Current Services Adjustments &**  **FY 2014 Program Changes** | | | **FY 2014 Request** | | |
| **Workload --** # of cases investigated (pending and received) | | | † | | |  | | | † | | | † | | | † | | |
| **Total Costs and FTE** | | | **FTE** | | **$000** | **FTE** | **$000** | | **FTE** | | **$000** | **FTE** | | **$000** | **FTE** | **$000** | |
| 11,741 | | 2,624,371 | 11,373 | 2,151,495 | | 11,522 | | 2,640,432 | (34) | | 41,555 | 11,488 | 2,681,987 | |
| **TYPE/ STRATEGIC OBJECTIVE** | **PERFORMANCE** | | **FY 2012** | | | **FY 2012** | | | **FY 2013** | | | **Current Services Adjustments &**  **FY 2014 Program Changes** | | | **FY 2014 Request** | | |
| **Program Activity/ 2.3, 2.5** | **1. White-Collar Crime/Cybercrime** | | **FTE** | | **$000** | **FTE** | **$000** | | **FTE** | | **$000** | **FTE** | | **$000** | **FTE** | **$000** | |
| 5,947 | | 1,323,202 | 5,244 | 992,037 | | 5,313 | | 1,195,074 | 22 | | 31,142 | 5,284 | 1,226,216 | |
| **Workload --** # of cases investigated (pending and received) | | | † | | | † | | | † | | | † | | | † | | |
| **Performance Measure** | Restitutions & Recoveries / Fines ($000)   * Intellectual Property Rights Violations * Public Corruption * White-Collar Crimes (all other) | | †† | | | †† | | | †† | | | †† | | | †† | | |
| **Performance Measure** | Convictions/Pre-Trial Diversions (total)   * Intellectual Property Rights Violations **[Discontinued measure]** * Public Corruption * White-Collar Crimes (all other) | | †† | | | ††  924  3,529 | | | ††  ††  †† | | | ††  ††  †† | | | ††  ††  †† | | |
| **Performance Measure** | Number of Criminal Organizations Engaging in White-Collar Crimes Dismantled | | 360 | | | 409 | | | 385 | | | … | | | 385 | | |
| Efficiency Measure | % of Major Mortgage Fraud Investigations to all pending Mortgage Fraud Investigations | | 71% | | | 71% | | | 71% | | | 1% | | | 72% | | |
| **Performance Measure** | | Number of Children Depicted in Child Pornography Identified by the FBI | 155 | | | 175 | | | 210 | | | 5 | | | 215 | | |
| **Performance Measure** | | Number of convictions for Internet fraud | †† | | | †† | | | †† | | | †† | | | †† | | |
| **Performance Measure** | | Number of high-impact Internet fraud targets neutralized **[Discontinued measure]** | 13 | | | 23 | | | †† | | | †† | | | †† | | |
| **TYPE/ STRATEGIC OBJECTIVE** | | **PERFORMANCE** | **FY 2012** | | | **FY 2012** | | | **FY 2013** | | | **Current Services Adjustments &**  **FY 2014 Program Changes** | | | **FY 2014 Request** | | |
| **Program Activity/ 2.2, 2.4, 2.6** | | **2. Criminal Enterprises/Civil Rights/Violent Crimes** | **FTE** | **$000** | | **FTE** | | **$000** | **FTE** | **$000** | | **FTE** | **$000** | | **FTE** | | **$000** |
| 5,794 | 1,301,169 | | 6,129 | | 1,159,458 | 6,209 | 1,445,358 | | (46) | 10,413 | | 6,204 | | 1,455,771 |
| **Workload --** # of cases investigated (pending and received) | | | † | | | † | | | † | | | † | | | † | | |
| **Performance Measure** | | Convictions/Pre-trial Diversions   * Organized Criminal Enterprises * Gang/Criminal Enterprises * Crimes Against Children * Civil Rights | †† | | | 845  6,467  373  227 | | | ††  ††  ††  †† | | | ††  ††  ††  †† | | | ††  ††  ††  †† | | |
| Efficiency Measure | | % of FBI OCDETF Investigations with links to CPOT-linked DTOs | 12% | | | 19% | | | 12% | | | 3% | | | 15% | | |
| **Performance Measure** | | CPOT-Linked DTOs   * Disruptions * Dismantlements | 30  15 | | | 64  30 | | | 30  15 | | | …  … | | | 30  15 | | |
| **Performance Measure** | | Number of Organized Criminal Enterprise Dismantlements | 37 | | | 47 | | | 38 | | | … | | | 38 | | |
| Performance Measure | | Number of Gang/Criminal Enterprises Dismantlements | 99 | | | 163 | | | 99 | | | … | | | 99 | | |
| Performance Measure | | Number of Agents serving on Violent Crime Task Forces | N/A | | | 1,071 | | | † | | | † | | | † | | |
| Performance Measure | | Average length of sentence in months  Violent Crime | N/A | | | 74 | | | †† | | | †† | | | †† | | |
| **Data Definition, Validation, Verification, and Limitations:**   * Disruption means impeding the normal and effective operation of the targeted organization, as indicated by changes in organizational leadership and/or changes in methods of operation, including, for example, financing, trafficking patterns, communications or drug production. Dismantlement means destroying the organization’s leadership, financial base, and supply network such that the organization is incapable of operating and/or reconstituting itself. * The Executive Office of OCDETF may sometimes edit CPOT disruptions/dismantlements data after the end of the reporting period. Such changes are reflected in later reports. * Accomplishment and caseload data are obtained from the FBI’s Resource Management Information System (RMIS), which houses the Integrated Statistical Reporting and Analysis Application (ISRAA) and Monthly Administrative Report (MAR) applications that report these data. Data are verified by an FBI field manager before being entered into that system and are subsequently verified through the FBI’s Inspection process. Other non-standardized data are maintained in files by their respective FBIHQ programs. FBI field personnel are required to enter accomplishment data within 30 days of the accomplishment or a change in the status of an accomplishment, such as those resulting from appeals. * The data source for IINI program data is a database maintained by FBI personnel detailed to the National Center for Missing and Exploited Children, as well as statistics derived by the FBI’s Cyber Division’s program personnel. Limitations on these data are explained in the Discussion of the measure. * Internet Fraud data come from a record system maintained by the IC3. The list of targets is updated each year. Targets are determined by subject matter expert teams at the IC3 and approved by the Unit Chief. IC3 staff maintains the list and determine when a target has been the subject of a take-down. There is some possibility of underreporting of accomplishments resulting from referrals to state, local, and other federal law enforcement organizations. This underreporting is possible where investigations resulting from IC3 referrals do not involve the FBI.   † FBI does not project targets for case workload data.  †† FBI does not set targets for investigative output data. | | | | | | | | | | | | | | | | | |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **FY 2006** | **FY 2007** | **FY 2008** | **FY 2009** | **FY 2010** | **FY 2011** | **FY 2012** | | **FY 2013** | **FY 2014** |
| **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Target** | **Actual** | **Target** | **Target** |
| **Performance Measure** | Restitutions/Recoveries/Fines ($000)   * Intellectual Property Fraud * Public Corruption * White-Collar Crimes (all other) | 111,877  321,815  7,799,218 | 238,832  157,440  19,516,406 | 260,219  676,889  18,502,635 | 5,389  220,787  15,956,528 | 17,100  6,559,531  8,383,458 | 4,628  1,178,976  14,027,036 | N/A  N/A  N/A | N/A  N/A  N/A | N/A  N/A  N/A | N/A  N/A  N/A |
| **Performance Measure** | Convictions/Pre-Trial Diversions (total)   * Intellectual Property Fraud * Public Corruption * White-Collar Crimes (all other) | 194  929  3,707 | 136  943  3,347 | 116  987  3,834 | 88  981  2,910 | 84  954  3,357 | 81  969  3,384 | N/A  N/A  N/A | N/A  924  3,529 | N/A  N/A  N/A | N/A  N/A  N/A |
| **Performance Measure** | Number of Criminal Organizations Engaging in White-Collar Crimes Dismantled | 231 | 277 | 211 | 250 | 236 | 368 | 360 | 409 | 385 | 385 |
| **Efficiency Measure** | % of Major Mortgage Fraud Investigations to all pending Mortgage Fraud investigations | N/A | 56% | 63% | 66% | 71% | 71% | 71% | 71% | 71% | 72% |
| **Performance Measure** | Number of Children Depicted in Child Pornography Identified by the FBI (*\*only partial year data available for FY06)* | 37\* | 73 | 187 | 118 | 246 | 240 | 155 | 175 | 210 | 215 |
| **Performance Measure** | Number of convictions for Internet fraud | N/A | N/A | N/A | N/A | N/A | 27 | N/A | TBD | N/A | N/A |
| **Performance Measure** | Number of high-impact Internet fraud targets neutralized | 9 | 11 | 11 | 13 | 12 | 11 | 13 | 23 | N/A | N/A |
| **Performance Measure** | Convictions/Pre-Trial Diversions:   * Organized Criminal Enterprises * Gang/Criminal Enterprises * Crimes Against Children * Civil Rights | 674  2,070  170  195 | 693  2,218  207  207 | 595  2,242  246  208 | 395  2,136  270  222 | 424  2,163  245  248 | 812  N/A  338  268 | N/A  N/A  N/A  N/A | 845  6,467  373  227 | N/A  N/A  N/A  N/A | N/A  N/A  N/A  N/A |
| **Efficiency Measure** | % of FBI OCDETF Investigations with links to CPOT-linked DTOs | 13% | 14% | 15% | 14% | 16% | 16% | 12% | 19% | 12% | 15% |
| **Performance Measure** | CPOT-Linked DTOs   * Disruptions * Dismantlements | 36  17 | 45  15 | 50  18 | 35  20 | 40  12 | 50  22 | 30  15 | 64  30 | 30  15 | 30  15 |
| **Performance Measure** | Number of Organized Criminal Enterprise Dismantlements | 36 | 43 | 38 | 43 | 39 | 39 | 37 | 47 | 38 | 38 |
| **Performance Measure** | Number of Gang/Criminal Enterprise Dismantlements | 119 | 144 | 114 | 135 | 124 | 165 | 99 | 163 | 99 | 99 |
| **Performance Measure** | Number of Agents serving on Violent Crime Task Forces [Priority Goal indicator] | N/A | N/A | N/A | N/A | N/A | 1,050 | 1,012 | 1,071 | N/A | N/A |
| **Performance Measure** | Average length of sentence in months: Violent Crime [Priority Goal indicator] | N/A | N/A | N/A | N/A | N/A | 72 | 100 | 74 | N/A | N/A |

**3. Performance, Resources, and Strategies**

**White-Collar Crime**

**a. Performance Plan and Report for Outcomes**

The White-Collar Crime (WCC) program uses a suite of performance measures that concentrate on priority programs such as Corporate Fraud, Health Care Fraud, Mortgage Fraud, as well as traditional accomplishment data such as convictions and pre-trial diversions and the level of recoveries, restitutions, and fines generated by the WCC program.

***Performance Measure:***Number of Criminal Organizations Engaging in White-Collar Crimes Dismantled.

***FY 2014 Target:*** *385*

***Discussion:*** The FBI established the FY 2014 target based on past performance and the increased activity of WCC enterprises, particularly in Health Care Fraud and Mortgage Fraud. Securities, corporate and mortgage fraud investigations are frequently long-term and resource-intensive. The impacts of resources received in one year are often not realized until several years later. Further, accomplishments in WCC can reach peaks at times when long-term cases initiated in prior years come to conclusion.

***Efficiency Measure:***Percentage of Major Mortgage Fraud Investigations to all Pending Mortgage Fraud Investigations

***FY 2014 Target:*** *72%*

***Discussion:*** The nature of the mortgage fraud threat and recent trends indicate that high loss schemes, schemes involving industry insiders and the sophisticated criminal enterprises will persist into FY 2014. The FBI’s long-term objective is to lower the incidence of mortgage fraud through detection, deterrence, and investigation so that the FBI can concentrate on neutralizing current and emerging financial threats, as well as financial industry fraud schemes that target our Nation’s financial institutions.

**b. Strategies to Accomplish Outcomes**

In FY 2014, the FBI will continue to pursue corporate fraud, securities fraud, mortgage fraud, other types of financial institution fraud, health care fraud, money laundering, and insurance fraud, all of which threaten to undermine our Nation's financial infrastructure. The FBI will aggressively leverage the money laundering and asset forfeiture statutes to ensure that fraudulently obtained funds are located and proper restitution is made to the victims of fraud. The enforcement strategy is a coordinated approach whereby the FBI will continue to work with other federal agencies to identify and target fraud schemes by successfully investigating, prosecuting, and obtaining judgments and settlements.

**Innocent Images National Initiative**

**a. Performance Plan and Report for Outcomes**

The Innocent Images National Initiative uses the following performance measure to track its progress in combating the exploitation of children through the Internet. The FBI will continue to make efforts to apprehend those who commit sexual exploitation offenses against children, including those who traffic in child pornography.

***Performance Measure:***  Number of children depicted in child pornography that are identified by the FBI.

*Note: Please note this performance measure represents the number of child pornographic series identified by the FBI. Due to the nature of this violation, it cannot be measured per victim but rather based on a series basis. The FBI does not count victims, rather, it counts the identified children in the image, as a "series". Further, the FBI does not count each individual child depicted in a child pornographic image. (Note there can be only one child or multiple children in one image). Therefore the counting is the "series" or collection of images depicting potentially multiple children in at least one child pornographic image.*

*FY 2006 data in chart are incomplete: data were only collected for part of that year.*

***FY 2014 Target:*** *215*

***Discussion:*** The FBI exceeded its FY 2012 target (155) for this measure by 20 children. Even as data limitations, such as the FBI’s inability to directly control the number of children identified at any given time through investigative techniques, still exist and continue to have an effect on this performance measure, the FBI was able to significantly surpass its target. The FBI continues to take definitive action to negate any of the aforementioned limitations through its continued collaboration with the National Center for Missing & Exploited Children’s (NCMEC) Child Victim Identification Program (CVIP), and CyberTipline, as well as successful FBI initiatives such as, the Innocent Images International Task Force (IIITF) and the Endangered Child Alert Program (ECAP).

**b. Strategies to Accomplish Outcomes**

In its effort to thwart the online exploitation of children, the FBI’s first priority is those investigations involving organizations, e-groups, or enterprises that exploit children for profit. The second priority is cases involving travelers; the third priority is the producers, distributors, and possessors of child pornography. These priorities will be addressed by expanding current Undercover Operations (UCOs) and undercover techniques to target and identify sexual predators and enterprises. The FBI also will develop and implement proactive initiatives designed to identify child victims and prevent exploitation before it can occur.

**c. Priority Goals**

The FBI contributes to the Vulnerable People Priority Goal 4, which aims to protect those most in need of help - with special emphasis on child exploitation and civil rights. By September 30, 2013, working with state and local law enforcement agencies, the FBI will increase protection of potential victims from abuse and exploitation by achieving a 5 percent increase in investigations concerning non-compliant sex offenders, sexual exploitation of children, and human trafficking as well as a 5 percent increase in the number of children depicted in child pornography that are identified by the FBI. The FBI’s progress will be reported quarterly.

**Internet Fraud**

**a. Performance Plan and Report for Outcomes**

The FBI and National White Collar Crime Center partnered in May 2000 to create the Internet Crime Complaint Center (IC3), a national repository for receipt and exchange of consumer, federal, and industry Internet crimes data. The IC3 allows for an enhanced capability for intelligence development to assist in these multi-divisional investigations. The FBI uses the IC3 data to develop law enforcement referrals focusing on Internet crimes with significant financial impact, large numbers of victims, and/or social impact on Internet users. Periodically, the FBI synchronizes nationwide takedowns (i.e., arrests, seizures, search warrants, indictments) to target the most significant perpetrators of on-line schemes and draw attention to identified crime problems.

***Performance Measure:*** Number of convictions for Internet fraud [New measure]

***FY 2014 Target:*** In accordance with DOJ guidance, targeted levels of performance are not projected for this indicator.

***Discussion:*** As this is a new measure, quarterly data will begin to be collected in FY 2012.

**b. Strategies to Accomplish Outcomes**

The FBI will continue to aggressively pursue criminals that pose a threat to the national information infrastructure and, in the course of such endeavors, commit fraud. In cases that the Internet is but an instrumentality of a traditional fraud scheme, the FBI’s Cyber Program will continue to pursue the most egregious, high-impact, and sophisticated non-intrusion schemes with an international nexus.

**Gang/Criminal Enterprises - Consolidated Priority Organization Targets (CPOT)**

**a. Performance Plan and Report for Outcomes**

DOJ maintains a single national list of major drug trafficking and money laundering organizations. This list of targets, known as the CPOT list, reflects the most significant international narcotic supply and related money laundering organizations, poly-drug traffickers, clandestine drug manufacturers and producers, and major drug transporters supplying the U.S.

***Performance Measure:*** Percentage of FBI OCDETF Investigations with Links to CPOT-linked Drug Trafficking Organizations (DTOs)

***FY 2014 Target:*** *15%*

***Discussion:*** CPOT-linked DTOs are identified through involved complex and coordinated intelligence, as well as analyzing drug investigative data and related financial data. Resources are focused on CPOT-linked organizations that traffic in narcotics and launder illicit proceeds. Resources, expertise and unique investigative capabilities are utilized to target their infrastructure.

***Performance Measure:*** CPOT-linked DTOs Disrupted

***FY 2014 Target:*** *30*

***Discussion:*** CPOT-linked DTOs are disrupted through complex and coordinated intelligence-driven investigations as well as analysis of drug investigative data and related financial data. These efforts effectively alter the operations of major trafficking organizations.

***Performance Measure:*** CPOT-linked DTOs Dismantled

***FY 2014 Target:*** *15*

***Discussion:*** The FBI exceeded their FY 2012 goals and increased performance by 26 percent for the number of CPOT-linked organizations dismantled compared to FY 2011. It is anticipated the FBI will continue to achieve greater efficiency in FY 2013 by linking cases to CPOTs which were not previously identified or documented; therefore, allowing higher documented production.

**b. Strategies to Accomplish Outcomes**

Asian Criminal Enterprises (ACEs) are involved in criminal violations that include organized crime activities, such as murder, alien smuggling, extortion, loan sharking, illegal gambling, counterfeit currency and credit cards, prostitution, money laundering, drug distribution, and various acts of violence. Loosely knit, flexible, and highly mobile, ACEs have become more sophisticated, diverse, and aggressive in directing their activities, and profiting through legitimate and illegitimate businesses to avoid law enforcement attention and scrutiny. Russian/Eastern European/Eurasian criminal enterprise groups (ECEs) in the U.S. are engaged in traditional racketeering activity such as extortion, murder, prostitution, and drugs. Both ECEs and Middle Eastern criminal enterprise organizations are also deeply involved in large-scale white-collar crimes, such as gasoline excise tax scams, fraudulent insurance claims, stock fraud, and bank fraud. The FBI’s strategy for criminal organization investigations emphasizes the development and focusing of resources on national targets, the use of the Enterprise Theory of Investigations (which focuses investigations on the overall organization in question), the enhanced use of intelligence, and the exploitation and development of FBI technical capabilities.

To address the threat that violent urban gangs pose on a local, regional, national and even international level, the FBI first established a National Gang Strategy in the 1990s to identify the gangs posing the greatest danger to American communities; combine and coordinate the efforts of the local, state, and federal law enforcement in Violent Gang Safe Streets Task Forces throughout the U.S.; and utilize the same techniques previously used against organized criminal enterprises. The increasingly violent activity of MS-13 has prompted an FBI initiative that will assure extensive coordination between all Field Offices involved in the investigation of MS-13 matters. Additionally, due to a significant number of MS-13 gang members residing in Central America and Mexico, liaising with international law enforcement partners abroad will be a key part of the FBI’s strategy against this gang threat. In FY 2006, DOJ and DHS established the National Gang Tracking Enforcement Coordination Center (GangTECC), now known as Special Operations Division/Operational Section: Gangs (SOD/OSG), a multi-agencyinitiativeanti-gang enforcement, deconfliction, coordination and targeting center headed by a Director from the DEA and a Deputy Director from the FBI, and staffed with representatives from ATF, BOP, DEA, FBI, ICE and the USMS.

DOJ defines gangs as associations of three or more individuals whose members collectively identify themselves by adopting a group identity which they use to create an atmosphere of fear or intimidation frequently by employing one or more of the following: a common name, slogan, identifying sign, symbol, tattoo or other physical marking, style or color of clothing, hairstyle, hand sign or graffiti. The association's purpose, in part, is to engage in criminal activity and the association uses violence or intimidation to further its criminal objectives. Its members engage in criminal activity or acts of juvenile delinquency that, if committed by an adult, would be crimes with the intent to enhance or preserve the association's power, reputation, or economic resources. The association may also possess some of the following characteristics: (a) the members employ rules for joining and operating within the association; (b) the members meet on a recurring basis; (c) the association provides physical protection of its members from other criminals and gangs; (d) the association seeks to exercise control over a particular location or region, or it may simply defend its perceived interests against rivals; or (e) the association has an identifiable structure. This definition is not intended to include traditional organized crime groups such as La Cosa Nostra, groups that fall within the Department's definition of "international organized crime," drug trafficking organizations or terrorist organizations.

The FBI concentrates counter-narcotics resources against DTOs with the most extensive drug networks in the U.S. As entire drug trafficking networks, from sources of supply through the transporters/distributors are disrupted or dismantled, the availability of drugs within the U.S. will be reduced. To assess its performance in combating criminal enterprises that engage in drug trafficking, the Gang/Criminal Enterprise Program works in tandem with DEA and the Executive Office for OCDETF to track the number of organizations linked to targets on DOJ’s CPOT list.

**c. Priority Goals**

The FBI contributes to the Violent Crime Priority Goal 2, which aims to reduce gang violence. By September 30, 2013, the FBI will increase coordination on gang investigations among Federal, State, and local law enforcement and increase intelligence products produced in support of Federal, State, and local investigations that are focused on gangs posing a significant threat to communities by 5 percent. The FBI’s progress will be reported quarterly.

**Organized Criminal Enterprises & Gangs/Criminal Enterprises**

**a. Performance Plan and Report for Outcomes**

Organized Criminal Enterprises

FBI investigations of criminal enterprises involved in sustained racketeering activities that are focused on those enterprises with ethnic ties to Asia, Africa, the Middle East, and Europe. Organized criminal enterprise investigations, through the use of the Racketeering Influenced Corrupt Organization statute, target the entire entity responsible for the crime problem. Each of these groups is engaged in a myriad of criminal activities.

***Performance Measure:***Organized Criminal Enterprises Dismantled

***FY 2014 Target:*** *38*

***Discussion:*** Based on National Intelligence Estimates (NIEs) and other factors that gauge threats posed to U.S. national security by organize crime, the FBI targets high-priority organizations related to such threats.

The Organized Crime Program (OCP) anticipates additional collection, the establishment of additional cases, the development of additional confidential human sources, and an increase in Intelligence Information Report production. FBI efforts also include the initial targeting and operational activities against criminal bosses that support the associated thieves and members of high priority organizations, and target the financial and communications avenues of the criminal enterprises already identified as potential vulnerabilities.

Gang/Criminal Enterprises

The mission of the FBI’s Gang/Criminal Enterprise Program is to disrupt and dismantle the domestic cells (local, regional, national, and transnational) of criminal enterprises, which pose the greatest threat to the economic and national security of the U.S. Many of these criminal enterprises have ties to North, Central, and South America. This will be accomplished through the FBI’s criminal investigations, involvement in the Organized Crime Drug Enforcement Task Force Program (OCDETF), and support and leadership of HIDTA initiatives. The majority of the FBI’s anti-gang efforts are directed towards the gangs that the Bureau has identified as presenting priority threats. The FBI works closely with local, state, federal, and international law enforcement agencies to accomplish this mission.

The Gang Targeting and Coordination Center (GangTECC) focuses on enhancing gang investigations of all federal agencies by acting as a deconfliction and case coordination center. GangTECC facilitates operations across agency lines and seeks to dismantle national and trans-national violent gangs.

***Performance Measure:*** Gang/ Criminal Enterprises Dismantled

*Note: This measure does not include CPOT-linked dismantlements.*

***FY 2014 Target:*** *99*

***Discussion:*** DTOs are dismantled through complex and coordinated intelligence driven investigations that include analysis of drug investigative data and related financial data. These efforts effectively disrupt the operations of major trafficking organizations and ultimately destroy them. Resources are focused on coordinated, nationwide investigations targeting the entire infrastructure of major DTOs. DTO members who traffic in narcotics and launder illicit proceeds are targeted. Strategic initiatives are developed to effectively exploit the DTO’s most vulnerable points, thus attacking its infrastructure. FBI enforcement actions have resulted in keeping multi-ton quantities of illegal drugs such as cocaine, heroin, marijuana and methamphetamine from ever entering the U.S.

***Performance Measure:*** Number of agents serving on Violent Crime Task Forces

***FY 2014 Target:*** *N/A[[3]](#footnote-4)*

***Discussion:*** This new measure serves as an indication of the FBI’s contribution to DOJ’s overall goal of targeting reduction of crime in areas particularly prone to violent crime.

***Performance Measure:*** Average length of sentence in months: Violent Crime

***FY 2014 Target:*** *N/A[[4]](#footnote-5)*

***Discussion:*** This new measure serves as an indication of results, in terms of sentence length, of the efforts of the FBI, and other DOJ components, to reduce the prevalence of crime in areas particularly prone to violent crime.

**c. Priority Goals**

The FBI contributes to the Violent Crime Priority Goal 2, which aims to reduce gang violence. By September 30, 2013, the FBI will increase coordination on gang investigations among Federal, State, and local law enforcement and increase intelligence products produced in support of Federal, State, and local investigations that are focused on gangs posing a significant threat to communities by 5 percent. The FBI’s progress will be reported quarterly.

**D. Criminal Justice Services Decision Unit**

|  |  |  |  |
| --- | --- | --- | --- |
| Criminal Justice Services Decision Unit | Direct Pos. | Estimate FTE | Amount |
| 2012 Enacted1/ | 2,103 | 2,001 | $500,016 |
| 2013 Continuing Resolution | 2,103 | 2,028 | 500,016 |
| 2013 Continuing Resolution 0.612% Increase | … | … | 3,060 |
| 2013 Supplemental Appropriation –  Sandy Hurricane Relief | … | … | 623 |
| Base and Technical Adjustments | (47) | (58) | (10,919) |
| 2014 Current Services | 2,056 | 1,970 | 492,157 |
| 2014 Program Increases | 524 | 262 | 92,601 |
| 2014 Program Offsets | … | ... | (2,369) |
| 2014 Request | 2,580 | 2,232 | 582,389 |
| Total Change 2012-2014 | 477 | 231 | $83,372 |

1/2012 FTE represents Actual FTE

|  |  |  |  |
| --- | --- | --- | --- |
| CJS – Information Technology Breakout  (of Decision Unit Total) | Direct Pos. | Estimate FTE | Amount  ($000) |
| 2012 Enacted | … | … | $412,362 |
| 2013 Continuing Resolution | … | … | 412,362 |
| 2013 Continuing Resolution 0.612% Increase | … | … | 2,523 |
| Adjustments to Base and Technical Adjustments | … | … | … |
| 2014 Current Services | … | … | 269,761 |
| 2014 Program Increases | … | … | … |
| 2014 Program Offsets | … | … | … |
| 2014 Request | … | … | $269,761 |
| Total Change 2012-2014 | … | … | $(142,602) |

**1. Program Description**

The Criminal Justice Services (CJS) Decision Unit is comprised of all programs of the Criminal Justice Information Services (CJIS) Division, the portion of the Laboratory Division that provides criminal justice information and forensic services to the FBI's state and local law enforcement partners, as well as the state and local training programs of the Training Division. Additionally, to capture all resources that support the CJS program, a prorated share of resources from the FBI's support divisions (Security, Information Technology, and the administrative divisions and offices) are calculated and scored to this decision unit.

***CJIS Division***

The mission of the CJIS Division is to equip our law enforcement, national security, and intelligence community partners with the criminal justice information they need to protect the U.S. while preserving civil liberties. The CJIS Division includes several major program activities that support this mission, all of which are described below.

Integrated Automated Fingerprint Identification System (IAFIS)/Next Generation Identification (NGI): IAFIS provides timely and accurate identification services in a paperless environment 24 hours a day, 7 days a week. The system identifies individuals through name, date-of-birth, fingerprint image comparisons, and/or other descriptors and provides criminal history records on individuals for law enforcement and civil purposes. IAFIS is designed to process criminal fingerprint submissions in two hours or less and civil submissions in 24 hours or less. In FY 2011, the FBI conducted over 50.7 million fingerprint background checks. In FY 2012, the FBI conducted over 58 million fingerprint background checks. The primary drivers for the fingerprint background check increases in 2012 were DHS Immigration and Customs Enforcement and Department of State benefit transactions, as well as DHS Customs and Border Protection Port of Entry checks.

In FY 2008, the CJIS Division awarded a contract for the development and integration of the NGI system. NGI is a major upgrade and replacement to the current IAFIS. The FBI initiated the NGI Program in response to advances in technology, FBI customer requirements, growing demand for IAFIS services, and degradation of the IAFIS information technology infrastructure. NGI advances the FBI’s biometric identification and investigation services, providing an incremental replacement of current IAFIS technical capabilities, while introducing new biometric functionality. When fully deployed, the NGI system will offer state-of-the-art biometric services and capabilities that will serve as a platform for multiple modes of biometric functionality.

NGI will serve as the cornerstone to enable the FBI to meet its criminal justice service mission and support the intelligence community. The FBI anticipates dramatically improving the major features of the current IAFIS including system flexibility, storage capacity, accuracy and timeliness of responses, and interoperability with other systems - including the Department of Homeland Security (DHS) and the Department of Defense (DOD) biometric matching systems. NGI is comprised of six overlapping increments. Increment 1 (Advanced Fingerprint Identification Technology [AFIT]) was achieved more than one month ahead of schedule in February 2011. Increment 2 (Repository for Individuals of Special Concern [RISC]) was deployed on schedule in August 2011. Increment 3 (Latent, Palms, Rapid DHS Response, and Full Infrastructure) achieved system acceptance review on schedule in October 2012. Increment 3 deployment to end users is scheduled for the end of April 2013 (2 months ahead of the scheduled “usable functionality” date on the NGI Federal IT Dashboard). All remaining NGI increments are on schedule, with Full Operating Capability planned for June 2014.

National Crime Information Center (NCIC): The NCIC is a nationwide information system that supports local, state, tribal, federal, and international law enforcement agencies in their mission to uphold the law and protect the public. The NCIC allows for the compilation, dissemination, and exchange of timely and critical criminal justice and law enforcement information, such as data on wanted persons, violent persons, stolen property, sex offenders, immigration violators, terrorists, and other records. On July 2, 2012, NCIC had a peak daily transaction volume of 12.2 million transactions. As of December 2012, the system averages 8.9 million transactions per day.

National Instant Criminal Background Check System (NICS): The NICS is a national system established to enforce the provisions of the Brady Handgun Violence Prevention Act of 1993. The NICS allows Federal Firearms Licensees to determine whether receipt of a firearm by a prospective purchaser would violate state or federal law. The system ensures the timely transfer of firearms to individuals who are not specifically prohibited and denies transfer to prohibited persons. For FY 2011, the NICS processed 15.9 million inquiries. The FBI conducted approximately 6.6 million of these checks, resulting in 76,862 denials to prohibited persons. The remaining 9.3 million checks were conducted by individual states. In FY 2012, the NICS processed over 17.9 million inquiries. The FBI conducted approximately 7.8 million of these checks, resulting in 83,144 denials to prohibited persons. The remaining 10.1 million checks were conducted by individual states. Since the tragic shooting at Sandy Hook Elementary School on December 14, 2012, and subsequent discussions of potential changes in gun laws, the FBI’s workload has skyrocketed. Before the Sandy Hook shooting, the busiest week in NICS history was the week of December 3 – 9, 2012, when 527,095 firearms checks were initiated. The week following the shooting, December 17 – 23, 2012, NICS volumes approached 1 million transactions (953,613).

Uniform Crime Reporting (UCR): The FBI’s UCR Program has served as the national

clearinghouse for the collection of crimes reported to law enforcement since 1930. It is the CJIS Division of the FBI that collects, analyzes, reviews, and publishes the data collected from participating local, state, tribal, and federal law enforcement agencies. Recognizing the need for improved statistics, law enforcement called for a thorough evaluative study to modernize the UCR Program, resulting in the National Incident-Based Reporting System (NIBRS).  In the NIBRS, more detailed data are collected on each single crime occurrence made up of 49 specific offenses.  Based on 2011 submissions, approximately 43 percent of the program's law enforcement agencies are certified for NIBRS participation.  Information derived from the data collected within the UCR Program is the basis for the annual publications *Crime in the United States*, *Law Enforcement Officers Killed and Assaulted* (LEOKA), and *Hate Crime Statistics* that fulfill the FBI’s obligations under Title 28 United States Code Section 534. The publications provide statistical compilations of crimes such as murder, forcible rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft, and arson; officers killed and assaulted in the line of duty; and hate crime statistics. Currently, the UCR Program is working to complete the UCR Redevelopment Project (UCRRP) to manage the acquisition, development, and integration of a new information systems solution. The UCRRP will decrease the time it takes to analyze data and respond sooner with data quality questions and concerns; reduce the exchange of printed materials between submitting agencies and the FBI; provide an external data query tool to allow public users the ability to view and analyze published UCR data from the Internet; and implement a flexible and scalable systems framework, including industry standard interfaces that better accommodate future changes. The UCR Program also conducts officer safety awareness training for the Nation’s law enforcement community based on the statistics and research collected in the UCR LEOKA Program.

Law Enforcement National Data Exchange (N-DEx): N-DEx is the first and only national criminal justice investigative information-sharing system. N-DEx is a national asset that provides criminal justice agencies with a tool for sharing, searching, linking, and analyzing criminal justice information across our country. By using N-DEx as a pointer and data discovery system, users can detect relationships between people, crime characteristics, property, and locations; eliminate information gaps by linking information across jurisdictions; “connect the dots” between non-obvious and seemingly unrelated data; and obtain contact information of investigators and agencies working investigations. N-DEx complements existing state and regional systems and is positioned to fill in gaps in the many areas of the country where no information sharing system or program currently exists. N-DEx is unique to other systems in scale, scope, and sustainability.

N-DEx establishes an information sharing network by making available over 150 million searchable records, representing nearly 1.5 billion entities (persons, places, things, or events) from nearly 4,000 agencies to more than 70,000 criminal justice users. At the end of FY 2012, 50.41 percent of the U.S. population was represented by the data submitted to N-DEx via state and local law enforcement agencies. The percent of population covered by N-DEx participation is measured by mapping contributing agencies to the specific county and state. Population data for each county is collected from the U.S. census information. Participation is measured by data contributions from local and state law enforcement agencies. It is projected by the end of FY 2013, 58.00 percent of the U.S. population will be represented.

N-DEx is currently undergoing multiple enhancements through the Multi-Enrichment Project. The project has been divided into a two-phase approach. Phase 1 was completed in December 2012, and included enhancements to ingest and search, and implementation of LEXS 4.0. Phase 2, scheduled to be completed in October 2013, includes additional ingest and search enhancements, probabilistic name matching capability, LEXS 4.0 implementation improvements, non-obvious relationships discovery capabilities, report capability, and data sharing tools for federal criminal justice agencies.

Law Enforcement On-line (LEO): LEO is a 24-hour-a-day, 7-day-a-week, on-line (real time), information-sharing system that is accredited and approved by the FBI for the transmission of sensitive but unclassified information throughout the world to the local, state, tribal, federal, and international law enforcement, criminal justice, and public safety communities. The LEO system provides a vehicle for these communities to exchange information, conduct online education programs, and participate in professional special interest and topically focused dialog. LEO gives these communities simplified and increased one-stop access to information sharing systems, such as E-Guardian, Operational Response and Investigative Online Network, Violent Crime Apprehension Program, Hostage/Barricade Data System, and the National Center for Missing and Exploited Children, as well as many other systems in order to eliminate such information being isolated within a single agency’s system. LEO provides law enforcement and criminal justice communities a secure “anytime and anywhere” national and international method to support antiterrorism, intelligence, investigative operations; sends notifications and alerts; and provides an avenue to remotely access other law enforcement and intelligence systems and resources. LEO also offers an incident management system, the Virtual Command Center (VCC), which allows all levels of law enforcement to securely share critically needed information in real time across any Internet connection in order to provide safety and security at all major events and natural disaster areas. At the end of FY 2012, LEO supported a user base of over 58,800 active members.

In FY 2012, LEO began the merger of the CJIS Division’s Enterprise Identity Management Services and the LEO rehosted system of services, which created the LEO Enterprise Portal (LEO EP). The LEO-EP is now offering all LEO services, including Virtual Command Centers and current database services. This merger provided the LEO system with a user-friendly e-Portal environment with increased system functionality and customization; a more robust search feature; an upgraded webmail application; and advanced chat application. LEO EP offers a cost-effective, single sign-on capability which allows access to services such as the Regional Information Sharing System Network (RISSNET), National Law Enforcement Data Exchange (N-DEx), Joint Automated Booking System (JABS), National Gang Intelligence Center (NGIC), Internet Crime Complaint Center (IC3), and Intelink. Also in FY 2012, LEO provided a new service by adding Virtual Office (VO) capability. The VO is a secure Private LEO Special Interest Group, which enables a Law Enforcement Agency to store sensitive information they may not need to share with other agencies such as building blueprints, evacuation plans, internal agency documents/forms, case information etc. It also allows secure access from any internet connection. VOs are used in a wide variety of law enforcement and emergency situations to strengthen counterterrorism, safety, and local and multi-agency law enforcement efforts.

***Laboratory Division***

A portion of the Laboratory Division programs that provide forensic services to the FBI's state and local law enforcement partners is scored in the CJS Decision Unit.

The successful investigation and prosecution of crimes require the collection, examination, and scientific analysis of evidence recovered at the scene of the incident and obtained during the course of the investigation. Without such evidence, many crimes would go unsolved and unpunished. At the same time, forensic examination of evidence exonerates individuals wrongly accused of crimes.

The FBI Laboratory, established in 1932, is the only full-service civilian federal forensic

laboratory in the U.S. The FBI Laboratory was accredited in August 2008 by the American Society of Crime Laboratory Directors – Laboratory Accreditation Board (ASCLD-LAB) for meeting or exceeding the requirements for *international* accreditation (ISO/IEC 17025). Examinations support investigations that cross all FBI investigative programs, international, federal, state, and local boundaries. Examinations of evidence for duly constituted U.S. law enforcement agencies, whether federal, state or local, and foreign law enforcement unable to perform the examinations at their own facilities are performed, free of charge. The FBI Laboratory also provides comprehensive technical reports, training, and expert testimony to federal, state, and local agencies.

In addition to providing forensic analysis services, the FBI Laboratory also provides operational response capabilities with respect to chemical, biological, nuclear, radiological and explosive devices/incidents and evidence collection. Biometric identification services are provided through the Combined DNA Index System (CODIS) and the Federal Convicted Offender Program (FCOP). The FBI Laboratory is the executive agent for the Terrorist Explosive Devices Analytic Center (TEDAC), a multi-agency center that forensically and technically exploits terrorist improvised explosive devices and related materials and generates actionable investigative and intelligence information for use by the U.S. law enforcement, the Intelligence Community, the U.S. military, and other partners.

In FY 2012, the FBI conducted approximately 687,000 forensic examinations (this included FBI, and other Federal, state and local examinations).

***Training Division***

In addition to training FBI agents, the FBI provides instruction for state and locals at minimal cost, both at the FBI Academy and throughout the U. S. at state, regional, and local training facilities. The principal course for state and local law enforcement officers is the FBI National Academy, a 10-week multi-disciplinary program for officers who are considered to have potential for further advancement in their careers. In FY 2012, there were 1,045 state and local law enforcement officers that participated in the National Academy program at the FBI Academy in Quantico, Virginia.

In addition to sessions offered at the FBI Academy, the FBI conducts and participates in courses and seminars at state, regional, and local training facilities. These training sessions cover the full range of law enforcement training topics such as hostage negotiation, computer-related crimes, death investigations, violent crimes, criminal psychology, forensic science, and arson. In FY 2012, an estimated 97,000 criminal justice personnel received training from FBI instructors at state, regional, and local training facilities.

Due to the increasingly global nature of many of the FBI's investigative initiatives, the FBI has in recent years emphasized the need to train its foreign law enforcement partners through the International Training and Assistance Program, for which the FBI is partially reimbursed by the State Department. In FY 2012, the FBI provided training to 4,578 international police officers and executives representing 95 countries.

**Program Objectives**

* Reduce criminal activity by providing timely and qualitative criminal justice information to federal, state, and local law enforcement agencies.
* Provide new technologies and address critical shortfalls in forensic investigative capabilities including latent fingerprint, firearms/toolmark, explosive, trace evidence, DNA, and training of personnel.
* Lead and inspire, through excellence in training and research, the education and development of the criminal justice community.

| **2. PERFORMANCE/RESOURCES TABLE** | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Decision Unit:** Criminal Justice Services | | | | | | | | | | | |
| **DOJ Strategic Goal/Objective** Goal 3: Ensure the Fair, and Efficient Administration of Justice: Promote and strengthen innovative strategies in the administration of state and local justice systems. (Objective 3. 6) | | | | | | | | | | | |
| **WORKLOAD/ RESOURCES** | | **Target** | | **Actual** | | **Projected** | | **Changes** | | **Requested (Total)** | |
| **FY 2012** | | **FY 2012** | | **FY 2013** | | **Current Services Adjustments &**  **FY 2014 Program Changes** | | **FY 2014 Request** | |
| IAFIS fingerprint background checks | | 68,512,598 | | 57,987,202 | | 53,182,216 | | (755,790) | | 52,426,426 | |
| NCIC transactions | | 3,177,000,000 | | 3,204,257,353 | | 3,459,753,000 | | 307,918,000 | | 3,767,671,000 | |
| Total number of federal, state, and local investigations aided by the Combined DNA Index System (CODIS) | | † | |  | | † | | † | | † | |
| Total number of forensic and offender matches identified at CODIS | | † | |  | | † | | † | | † | |
| **Total Costs and FTE** | | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** | **FTE** | **$000** |
| 2,058 | 500,016 | 2,001 | 632,682 | 2,028 | 501,984 | 204 | 16,463 | 2,232 | 518,447 |
| **TYPE/**  **STRATEGIC OBJECTIVE** | **PERFORMANCE** | **FY 2012** | | **FY 2012** | | **FY 2013** | | **Current Services Adjustments &**  **FY 2014 Program Changes** | | **FY 2014 Request** | |
| **Efficiency Measures** | **IAFIS/NGI: [Revived measures]**  % of IAFIS/NGI routine fingerprint checks:  Criminal:   * Completed w/in 2 hours   Civil:   * Completed w/in 24 hours | N/A  N/A | | 95%  99% | | 95%  99% | | -  - | | 95%  99% | |
| **Performance Measure** | **IAFIS/NGI: [Discontinued measures]**   * Average daily identification searches * Average daily latent searches * Response time for routine criminal submissions * Response time for routine civil submissions | 187,706  686  1 hour  12 hours | | 157,979  700  7 m 43s  1 hr 6 m 31s | | 200,232  753  30 m  6 hours | | -  -  -  - | | N/A  N/A  N/A  N/A | |
| **Performance Measure** | **NCIC:**   * System availability * Downtime in minutes | 99. 5%  1,440 | | 99.75%  1,351 | | 99. 5%  1,440 | | -  - | | 99. 5%  1,440 | |
| **Performance Measure** | **NICS:**  % of NICS checks with an Immediate Determination | 90. 0% | | 91.7% | | 90. 0% | | - | | 90. 0% | |
| **Performance Measure** | Average turnaround time for Federal DNA Sample entry in the National DNA Index System (NDIS) of submissions fulfilling the processing and upload requirements | 30 days | | 25 days | | 30 days | | - | | 30 days | |
| **Performance Measure** | Student-weeks of Instruction at the Hazardous Devices School (HDS) | 2,668 | | 2,052 | | 2,122 | | - | | 2,122 | |
| **Performance Measure** | **N-DEx:**  Percent of population covered by N-DEx via state and local law enforcement participation | 50% | | 50% | | 58% | | 6% | | 66% | |
| **Performance Measure** | **[Discontinued measure]**  Number of products and services deployed in support of customers | 260 | | 193 | | 210 | | - | | NA | |
| **Performance Measure** | LEO:Number of active members | 64,980 | | 58,863 | | 61,000 | | 2,500 | | 63,500 | |
| **Performance Measure: *Customer Satisfaction*** | LEO: [Discontinued measure]% of users who visit the Law Enforcement Online (LEO) service (which provides intelligence dissemination) more than one month out of each year. | N/A | |  | | N/A | | - | | N/A | |
| **Data Definition, Validation, Verification, and Limitations:**   * IAFIS Response Times are captured automatically from in-house developed software code residing on the Electronic Fingerprint Transaction Standard (EFTS) Fingerprint Conversion (EFCON) System. The software that captures this information, time stamps all incoming and out-going transactions and produces a report that calculates transaction response times. The developed code for this requirement was rigorously tested through System Integration and Test (SIT) prior to being put into operations. The information produced by EFCON was validated using Transaction Status (TS), a contractor developed statistical capture program that runs on the Integrated Automated Fingerprint Identification System. The data collected from EFCON is imported into a spreadsheet to calculate the average response time and percentage for electronic criminal and electronic civil responses. CJIS Division staff review this information prior to release. * NCIC Transaction Volumes are captured similarly to the IAFIS Response Time statistics in that they are also capture automatically from developed code. This program was developed as a requirement by a contractor during the development of the NCIC 2000 system. The developed code for this requirement was also rigorously tested through System Integration and Test (SIT) prior to being put into operations. The information produced in the NCIC reports is also validated by CJIS Division staff prior to release. * System Availability data are collected manually from System Management Center (SMC) logs. System Availability is based on the time a system is out of service until it is returned to service as recorded by SMC personnel. CJIS Division staff input the information into spreadsheets that calculate percent averages. The algorithms used within the spreadsheets were validated prior to being used by in-house personnel. The System Availability figures are tracked closely on a weekly basis by Systems Managers and the Section Chief in charge of the operations and maintenance of the CJIS Division's systems. * HDS data are maintained in central files and databases located at the HDS. The HDS Program Administrator reviews and approves all statistical accomplishment data for dissemination. * N-DEx targets are estimated based upon limited historical data. Marketing results are dependent upon executive advocacy, state policy and technical readiness for participation. | | | | | | | | | | | |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Performance Report and Performance Plan Targets** | | **FY 2006** | **FY 2007** | **FY 2008** | **FY 2009** | **FY 2010** | **FY 2011** | **FY 2012** | | **FY 2013** | **FY 2014** |
| **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Actual** | **Target** | **Actual** | **Target** | **Target** |
| **Efficiency Measures** | **IAFIS/NGI: [Revived measures]**  % of IAFIS/NGI routine fingerprint checks:  Criminal:   * Completed w/in 2 hours * DHS checks completed w/in 72 hours   Civil:   * Completed w/in 24 hours * DOS checks completed w/in 15 minutes | 97.00%  N/A  98.00%  N/A | 98. 00%  N/A  98. 80%  N/A | 97. 90%  N/A  98. 50%  N/A | 98. 20%  100%  98. 80%  99. 70% | 99. 32%  99. 51%  99. 70%  99. 11% | 99. 30%  100%  99. 80%  99. 90% | N/A  N/A  N/A  N/A | 99.30%  99.83% | 95.00%  N/A  99.00%  N/A | 95.00%  N/A  99.00%  N/A |
| **Performance Measure** | **IAFIS/NGI: [Discontinued measures]**   * Average daily identification searches * Average daily latent searches * Response time for routine criminal submissions * Response time for routine civil submissions | N/A  N/A  N/A  N/A | N/A  N/A  N/A  N/A | N/A  N/A  N/A  N/A | N/A  N/A  N/A  N/A | 132,064  682  8m 42s  55m24s | 139,125  597  10 min  1 hr 5 m | 187,706  686  1 hour  12 hours | 157,979  700  7 min 43s  1 hr 6m 31s | 200,232  753  30 min  6 hours | N/A  N/A  N/A  N/A |
| **Performance Measure** | **NICS:**  % of NICS checks with an Immediate Determination | 91. 46% | 91. 63% | 91. 66% | 91. 9% | 91. 36% | 91. 40% | 90.00% | 91.72 | 90.00% | 90.00% |
| **Performance Measure** | **NCIC:**   * System availability * Downtime in minutes | 99. 80%  1,277 | 99. 80%  1,267 | 99. 80%  1,138 | 99. 80%  1,028 | 99. 79%  1,152 | 99. 76%  1,273 | 99. 50%  1,440 | 99.75%  1,351 | 99. 50%  1,440 | 99. 50%  1,440 |
| **Performance Measure** | Average turnaround time for Federal DNA Sample entry in the National DNA Index System (NDIS) of submissions fulfilling the processing and upload requirements | N/A | N/A | N/A | N/A | N/A | N/A | 30 days | 25 days | 30 days | 30 days |
| **Performance Measure** | **N-DEx:**  Percent of population covered by N-DEx via state and local law enforcement participation | N/A | N/A | N/A | N/A | 27% | 35. 30% | 50.00% | 50.00% | 58.00% | 66.00% |
| **Performance Measure** | **[Discontinued measures]** Number of products and services deployed in support of customers | N/A | N/A | N/A | N/A | N/A | 299 | 260 | 193 | 210 | N/A |
| **Performance Measure: *Customer Satisfaction*** | LEO: [Discontinued measure]% of users who visit the Law Enforcement Online (LEO) service (which provides intelligence dissemination) more than one month out of each year. | 39.00% | 26.00% | 41.00% | 42.00% | 45.00% | 41.00% | N/A |  | N/A | N/A |
| **Performance Measure** | **LEO:**  Number of Active Members | N/A | N/A | N/A | N/A | N/A | 55,147 | 64,980 | 58,863 | 61,000 | 63,500 |
| **Performance Measure** | Student-weeks of Instruction at the Hazardous Devices School (HDS) | 2,614 | 2,159 | 2,605 | 2,437 | 2,326 | 2,295 | 2,668 | 2,052 | 2,122 | 2,122 |

**3. Performance, Resources, and Strategies**The Criminal Justice Services Decision Unit contributes to the Department of Justice’s Strategic Goal 3, “Ensure the Fair and Efficient Administration of Justice.” Within this goal, the resources specifically support Strategic Objective 3. 6, “Promote and strengthen innovative strategies in the administration of state and local justice systems.” This Decision Unit ties directly to the FBI’s ninth priority: Support federal, state, local, and international partners; and to the “Maximize Partnerships” theme and its related objectives on the FBI’s strategy map.

**a. Performance Plan and Report for Outcomes**

**Integrated Automated Fingerprint Identification System/Next Generation Identification**

***Performance Measure:*** REVIVED MEASURE: Percentage of IAFIS/NGI routine criminal fingerprint checks completed within 2 hours.

***Discussion:*** The new measure replaces the discontinued measures that follow below and may be updated once NGI is fully deployed in June 2014. Fingerprint identification, which includes the processing of fingerprint submissions and criminal history records, has been a responsibility of the FBI since 1924. With an ever-increasing demand for fingerprint services, on July 28, 1999, the FBI launched the Integrated Automated Fingerprint Identification System (IAFIS), which is managed by the FBI’s CJIS Division in Clarksburg, West Virginia. The IAFIS is a national fingerprint and criminal history system that provides automated fingerprint search capabilities, latent searching capability, electronic image storage, and electronic exchange of fingerprints and responses, 24 hours a day, 365 days a year.

***FY 2014 Target:*** *95%*

***Performance Measure:*** REVIVED MEASURE: Percentage of IAFIS/NGI routine civil fingerprint checks completed within 24 hours.

***Discussion:*** This new measure replaces the discontinued measure that follows and may be updated once NGI is fully deployed in June 2014.

***FY 2014 Target:*** 99%

***Performance Measure:*** Average daily identification searches [Proposed to be discontinued]

***Discussion:*** The FBI proposes to discontinue this measure, which reports the number of identification searches being conducted by the CJIS, This information can be obtained by dividing the number of checks by 365. The FBI will continue to report on this measure through FY 2013.

***FY 2014 Target:*** N/A

***Performance Measure:*** Average daily latent searches [Proposed to be discontinued]

***Discussion:***  The FBI proposes to discontinue this measure, which reports the average daily number of latent investigative searches processed by the FBI CJIS Division. Dependency on participation from external agencies was the driver for the measure, not system performance. A new system performance measure for latent prints will be developed once NGI is fully deployed in June 2014. The FBI will continue to report on this measure through FY 2013.

***FY 2014 Target:*** *N/A*

***Performance Measure:*** Response time for routine criminal submissions [Proposed to be discontinued]

***Discussion:*** The FBI proposes to discontinue this measure, which reports the timeliness of CJIS’ response to routine criminal submissions from state, local, and federal criminal justice entities, because it is aligned closer to the historical IAFIS system performance reporting. All IAFIS segments will be replaced by NGI in 2014. Until that time, IAFIS is reporting performance measures for routine criminal and civil response times. This reporting accounts for some improvement in response times, which could be attributed to efficiencies gained by NGI’s implementation of the new fingerprint matching segment of IAFIS. The NGI response times, and subsequent performance measures for routine criminal and civil submissions, will not be implemented until all IAFIS segments have been replaced at NGI Full Operating Capability.

***FY 2014 Target:*** *N/A*

***Performance Measure:*** Response time for routine civil submissions [Proposed to be discontinued]

***Discussion:*** The FBI proposes to discontinue this measure, which reports the timeliness of CJIS’ response to routine civil submissions for positions of trust, employment, and licensing purposes. This measure is aligned closer to the historical IAFIS system performance reporting.

***FY 2014 Target:*** *N/A*

**Law Enforcement Online**

***Performance Measure:*** Number of active LEO members:

***Discussion:*** This measure reports the number of total active members brought onto the LEO system from state, local, and federal law enforcement, and criminal justice entities. The target projections are based on historical system data with planned current system enhancements. With the implementation of the LEO Enterprise Portal (LEO-EP), LEO will have the ability to on-board entire law enforcement organizations as LEO users. The FY 2013 target is based on historical rates from FY 2012. LEO continues to increase awareness of LEO services through the FBI Field Office, and Tribal and Virtual Office initiatives. The FY 2014 target is based on rates increasing with LEO becoming a service on the LEO-EP and the addition of whole organizations/agencies. It is anticipated that FY 2014 membership will increase significantly as a result.

***FY 2014 Target:*** *63,500*

**National DNA Index System (NDIS)**

### *Performance Measure:* Average turnaround time for Federal DNA Sample entry in the National DNA Index System (NDIS) of submissions fulfilling the processing and upload requirements.

***Discussion:*** The FBI Laboratory has established a 30-day turnaround time for processing and uploading samples based upon community expectations to receive, process, analyze, and upload samples. To reduce the turnaround time for the samples requiring re-analysis, the Federal DNA Database Program is (1) implementing process improvements in how samples are re-analyzed/reworked to increase efficiency, and (2) specifically monitoring the turnaround time of samples that require re-analysis. For the 4th quarter of FY2012, the FDD program significantly exceeded their target of an average 30-day turnaround time for sample processing/upload by achieving 14 days, 12 days, and 13 days, respectively, for the months of July, August and September.

### *FY 2014 Target: 30 days*

### Law Enforcement National Data Exchange (N-DEx)

N-DEx provides criminal justice agencies the ability to share data and detect, deter, and disrupt criminal activity and national security threats. N-DEx is the result of collaboration among local, county, state, tribal, and federal criminal justice communities to establish a secure, national, criminal justice information sharing capability at the sensitive but unclassified level. The application of N-DEx capabilities provides the missing links and creates partnerships that lead to more effective investigations that will help disrupt and apprehend individuals and organizations responsible for criminal activities and national security threats.

***Performance Measure****:* Percent of population covered by N-DEx via state and local law enforcement participation

***Discussion:*** This measure is intended to demonstrate the law enforcement agencies' desire to share its data on a national scale through participation with N-DEx. This data also indicates that N-DEx has been accepted by the law enforcement community as a major national criminal justice information sharing vehicle. Participation with N-DEx is voluntary for local, state, regional, tribal, and federal agencies. The data for this measure is defined as the portion of the U. S. population living in jurisdictions where the state or local law enforcement entities participate in N-DEx. While federal data from throughout the U. S. is contained in N-DEx, it is not included in calculating this percentage. The effectiveness of N-DEx is dependent upon widespread participation of organizations sharing their data. Annual targets are set based on historical information and planned agency participation. Marketing results are dependent upon executive advocacy, state policy, and technical readiness for participations. Continuing challenges include insufficient state and local resources, legal and policy constraints, and cultural challenges. N-DEx outreach and marketing efforts remain focused on the criminal justice community's adoption of N-DEx as the national information sharing tool.

***FY 2014 Target:*** *66%*

**STB Product Deployment**

***Performance Measure:***Number of products and services deployed in support of customers [Proposed to be discontinued].

***Discussion:*** The FBI proposes to discontinue this measure because the target for the number of products/services to be deployed does not reflect the customers’ needs . The FBI’s Science and Technology Branch (STB) and its Divisions aim to develop and deploy those products and services that will be of the greatest benefit to stakeholders and will most help the FBI in addressing its investigative and operational needs. To that end, STB is constantly searching for opportunities to discover, develop, and deliver new capabilities to partners throughout the FBI, Law Enforcement (LE) community and the Intelligence Community (IC). STB’s products and services assist partners with the prevention of crime and enforcement of federal laws. In support of intelligence and investigative requirements, the STB overseas the application of innovative scientific, engineering, and technical solutions. In order to assist the FBI, LE community and the IC, STB is continually searching for opportunities to discover, develop, and deliver new capabilities. STB’s products and services assist partners with the prevention of crime and enforcement of federal laws. The numerical decrease in FY 2012 to FY 2013 targets reflects the loss of STB’s Special Technology Application Services to Information Technology Branch, in which DIVS is stored/housed. A target is always hard to set when it is based on the outside environment (customer needs).

***FY 2014 Target:*** *N/A*

**Hazardous Devices School (HDS)**Two key elements of domestic preparedness are expertise in hazardous devices and emergency response capabilities to address threats such as weapons of mass destruction (WMD). The HDS is the only formal domestic training school for state and local law enforcement to learn safe and effective bomb disposal operations. The HDS prepares bomb technicians to locate, identify, render safe, and dispose of improvised hazardous devices, including those containing explosives, incendiary materials, and materials classified as WMD.

***Performance Measure:*** State and Local Bomb Technicians Trained (number of student-weeks) at the HDS

***Discussion:*** Due to funding reductions, the target forFY 2013 has dropped to 2,122.The HDS program is a reimbursable inter-service support agreement between the FBI and the U. S. Army.

The amount of projected training is based upon the amount of reimbursable funding received, which drives the frequency of training courses available, duration of training courses, and the number of courses that can be offered per fiscal year. The FBI does not expect an increase in the FY 2013 and FY 2014 targets.

***FY 2014 Target:*** *2,122*

**b. Strategies to Accomplish Outcomes**The FBI’s Criminal Justice Information Services Division (CJIS) provides law enforcement and civil identification and information services with timely and critical information that matches individuals with their criminal history records, criminal activity (e. g. , stolen property, gang or terrorist affiliation, fugitive status, etc. ), and latent fingerprints, and provides information used for employment, licensing, or gun purchase consideration. Automation and computer technology inherently require constant upgrading and enhancement if such systems are to remain viable and flexible to accommodate changing customer requirements.

The FBI’s HDS provides state-of-the-art technical intelligence to state, local, and federal first responders in courses regarding the criminal and terrorist use of improvised explosive devices (IEDs), and the tactics, techniques, and procedures to render these hazardous devices safe. Additionally, HDS provides training on emerging threats targeting the U. S. and its interests. This training includes countermeasures targeting suicide bombers, vehicle borne IEDs, stand-off weapons, WMD devices, and radio-controlled IEDs.

**V. Program Increases**

Item Name: **Next Generation Cyber**

Budget Decision Unit(s): Counterterrorism/Counterintelligence,

Criminal Enterprises and Federal Crimes

Strategic Goal(s) & Objective(s): 1.2, 1.4, 2.5

Organizational Program: Cyber, Operational Technology

Program Increase: Positions 152 Agt 60 FTE 76 Dollars $86,584,000 ($49,462,000 non-personnel)

A complete justification for this request can be found in the Classified Addendum.

Description of Item

The FBI requests 152 Positions (60 Agents) and $86,584,000 ($49,462,000 non-personnel) in support of its Next Generation Cyber (NGC) initiative to increase victim engagement, improve cyber collection and analysis, and extend centralized capabilities to the field. The requested resources will help promote a whole of government approach to cybersecurity, as well as address critical gaps in the FBI’s current ability to investigate computer intrusions and identify, mitigate, and disrupt cyber threat actors. Additionally, the requested resources will allow for the next phase of the Binary Analysis Characterization and Storage System (BACSS) malware analysis system, an FBI enterprise-wide malware triage tool that enhances the FBI’s ability to exigently analyze and investigate malware infections. The FBI will continue to prioritize existing resources to address the most critical threats facing the country.

In addition, this initiative will encompass and expand on the existing efforts of the Comprehensive National Cybersecurity Initiative Five (CNCI-5), which seeks to electronically and in real time connect the following entities: the seven security centers to enhance situational awareness; the DHS deployed ENISTEIN Information Sharing and Analytics government-wide system; and, the FBI’s Binary Analysis Characterization and Storage System (BACSS). These currently disparate efforts will be synchronized to develop a comprehensive coordinated cybersecurity information sharing system capable of leveraging ongoing activities and best practices of the Program Manager for the Information Sharing Environment’s (PM-ISE) including its work with fusion centers and privacy guidelines. The Information Security Architecture (ISA) will serve as the foundation for cybersecurity information sharing requirements across the government. FBI will work with DHS, the other CNCI-5 agencies, the PM-ISE and NIST to develop machine readable interoperable technical standards that will allow for automated information sharing

Justification

*Threat Summary*

The U.S. continues to face a range of criminal, terrorist and nation-state threats. Their activities range from simple vandalism and lucrative organized crime rings to terrorism and nation-state intelligence collection. Terrorists seek to sabotage critical infrastructure; organized crime syndicates seek to defraud banks and corporations; and spies seek to steal defense and intelligence secrets, or Corporate America’s intellectual property.

While these threats are not new, the means by which they act are increasing – both in volume and complexity. Today, these threats act via the Internet and other computer networks. These networks hinder attribution and efforts to investigate the broad reaching consequences of the intrusion, as the motive of the attacker – be it criminal, terrorist or nation-state espionage – can remain unknown. Concurrently, just as the Internet has enabled businesses to maximize profits by inexpensively connecting with millions of customers, it has also enabled threats to amplify their impact by inexpensively attacking millions of victims.

These circumstances have created alarming risks to national security, global economic stability, and public welfare. Despite formidable investments and concerted efforts by the private sector and government to build more secure and defendable computer networks, these risks remain high. As technology continues to proliferate into every facet of modern life – from social media and smart phones to critical infrastructure, automobiles and implanted medical devices – cybersecurity continues to be a rapidly growing concern with no easy solutions in sight.

The FBI’s mission focuses on contributing to a whole of government approach to cybersecurity by countering the cyber threat through investigating intrusions to determine criminal, terrorist, and nation-state actor identities, and engaging in activities which reduce or neutralize these threats. The FBI collects and disseminates information significant to those responsible for defending networks, including information regarding threat actor targets and techniques. The FBI’s jurisdiction is not defined by network boundaries; rather it includes all territory governed by U.S. law, whether domestic or overseas, and spans individual citizens, private industry, critical infrastructure, U.S. government, and other interests alike. Collectively, the efforts of the FBI, working in concert with its partners, helps deter future threats and bring rapid closure to current threats which would otherwise continue to infiltrate and harm our network defenses.

***Increase Victim Engagement and Field Investigations – 100 positions (50 Agents) and $26,900,000 (all personnel)***

The request includes 50 field cyber agents and 50 computer scientists to increase FBI coordination with victims and increase investigative capacity. The FBI’s ultimate goal is threat reduction and directly engaging victims has become a staple of the FBI’s investigative efforts. Unlike traditional crimes, cyber crime victims can be unaware that they are targeted or their computers have been intruded upon until long after economic or national security losses have occurred. In most cases the victims that the FBI contacts have no knowledge of the crime. Identifying victims through its investigations and engaging them provides the source of much of the FBI’s insight into threat actors and their identities. Engaging the victim provides the FBI with useful insights to understand why a victim may have been targeted, what an adversary may be after, and how they may have operated. Equally important, victim engagement helps victims manage their risk by mitigating the consequences of any losses or even thwarting a compromise altogether. Furthermore, victim notification is required by statute under the Justice for All Act of 2011.

The FBI’s geographically distributed field offices are essential to conducting successful victim notification. Because the victim’s networks may have been compromised, often notification is not as simple as sending an e-mail or making a telephone call. Through the FBI’s Domain program, FBI field offices are responsible for understanding the activities within their geographic region and FBI agents working in that field office may already have an initial relationship with the victim through the FBI’s InfraGard program. A field office is best positioned to maintain a standing, personal relationship with victims in their area, particularly if the victims are of interest to an adversary and likely to be targeted repeatedly. FBI field offices also develop and maintain relationships with state and local law enforcement and other local government partners to ensure a coordinated response and help state and local partners maintain awareness of threats and victims within their jurisdiction.

Victim coordination has proven key to cyber threat investigations and relies on robust field resources, as agents in field office cyber squads are responsible for building and maintaining these relationships through regular contact. As more entities fall victim to cyber attacks that are expanding in terms of scope and complexity, additional resources are required to ensure victims are notified and working relationships are developed and maintained. The requested positions will also engage state and local partners in the notification process and will support their capacity to engage and notify victims.

This enhancement request also includes 7 computer scientist positions that will work with FBI agents in the field on victim engagements. These computer scientist positions will help integrate information provided to the FBI by the victim into the investigative effort. As of the end of 2012, the FBI will only have 53 computer scientist positions at headquarters and in the field combined; computer scientists are only marginally less expensive than agents. Providing additional computer scientists will improve the effectiveness and efficiency of the FBI workforce by providing a cadre of specialists that can focus on the highly technical tools and techniques needed to peel back the layers in an intrusion investigation.

The FBI’s successes working with victims to inform their defenses or help them manage their losses by making them aware of what may have been stolen are among the few affirmative outcomes within all federal cybersecurity investments that touch not only U.S. government security, but also the security of private citizens and industry. These enhancements will increase the number of notifications and measurable benefits victims see from FBI efforts. With these objectives in mind, enhancing this victim engagement is an essential component of the FBI’s NGC strategy.

***Improve Cyber Collection and Analysis– 36 positions (10 Agents) and $41,517,000 ($33,619,000 non-personnel)***

Please refer to the Classified Addendum.

***Extend Centralized Capabilities to the Field– 16 positions and $18,167,000 ($15,843,000 non-personnel)***

The request includes 16 positions and $ 15,843,000 (non-personnel) to implement an operational cyber infrastructure in support of the FBI’s NGC Initiative.

Unlike other investigations, computer intrusion investigations routinely work with evidence that includes malware – malicious software that can cause harm to computer networks and enable them to be compromised by adversaries. In normal situations, networks are protected using tools such as virus scanners and other cybersecurity measures to keep malicious software out. When these measures fail, an intrusion may result. For computer intrusion investigations, however, the FBI must be able to actively handle evidence which contains malware, or even handle the malware itself in an effort to analyze it. Such practices can be exceptionally dangerous if conducted on systems not designed for these activities and normal cybersecurity measures, if in place, would interfere with the analysis.

Presently, the FBI addresses these challenges by using stand-alone computers (computers that do not connect to any other computer) or small ad-hoc networks confined to the laboratory or investigative squad. In some cases, where collections are being analyzed and not the malware itself, the FBI uses environments such as NCIJTF LIGHTHOUSE, which provides for consolidated analysis and correlation of information from multiple agencies at the NCIJTF, or the Computer Analysis Response Team Storage Area Network (CARTSAN) and Examiner Network (ExNet) which provide for regionalized storage and analysis of digital evidence associated with all investigative programs including intrusions. However, these important capabilities only go so far when it comes to enabling collaborative analysis across the enterprise in support of intrusion investigations. LIGHTHOUSE is limited to access only by NCIJTF partners to remain in compliance with Attorney General Guidelines. CARTSAN and ExNet, likewise, focuses on the analysis of digital evidence associated with all investigative programs and needs to be expanded to support the countless ad-hoc analytic setups needed to work with malware and other intrusion related artifacts.

This enhancement will expand the existing ExNet to an enterprise level, creating an operational wide area network (OpWAN) used by the investigative divisions of the FBI. The OpWAN provides investigators a critical resource where they can acquire, process, and review operationally acquired data, which is expressly prohibited from existing FBI administrative networks (e.g. FBINET, UNET, SCION). Each of the investigative divisions currently has workstations used to address operational data. For example, CART has forensic workstations and storage, Computer Scientists are equipped with workstations and storage, and Cyber Division operates squad-level investigative systems. The OpWAN leverages these existing disparate solutions, integrating them into a common network thus allowing these existing resources to be leveraged nationally. This enhancement will augment an existing SECRET level system, and will introduce a new system at the UNCLASSIFIED level. The immediate benefits of this infrastructure are twofold. First, it will enable the FBI to maximize the efficiency and effectiveness of FBI analytic human capital (both analysts and computer scientists) deployed in the field by allowing them to collaborate on the analysis of intrusion-specific evidence and artifacts that are too dangerous to share across the FBI’s routine business networks. These efficiencies will enable investigations to leverage expertise and prior experience from anywhere within the FBI and will also provide a means of transferring artifacts collected in the field, or the partial analysis thereof, to other centers of excellence, such as the NCIJTF, where these items can receive specialist attention and be shared with other agencies. Presently, the FBI must frequently mail hard drives or other digital media devices between offices for malware analysis. Concurrently, given the high cost and difficulty recruiting experienced technical personnel in the Washington, D.C. area, this project will also allow the FBI to more affordably leverage technical talent across the nation through collaboration across the OpWAN.

Second, this operational collaborative intrusion analysis infrastructure will enable existing proven capabilities, specifically the tools that make up the prototype NCIJTF LIGHTHOUSE platform, to be deployed and maintained across the enterprise. This will further maximize the FBI’s analytic efficiency by ensuring individual offices are equipped to handle basic analysis and identify items of interest before sending information onward. This capability enriches the quality of information passed to organizations such as the NCIJTF, figuratively providing more “needles” than “hay.”

This operational collaborative intrusion analysis infrastructure will be expanding the existing operational infrastructures, including those that support CARTSAN and ExNet, augmenting them as appropriate. This significantly reduces the cost of deployment, increases the rate at which sites can be added, and reduces project complexity and risk. This enhancement request provides support to deploy workstations that connect to the infrastructure, provides for on-site support, recurring communications service costs, future capacity upgrades, lifecycle replacement, and deployable surge capacities. This enhancement request also provides for an analytic tool repository to reduce duplication of effort across the FBI enterprise where analysts working in one office may inadvertently recreate a tool that has already been developed elsewhere. Finally, this enhancement will provide for regional expansion of the Mobile Laboratory (MLab) program to enable the safe and secure collection of an ever increasing amount of digital evidence related to cyber intrusion investigations. The Mobile Laboratories are a remote extension of the OpWAN, providing immediate response to potential cyber intrusion, counterterrorism, or other priority allowing for large-scale on scene processing of data utilizing systems which are connected into the OpWAN and delivered to the appropriate analytical personnel, more expeditiously than ever before.

Impact on Performance

As part of the NGC strategy, the FBI is in the process of developing new outcome-focused performance measures that capture the benefits of additional investments. These investments are intended to expand on capabilities that have demonstrated significant, noteworthy and cost-effective outcomes over the past several years. While the Nation’s experts continue to improve the inherent security of computerized technology, the FBI must act assertively to curtail the threats that are exploiting this technology.

The NGC strategy includes enhancing the FBI’s current analytic and collection capacity, to address clear gaps in the depth of analysis the FBI is able to perform and to ensure the FBI can continue to provide irrefutable attribution of threat actors, continue to disrupt their efforts, and achieve sufficient insights to enable efficient use of its limited investigative resources. This enhancement will address these gaps and provide direct, measurable increases in the FBI’s analytic outputs, attribution, and disruption outcomes.

The increasing need to collaborate across the FBI enterprise and safely share intrusion-related data requires the FBI to implement an analytic infrastructure across all FBI field offices. This infrastructure will enable the capabilities demonstrated in the successful NCIJTF LIGHTHOUSE prototype to be extended to the field and shared with partners.

# Funding

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | FY 2012 Enacted | | | | FY 2013 Continuing Resolution | | | | FY 2014 Current Services | | | |
| Initiative | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| Cyber\* | 1,247 | 715 | 1,232 | 295,512 | 1,247 | 715 | 1,247 | 297,114 | 1,333 | 756 | 1,333 | 313,968 |
| Total | 1,247 | 715 | 1,232 | 295,512 | 1,247 | 715 | 1,247 | 297,114 | 1,333 | 756 | 1,333 | 313,968 |

\* Consistent with FBI reporting in the Cyber BDR.

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost  per Position  ($000) | Number of  Positions | FY 2014  Request  ($000) | FY 2015 Net  Annualization  (change from 2014)  ($000) | FY 2016 Net  Annualization  (change from 2015)  ($000) |
| *Increase Victim Engagement* | | | | |  |
| Special Agent | 287 | 50 | 14,350 | (4,850) | 4,550 |
| Computer Scientist | 251 | 50 | 12,550 | (2,100) | 1,650 |
| *Improve Cyber Collection and Analysis* | | | | |  |
| Agent | 287 | 10 | 2,870 | (970) | 910 |
| Intelligence Analyst | 141 | 1 | 141 | (17) | 47 |
| Computer Scientist | 251 | 7 | 1,757 | (294) | 231 |
| Clerical | 87 | 1 | 87 | (6) | 25 |
| Information Technology | 137 | 6 | 822 | 162 | 324 |
| Management and Program Analyst (Professional Support) | 124 | 1 | 124 | (4) | 51 |
| Mathematician (Forensic Examiner) | 246 | 1 | 246 | (103) | 58 |
| Engineer | 181 | 6 | 1,086 | 54 | 198 |
| Electronics Technician | 255 | 3 | 765 | (321) | 153 |
| *Extend Centralized Capabilities to the Field* | | | | |  |
| ITS Systems Administrator (Information Technology) | 137 | 11 | 1,507 | 297 | 594 |
| ITS Systems Analyst (Information Technology) | 137 | 1 | 137 | 27 | 54 |
| ITS Systems Developer (Information Technology) | 137 | 1 | 137 | 27 | 54 |
| ITS Systems/Network Engineer | 181 | 1 | 181 | 9 | 33 |
| Electronics Engineer | 181 | 1 | 181 | 9 | 33 |
| Software Engineer | 181 | 1 | 181 | 9 | 33 |
| Total Personnel |  | 152 | $37,122 | $(8,071) | $8,998 |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Initiative | Non-Personnel Item | Unit | Quantity | FY 2014  Request  ($000) | FY 2015 Net  Annualization (change from 2014)  ($000) | FY 2016 Net  Annualization  (change from 2015)  ($000) |
| *Improve Cyber Collection and Analysis* | Hardware, software, equipment, contract support | n/a | n/a | $33,619 | $… | $… |
| *Extend Centralized Capabilities to the Field* | Hardware, software, equipment | n/a | n/a | 15,843 | … | … |
| Total Non-Personnel |  |  |  | $49,462 | $… | $… |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net  Annualization (change from 2014)  ($000) | FY 2016 Net  Annualization (change from 2015)  ($000) |
| Current Services | 1,333 | 756 | 1,333 | $212,338 | $101,630 | $313,968 | $… | $… |
| Increases | 152 | 60 | 76 | 37,122 | 49,462 | 86,584 | (8,071) | 8,998 |
| Grand Total | 1,485 | 816 | 1,409 | $249,460 | $151,092 | $400,552 | $(8,071) | $8,998 |

**Item Name:** **National Instant Criminal Background Check System**

Budget Decision Unit(s): Criminal Justice Services

Strategic Goal(s) & Objective(s): 3.1

Organizational Program: Criminal Justice Information Services

Program Increase: Positions 524 Agt … FTE 262 Dollars $100,000,000 ($58,052,000 non-personnel)

Description

The FBI requests 524 professional support positions and $100 million ($58,052,000 non-personnel) to double the FBI’s capacity to process mandated background checks for firearm purchases through the National Instant Criminal Background Check System (NICS) and to support the Administration’s plan to implement a universal background check requirement for all firearms transfers. The positions will enable the FBI to handle approximately 5 million additional non Point of Contact State background checks, doubling the amount the FBI currently processes. The requested personnel would process firearm background checks and perform related services. An expedient NICS process is the first step in keeping weapons from prohibited persons, including felons, fugitives from justice, illegal aliens, perpetrators of domestic violence, and the mentally impaired, while ensuring timely transfer to those not prohibited.

In addition to personnel resources, this request includes funding for expanding the capacity of the NICS infrastructure to handle the workload increases. While upgrades to NICS began in FY 2012, these upgrades will not be deployed until FY 2014. Unfortunately, the planned upgrades will not provide sufficient capacity to handle the current, let alone the anticipated workload. Additional funding is also included for the addition of another contract call center. This will bring the total number of call centers to 4. The centers process the initial calls from the Federal Firearm Licensees (FFLs). The request also provides for increased telecommunications (voice and data) capacity to handle the additional volume of transactions

Justification

The NICS was established in 1993 by mandate of the Brady Act and implemented in 1998. Since implementation, nearly 165 million NICS background checks have been conducted. The FBI conducted 78 million of these checks, successfully preventing over 1 million prohibited individuals from purchasing firearms and/or explosives (this represents federal denials only). The remaining 87 million background checks were conducted by Point of Contact states. The Brady Act requires the NICS background check to be completed in three business days or the FFL can legally transfer the firearm to a purchaser, who may be a prohibited individual. Currently, only purchases made through a licensed FFL are subject to a NICS background check

In response to a spate of the tragic shootings over the past year, including the tragedy at Sandy Hook Elementary School on December 14, 2012 the Administration proposed a package of reforms aimed at curbing firearms violence. First among these reforms is the closure of background check loopholes; including the requirement for background checks for nearly all firearms transfers. It is anticipated that this mandate would approximately double the gross number of NICS check transactions, including the transactions processed by the FBI and those processed by Point of Contact States.

Along with the anticipated increase in NICS transactions resulting from a universal background check requirement, the current NICS workload is severely stressing the FBI’s capacity. The week following the shooting, December 17 – 23, 2012, NICS volumes approached 1 million transactions (953,613), almost double the previous record week (527,095 checks). Initiating and completing research on every background check within the three business day mandate has become extraordinarily difficult due to the ever increasing number of firearm and/or explosive background checks being requested. The FBI has managed to address this increased workload by requiring FBI NICS Legal Instruments Examiners to cancel all leave and work mandatory overtime. In addition, NICS Examiner “alumni” currently working in other mission areas of the FBI have been temporarily reassigned back to NICS to provide assistance. Other NICS functions, such as processing denial appeals, have seen an increase in backlog as all hands turn to processing gun checks to meet the three-business-day mandate. The first six full weeks in 2013 are among the top ten busiest weeks in NICS history.

The charts below highlight the daily averages for each year in NICS history. The growth in these averages does not reflect any actual changes in laws requiring gun checks or enforcement of those laws. Proposals for actions, such as closing the gun show loop hole or requiring gun checks for private sales, would increase volumes significantly. Further, it is anticipated that the significant increase in gun checks may cause some point of contact states to cease conducting their own background checks using the NICS system and consequently further increase the FBI background check workload.

|  |  |  |
| --- | --- | --- |
| Calendar Year | Total NICS Background Checks | Daily Average |
| 11/30-12/31/1998 | 892,840 | 28,801 |
| 1999 | 9,138,123 | 25,105 |
| 2000 | 8,543,037 | 23,406 |
| 2001 | 8,910,191 | 24,479 |
| 2002 | 8,454,322 | 23,226 |
| 2003 | 8,481,588 | 23,301 |
| 2004 | 8,687,671 | 23,802 |
| 2005 | 8,952,945 | 24,596 |
| 2006 | 10,036,933 | 27574 |
| 2007 | 11,177,335 | 30,707 |
| 2008 | 12,709,023 | 34,819 |
| 2009 | 14,033,824 | 38,554 |
| 2010 | 14,409,616 | 39,587 |
| 2011 | 16,454,951 | 45,206 |
| 2012 | 19,592,303 | 53,678 |
| 1/1/2013 – 2/24/2013 | 4,484,623 | 81,539 |

The FBI processes most background checks via the telephone. Approximately 72 percent of background checks result in an immediate proceed; however, if the NICS background check hits on a criminal history record in any of the databases searched by the NICS, the transaction is transferred from one of the three contracted call centers to the FBI for review by a NICS Examiner. The NICS Examiner attempts to make a final determination as to whether the transfer may proceed, must be denied, or must be delayed for additional research while the FFL is still on the telephone. Of the 28 percent of firearms background checks sent to the FBI, 8 percent are delayed and entered into the Delay Queue for further review by the FBI. A final determination on all delayed transactions must be made within three business days; if no determination is made, the FFL can legally transfer the firearm to the purchaser who may be a prohibited individual. If the NICS background check subsequently reveals the individual is prohibited from possessing a firearm, the FBI contacts the Bureau of Alcohol, Tobacco, Firearms and Explosives, which will then determine whether or not to retrieve the firearm.

Impact on Performance

Without an increase in staffing and IT resources for the NICS, there will be a direct impact on the FBI’s ability to continue to provide accurate and timely background checks within the three-business-day mandate. The current workforce surge, which has been created through the use of overtime, forgone leave, and shifting employees from other areas to NICS, is, at best, a short-term solution and has already produced backlogs in appeals processing. With the additional positions, the FBI will be able to conduct firearm background checks, initial appeal inquiries, appeals, and explosives checks within mandated deadlines. Without additional staffing, facility space, and technology improvements, national security and public safety are at risk. If a determination is not provided within the mandated timeline a FFL is legally allowed to sell the firearm to the purchaser, who could be a prohibited person, resulting in a potential for more firearms in the hands of prohibited persons. Additional sales to prohibited persons not only threatens public safety but also creates increased workload for the Bureau of Alcohol, Tobacco, Firearms, and Explosives, which is tasked with retrieving firearms from prohibited persons who are allowed to purchase due to delays in the NICS determination. At current levels, the FBI staff will be unable to indefinitely continue to provide the timely and accurate determination of a person's eligibility to possess firearms and/or explosives in accordance with federal law.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | FY 2012 Enacted | | | | FY 2013 CR | | | | FY 2014 Current Services | | | |
| Initiative | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| NICS | 548 | 1 | 548 | $67,381 | 548 | 1 | 548 | $67,794 | 548 | 1 | 548 | $68,440 |

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost  per Position ($000) | Number of  Positions  Requested | FY 2014  Request ($000) | FY 2015  Net Annualization  (change from 2014)  ($000) | FY 2016  Net Annualization  (change from 2015)  ($000) |
| NICS Examiner | $79 | 500 | $39,500 | $19,000 | $25,500 |
| Information Technology | 102 | 24 | 2,448 | 1,464 | 1,296 |
| Total Personnel |  | 524 | $41,948 | $20,464 | $26,796 |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost | Quantity | FY 2014 Request  ($000) | FY 2015 Net Annualization  (Change from 2014)  ($000) | FY 2016  Net Annualization  (change from 2015)  ($000) |
| System Capacity | n/a | n/a | $4,500 | ($4,500) | $... |
| System Capacity O&M | n/a | n/a | … | 917 |  |
| Call Center | n/a | n/a | 12,784 | … | … |
| Call Center Transition Costs | n/a | n/a | 625 | (625) | … |
| Buildout | n/a | n/a | 17,600 | (17,600) | … |
| Lease | n/a | n/a | 2,490 | … | … |
| Communication Equipment/Install | n/a | n/a | 16,512 | (16,512) | … |
| Communications O&M | n/a | n/a | 3,541 | … | … |
| Total |  |  | $58,052 | ($38,320) | $… |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net  Annualization  (Change from 2014)  ($000) | FY 2016  Net Annualization  (change from 2015)  ($000) |
| Current Services | 548 | 1 | 548 | $49,408 | $19,032 | $68,440 | $… | $… |
| Increases | 524 | … | 262 | 41,948 | 58,052 | 100,000 | (17,856) | 26,796 |
| Grand Total | 1,072 | 1 | 810 | $91,356 | $77,084 | $168,440 | ($17,856) | $26,796 |

**Item Name: Biometrics Technology Center (BTC)**

Budget Decision Unit(s): Criminal Justice Services

Strategic Goal(s) & Objective(s): 3.1

Organizational Program: Criminal Justice Information Services (CJIS)

Program Increase: Positions … Agt … IA … FTE … Dollars $7,375,000 (all non-personnel)

Description of Item

The FBI requests $7,375,000 to fund the operations and maintenance (O&M) costs of the new Biometrics Technology Center (BTC) in Clarksburg, West Virginia. The BTC will be a joint effort between the FBI and the Department of Defense (DoD) to serve as a center for biometric research and development. Efforts to collect and search biometric information by utilizing biometric tools and services are critical in the war on terror. The BTC will house CJIS information technology (IT) and biometric initiatives, including the Biometric Center of Excellence, which will coordinate biometrics research and development efforts for the FBI, as well as the DoD Biometrics Fusion Center that is managed and funded by DoD. The BTC will also serve as an alternate Continuity of Operations Plan (COOP) site for approximately 65 relocated FBIHQ personnel. The BTC will provide 300,000 square feet for the FBI, 60,000 square feet for DoD, and will house nearly 2,000 personnel.

The construction of the main facility and central plant expansion will be completed in Fall 2013 and the complete outfitting of the facility and move in of personnel will conclude in Fall 2014. As such, the FBI’s portion of BTC O&M funding will be required to support the facilities and IT requirements. The full cost of the facility’s O&M requirements will be funded by both the FBI and DoD. However, the IT O&M will support FBI programs only and will therefore be funded exclusively by FBI resources.

Justification

*Facility O&M - $4,442,000*

The BTC O&M cost contains all aspects of operating and maintaining the physical facility, including the following: facility supplies, equipment and services, custodial/grounds maintenance, central plant equipment maintenance, building modifications/repairs, preventative maintenance and inspections, utility costs, and contracted service providers. Additionally, CJIS User Fees will support $2,620,000 of the total requirement while DoD will provide $1,588,000 for its portion of the facility’s O&M.

*IT O&M - $2,933,000*

The new BTC building will need communications and network infrastructure, including firewalls, intrusion detection systems, servers, and storage. There are also a number of new lab and training spaces that will require communications and network infrastructure. This portion of the request includes the cost of maintaining this new equipment, including hardware/software maintenance and five-year technical refreshment costs for FBI equipment. These costs also include contract support personnel to perform communications and network maintenance. Since these requirements are specific to supporting FBI personnel, the FBI must bear these costs and cannot pass them on to DoD.

Impact on Performance

Without funding to operate and maintain the new BTC building, the FBI would not be able to support the BTC facility requirements with existing facilities and information technology personnel. Relying on existing resources to service this additional space would degrade maintenance on both the existing and new buildings, potentially leading to shorter useful building lives, and deteriorating working conditions. Additionally, the information technology staff would need to maintain the infrastructure in both, leading to longer service times when maintenance is needed. This could cause a decline in overall productivity. Finally, if the building was not maintained properly, or repairs were not made in a timely fashion, DoD could be convinced to seek an alternative location, which would eliminate the collaboration benefits gained by co-locating FBI and DoD biometric efforts.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | FY 2012 Enacted | | | | FY 2013 CR | | | | FY 2014 Current Services | | | |
| Initiative | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| BTC | … | … | … | $... | … | … | … | $... | … | … | … | $... |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost | Quantity | FY 2014 Request  ($000) | FY 2015 Net Annualization  (Change from 2014)  ($000) | FY 2016 Net Annualization  (Change from 2015)  ($000) |
| O&M | n/a | n/a | $7,375 | $... |  |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net  Annualization  (Change from 2014)  ($000) | FY 2016 Net Annualization  (Change from 2015)  ($000) |
| Current Services | … | … | … | $... | $... | $... | $... | $... |
| Increases | … | … | … | … | 7,375 | 7,375 | … | … |
| Grand Total | … | … | … | $... | $7,375 | $7,375 | $... | $... |

**Item Name: Surveillance**

Budget Decision Unit(s): Counterterrorism/Counterintelligence

Strategic Goal(s) & Objective(s): 1.1, 1.2, 1.4, 2.3

Organizational Program(s): Critical Incident Response

Program Increase: Positions 28 Agt 4 FTE 14 Dollars $6,000,000 ($260,000 non-personnel)

Please refer to the Classified Addendum

**Item Name: Financial and Mortgage Fraud**

Budget Decision Unit(s): Criminal Enterprises and Federal Crimes

Strategic Goal(s) & Objective(s): 2.5

Organizational Program: Criminal Investigative

Program Increase: Positions 44 Agt 40 FTE 22 Dollars $15,000,000 ($2,992,000 non-personnel)

Description of Item

The FBI requests 44 positions (40 Agents and 4 Forensic Accountants) and $15,000,000 ($2,992,000 non-personnel) to combat Corporate Fraud, Securities and Commodities Fraud, and Mortgage Fraud. The requested enhancement will increase resources for investigating the highest impact Complex Financial Crime cases.

Justification

*Threat Summary*

The housing and financial system collapse revealed a myriad of mortgage, corporate, and securities and commodities fraud schemes, costing Americans and world financial markets trillions of dollars.

*Corporate Fraud*

As the lead agency investigating corporate fraud, the FBI focuses on cases that involve accounting schemes designed to deceive investors, auditors, and analysts about the true financial condition of a corporation, self-dealing corporate executives, and obstruction of justice. Through the manipulation of financial data, the share price of a corporation remains artificially inflated based on fictitious performance indicators provided to the investing public. In addition to significant financial losses to investors, corporate fraud has the potential to cause immeasurable damage to the U.S. economy and investor confidence. In FY 2012, the FBI had 799 pending corporate fraud cases.

Examples of corporate fraud include:

1. Falsification of financial information, including:

* False accounting entries
* Bogus trades designed to inflate profit or hide losses
* False transactions designed to evade regulatory oversight

2. Self-dealing by corporate insiders, including:

* Insider trading
* Kickbacks
* Backdating of executive stock options
* Misuse of corporate property for personal gain
* Individual tax violations related to self-dealing

3. Fraud in connection with an otherwise legitimately-operated mutual or hedge fund, including:

* Late trading
* Market timing schemes
* Falsification of net asset values
* Other fraudulent or abusive trading practices by, within, or involving a mutual or hedge fund

4. Obstruction of justice designed to conceal any of the above-noted types of criminal conduct, particularly when the obstruction impedes the inquiries of the Securities and Exchange Commission (SEC), other regulatory agencies, and/or law enforcement agencies.

Insider trading continues to pose a serious threat to the U.S. financial markets. Through national-level coordination, the FBI strives to protect the fair and orderly operation of the U.S. financial markets and help maintain public trust in the financial markets and the financial system as a whole. These efforts have led to more than a 61 percent increase in insider trading cases from FY 2010 to FY 2012, and a historic success with the recent ongoing insider trading probe.

The following charts represent the rise in corporate fraud matters and the corresponding increase in success against the crime problem. The requested resources will be used to address this corporate fraud case requirement.

Note: The above chart shows the caseload as a snapshot in time for each fiscal year.

*Securities and Commodities Fraud*

Estimated losses due to securities and commodities fraud are measured in the tens of billions of dollars per year, and are associated with decreased market value of businesses, reduced or non-existent return on investments, and legal and investigative costs. The victims of securities and commodities frauds include individual investors, financial institutions, public and private companies, government entities, and retirement funds.

The FBI has adopted an intelligence-led proactive approach to identify and target the most egregious perpetrators of securities fraud, utilizing sophisticated techniques such as undercover operations to identify and stop perpetrators before they are able to victimize individuals and damage U.S. financial markets. In furtherance of this threat-focused approach, it is imperative to have timely access to actionable information and intelligence. This information and intelligence is often held by other partner regulatory and law enforcement agencies. It is crucial to the FBI’s mission to place agents and analysts with strategic partners to improve the speed of intelligence received so the FBI can move proactively against these threats. As such, the FBI has successfully detailed an agent to the SEC is working to detail agents and analysts to the Commodity Futures Trading Commission.

Based on current trends, the FBI anticipates that the volume of fraud investigations pertaining to high-yield investment frauds, or “Ponzi schemes,” will remain elevated. High-yield investment frauds survive by utilizing new investment money from new investors to pay returns to previous investors. As markets fluctuate and economic conditions adjust, investors limit or stop investing and often request pay outs from their investment portfolio. As a result, Ponzi schemes are exposed when the perpetrators do not have the funds available to pay the investors. The collapse of Ponzi schemes can have a dramatic impact on investors and financial markets.

Securities fraud continues to spread globally as markets widen and barriers to international business are surpassed. With the globalization of markets, the FBI has seen the use of reverse mergers by foreign entities to gain access to trading markets and subsequent “pump and dump” manipulation schemes that victimize U.S. investors. Given the nature of the criminal actors and their location, investigations are increasingly complex and resource intensive. The FBI has already noted that fraudulent foreign firms entering U.S. markets are using reverse mergers to avoid regulatory and auditor scrutiny. The SEC has already halted trading of several China-based issuers. The SEC assesses the market cap exposure to be in the billions of dollars with a significant amount of these companies currently traded on the NASDAQ stock exchange. Since 2007, FBI securities fraud investigations have increased by 57 percent and show an increasing threat.

Note: The above chart shows the caseload as a snapshot in time for each fiscal year.

*Mortgage Fraud*

Mortgage fraud and the associated sub-prime corporate fraud in particular have been on the rise since 2005 and it is anticipated that white collar criminal activity will continue to require FBI investigation.

During FY 2012, approximately 72 percent of the FBI’s 2,265 mortgage fraud cases involved losses exceeding $1 million per case. The FBI received 109,002 Suspicious Activity Reports (SAR) in FY 2012, the highest number ever. FBI intelligence predicts mortgage fraud will remain at elevated levels during FY 2013, due in significant part to an increase in fraud targeting distressed homeowners.

Mortgage fraud schemes remain an escalating problem in the U.S. and have led to billions of dollars in losses in the mortgage industry. As foreclosures continue to occur across the country, so too have the number of foreclosure rescue scams that target unsuspecting victims. In many of these cases, victims ultimately lose their home to foreclosure. The FBI will use the additional resources to work with law enforcement, regulatory, and industry partners to target, disrupt, and dismantle the individuals and/or companies engaging in these fraud schemes.

Note: The above chart shows the caseload as a snapshot in time for each fiscal year.

*Justification for Program Increases*

The President’s Budget includes 40 additional Agents and four Forensic Accountants to combat significant complex financial crimes. An increase in personnel and non-personnel resources is necessary to address the increase in not only the quantity of corporate and securities fraud, but also the increasing complexity of fraud schemes. As markets continue to adapt and grow, individuals with the intent to commit fraud continue to adopt new means to perpetrate their schemes and circumvent legal and regulatory requirements. The FBI has likewise continued to evolve, but requires additional funding to fully address these financial crimes.

In a continuing effort to address this threat, the FBI will establish hybrid squads to target the most significant complex financial crimes. These hybrid squads will be composed of Corporate/Securities and Mortgage Fraud resources. These squads will include six to eight agents and maintain a cross-programmatic approach to address this threat. These squads will utilize the highly-successful hybrid squad model developed by the FBI to address crime in the Southwest Border region and to combat the multiple threats emanating from Mexico. Additionally, Forensic Accountants will be allocated in support of this mission to provide expertise in analyzing and cross-referencing complex financial documents. This team approach will expedite the investigative process, ultimately increasing case production and the FBI’s footprint in addressing complex financial crimes. The remaining resources will be allocated to FBI field offices identified using enhanced threat matrices. Using the average cases per Agent ratio, the FBI estimates increased capability by approximately 320 cases with the additional resources to address high priority, complex financial crime investigations.

In order to maximize the investigative impact of these investigations, the enhancement includes $1,292,000 to increase the use of sophisticated investigative techniques, including the use and development of confidential sources, technical and physical surveillance, and undercover and sensitive operations.

The request also includes $1,700,000 for the Bureau Investigative Document Management and Analysis System (BIDMAS). The FBI, along with the Department of Justice and other law enforcement partners, will be able to utilize this system to conduct targeted searches and increase the efficiency of document intensive investigations. This system will allow the FBI to accelerate those cases affecting our financial markets and ensure that white collar criminals are held accountable for their actions. This system provides a modern technology solution and fills a current void in the FBI’s investigative toolkit, which currently lacks an investigative and litigation information management system. The capabilities will allow investigators to quickly review and categorize large amounts of data. This data is then immediately available for use in lead exploitation, prosecutorial decision making, court filings and discovery requests. The electronic storage also ensures that the evidence is available to all FBI investigators worldwide which has led to case spin-offs and new investigations.

Impact on Performance

Since 2003, FBI Agent resources dedicated to corporate and securities fraud have increased 42 percent (250 to 354 agents) while the caseload has increased 118 percent (1,216 to 2,651 cases) during that time period. From FY 2008 through FY 2012, the FBI realized restitutions, recoveries, fines and forfeitures of $19.1 billion from corporate fraud matters, and $21.8 billion for securities/commodities fraud matters. The requested increase will allow for continued success against these criminal threats with significant return on investment.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | FY 2012 Enacted | | | | FY 2013 CR | | | | FY 2014 Current Services | | | |
| Initiative | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| Corporate Fraud | 151 | 112 | 151 | $24,257 | 151 | 112 | 151 | $24,257 | 151 | 112 | 151 | $24,257 |
| Securities and Commodities Fraud | 335 | 249 | 335 | $53,798 | 335 | 249 | 335 | $53,798 | 335 | 249 | 335 | $53,798 |
| Mortgage Fraud | 436 | 332 | 436 | $69,048 | 436 | 332 | 436 | $69,048 | 436 | 332 | 436 | $69,048 |
| Total | 922 | 693 | 922 | $147,103 | 922 | 693 | 922 | $147,103 | 922 | 693 | 922 | $147,103 |

Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Modular Cost  per Position ($000) | Number of  Positions  Requested | FY 2014  Request ($000) | FY 2015  Net Annualization  (change from 2013)  ($000) | FY 2016 Net  Annualization  (Change from 2015)  ($000) |
| Special Agent | $287 | 40 | $11,480 | $(3,880) | 3,640 |
| Forensic Accountant | 132 | 4 | 528 | 28 | 112 |
| Total Personnel |  | 44 | $12,008 | $(3,852) | 3,752 |

Non-Personnel Increase Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost | Quantity | FY 2014 Request  ($000) | FY 2015 Net Annualization  (Change from 2014)  ($000) | FY 2016 Net Annualization  (Change from 2015)  ($000) |
| Case Funds | n/a | n/a | $2,992 | $... | $... |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net  Annualization  (Change from 2014)  ($000) | FY 2016 Net  Annualization  (Change from 2015)  ($000) |
| Current Services | 922 | 693 | 922 | $140,889 | $6,214 | $147,103 | $... | $... |
| Increases | 44 | 40 | 22 | 12,008 | 2,992 | 15,000 | (3,852) | 3,752 |
| Grand Total | 966 | 733 | 944 | $152,897 | $9,206 | $162,103 | $(3,852) | 3,752 |

**VI. Program Offsets by Item**

**Item Name: Administrative Efficiencies**

Budget Decision Unit(s): All

Strategic Goal(s) & Objective(s): 1.1, 1.3, 2.1, 2.2, 2.4, 2.5, 3.1

Organizational Program: Administrative

Program Reduction: Positions … Agt … FTE … Dollars ($11,158,000) (all non-personnel)

Description of Item

The Department is continually evaluating its programs and operations with the goal of achieving efficiencies and cost savings. In FY 2014, the Department is focusing on areas in which savings can be achieved, which include printing, publications, travel, conferences, supplies and general equipment. For the FBI, these administrative efficiencies will result in an offset of $11,158,000.

Impact on Performance

This offset reflects anticipated savings that will be achieved by reducing spending in administrative areas. The FBI will prioritize its travel and supply funding to mission critical areas in order to limit the impact on operational capabilities.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2012 Enacted | | | | FY 2013 CR | | | | FY 2014 Current Services | | | |
| Pos | Agt | FTE | ($000) | Pos | Agt | FTE | ($000) | Pos | Agt | FTE | ($000) |
| … | … | … | $390,603 | … | … | … | $390,603 | … | … | … | $381,581 |

Non-Personnel Decrease Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost | Quantity | FY 2014 Request  ($000) | FY 2015 Net Annualization (change from 2014)  ($000) | FY 2016 Net Annualization (change from 2015)  ($000) |
| Administrative Services | n/a | n/a | ($11,158) | $… | $… |
| Total Non-Personnel |  |  | ($11,158) | $… | $… |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net Annualization (change from 2014)  ($000) | FY 2016 Net Annualization (change from 2015)  ($000) |
| Current Services | … | … | … | $… | $381,581 | $381,581 | $… | $… |
| Decreases | … | … | … | … | (11,158) | (11,158) | … | … |
| Grand Total | … | … | … | $… | $370,423 | $370,423 | $… | $… |

**Item Name: Contractor Reduction**

Budget Decision Unit(s): Intelligence, Counterintelligence/Counterterrorism

Strategic Goals & Objectives(s): 1.1, 1.3

Organizational Program: Counterintelligence, Counterterrorism, Directorate of

Intelligence, Terrorist Screening Center

Program Reduction: Positions ­… Agt … FTE … Dollars ($7,113,000) (all non-personnel)

Description of Item

This proposal reduces national security non-personnel funding for the Counterintelligence Strategic Partnership Coordination (CI SPC) Program, Human Intelligence (HUMINT) Validation Program, National Security Analysis Center (NSAC), and the Terrorist Screening Center (TSC).

Justification

The proposal proportionally reduces non-personnel funding associated with the programs and activities described below.

The CI SPC Program, located in each Field Office, is responsible for engaging, coordinating, and collaborating with all U.S. Intelligence Community (USIC), academic and private industry partners in a Field Office’s area of responsibility at the investigative level. The HUMINT Validation Program supports the FBI’s corporate requirements, including contract subject matter experts who perform validations of the FBI’s Confidential Human Sources supporting national security and criminal investigations. NSAC assesses threats that continuously evolve while its operating capabilities focus across the spectrum of national security threats. TSC receives raw terrorist identities and intelligence data from the USIC and is responsible for the final phase and quality assurance of known or suspected terrorist identities being placed onto the Federal Terrorist Watchlist.

Impact on Performance

The proposed offset could result in the loss of contract subject matter experts for the CI SPC, NSAC, HUMINT, and TSC programs. However, the FBI will sustain the coordination with CI SPC partners, continue to monitor Domestic Terrorist actors and engage with IC counterparts to identify national security threats, and ensure that the CHS validation process and nomination process to the Terrorist Watchlist is not hindered.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2012 Enacted | | | | FY 2013 CR | | | | FY 2014 Current Services | | | |
| Pos | Agt | FTE | ($000) | Pos | Agt | FTE | ($000) | Pos | Agt | FTE | ($000) |
| 13,477 | 5,543 | 13,247 | $397,530 | 13,477 | 5,543 | 13,247 | $397,530 | 13,477 | 5,543 | 13,247 | $390,611 |

Non-Personnel Decrease Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost | Quantity | FY 2014 Request  ($000) | FY 2015 Net Annualization (change from 2014)  ($000) | FY 2016 Net Annualization (change from 2015)  ($000) |
| National Security Contracts | n/a | n/a | ($7,113) | $… | $… |
| Total Non-Personnel |  |  | ($7,113) | $… | $… |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net Annualization (change from 2014)  ($000) | FY 2016 Net Annualization (change from 2015)  ($000) |
| Current Services | 13,477 | 5,543 | 13,247 | $… | $390,611 | $390,611 | $… | $… |
| Decreases | … | … | … | … | (7,113) | (7,113) | … | … |
| Grand Total | 13,477 | 5,543 | 13,247 | $… | $383,498 | $383,498 | $… | $… |

**Item Name: Critical Incident Response**

Budget Decision Unit(s): All

Strategic Goal(s) & Objective(s): 1.1, 2.1, 2.2, 2.4

Organizational Program: Critical Incident Response Group

Program Reduction: Positions … Agt … FTE … Dollars ($3,417,000) (all non-personnel)

Description of Item

The President’s Budget proposes to reduce funding supporting the Critical Incident Response Group (CIRG) response capability. CIRG deploys to a crisis site and establishes sophisticated command and control networks needed for crisis response. The reduction will target the Hazardous Devices School (HDS) training for federal, state, and local law enforcement; stabilization training for Special Agent Bomb Technicians (SABTs); SWAT training; and Hostage Rescue Team (HRT) capabilities.

Impact on Performance

This offset reflects anticipated savings that will be achieved by reducing spending on training and equipment. As the lead agency for responding to critical incidents and major investigations as mandated through the National Security and Homeland Security Presidential Directives, the FBI will work to minimize the impact the reductions.

**Funding**

Base Funding\*

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2012 Enacted | | | | FY 2013 CR | | | | FY 2014 Current Services | | | |
| Pos | Agt | FTE | ($000) | Pos | Agt | FTE | ($000) | Pos | Agt | FTE | ($000) |
| … | … | … | $184,698 | … | … | … | $184,698 | … | … | … | $190,739 |

\* Includes all non-personnel funding for the Critical Incident Response Group.

Non-Personnel Decrease Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost | Quantity | FY 2014 Request  ($000) | FY 2015 Net Annualization (change from 2014)  ($000) | FY 2016 Net Annualization (change from 2015)  ($000) |
| Critical Incident Response | n/a | n/a | ($3,417) | $… | $… |
| Total Non-Personnel |  |  | ($3,417) | $… | $… |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net  Annualization (change from 2014)  ($000) | FY 2016 Net  Annualization  (change from 2015)  ($000) |
| Current Services | … | … | … | $… | $190,739 | $190,739 | $… | $… |
| Decreases | … | … | … | … | (3,417) | (3,417) | … | … |
| Grand Total | … | … | … | $… | $187,322 | $187,322 | $… | $… |

**Item Name: Eliminate National Gang Intelligence Center (NGIC)**

Budget Decision Unit(s): Intelligence

Strategic Goal(s) & Objective(s): 2.1

Organizational Program: Criminal

Program Reduction: Positions (15) Agt (1) IAs (13) FTE (15) Dollars ($7,826,000)

($6,300,000 non-personnel)

Description of Item

The Budget proposes the elimination of the National Gang Intelligence Center (NGIC), which includes 15 positions (1 Agent, 13 Intelligence Analysts) and $7,826,000. The NGIC collects, analyzes, produces, and disseminates gang intelligence and intelligence products to support federal, state, local, and tribal law enforcement as well as correctional agencies throughout the U.S.

Impact on Performance

The proposed elimination of the NGIC will not hinder the ability to examine the threat posed to the U.S. by criminal gangs; rather it will focus the sharing of intelligence at the field level, where intelligence sharing and coordination between DOJ agencies and state and local partners already exist. The FBI will continue to produce intelligence products in support of federal, state, and local investigations focused on gangs posing a significant threat to communities.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2012 Enacted | | | | FY 2013 CR | | | | FY 2014 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| 15 | 1 | 15 | $7,825 | 15 | 1 | 15 | $7,825 | 15 | 1 | 15 | $7,825 |

Personnel Reduction Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type of Position | Cost  per Position  ($000) | Number of  Positions  Reduced | FY 2014  Request  ($000) | FY 2015 Net Annualization (change from 2014)  ($000) | FY 2016 Net Annualization (change from 2015)  ($000) |
| Special Agent | 117 | 1 | ($117) | $… | $… |
| Intelligence Analyst | 102 | 13 | (1,326) | … | … |
| Professional Support | 83 | 1 | (83) | … | … |
| Total Personnel |  |  | ($1,526) | $… | $… |

Non-Personnel Reduction Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit | Quantity | FY 2013  Request  ($000) | FY 2015 Net Annualization (change from 2014)  ($000) | FY 2016 Net Annualization (change from 2015)  ($000) |
| NGIC | n/a | n/a | ($6,300) | $… | $… |
| Total Non-Personnel |  |  | ($6,300) | $… | $… |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net Annualization (change from 2014)  ($000) | FY 2016 Net Annualization (change from 2015)  ($000) |
| Current Services | 15 | 1 | 15 | $1,526 | $6,300 | $7,826 | $… | $… |
| Decreases | (15) | (1) | (15) | (1,526) | (6,300) | (7,826) | … | … |
| Grand Total | … | … | … | $… | $… | $… | $… | $… |

**Item Name: Facilities Reduction**

Budget Decision Unit(s): All

Strategic Goals & Objectives(s): 1.1, 1.3, 2.1, 2.2, 2.3, 2.4, 2.5, 3.1

Organizational Program: All

Program Reduction: Positions … Agt … FTE … Dollars ($22,562,000) (all non-personnel)

Description of Item

This offset will right-size some of the programs that support facilities and logistics services. The FBI will achieve these savings through the implementation of several cost saving measures including space densification, reducing rentable square foot ratios, and decreasing unnecessary services.

Impact on Performance

This offset reflects anticipated savings that will be achieved by maximizing space and reducing spending in facilities and logistics services areas.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2012 Enacted | | | | FY 2013 CR | | | | FY 2014 Current Services | | | |
| Pos | Agt | FTE | ($000) | Pos | Agt | FTE | ($000) | Pos | Agt | FTE | ($000) |
| … | … | … | $684,002 | … | … | … | $684,002 | … | … | … | $638,412 |

Non-Personnel Decrease Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost | Quantity | FY 2014 Request  ($000) | FY 2015 Net  Annualization  (Change from 2014)  ($000) | FY 2016 Net Annualization (change from 2015)  ($000) |
| Facilities and Logistics | $... | … | ($22,562) | $… | $… |
| Total Non-Personnel | $... | … | ($22,562) | $… | $… |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net  Annualization  (Change from 2014)  ($000) | FY 2016 Net Annualization (change from 2015)  ($000) |
| Current Services | … | … | … | $… | $638,412 | $638,412 | $… | $… |
| Decreases | … | … | … | $… | (22,562) | (22,562) | $… | $… |
| Grand Total | … | … | … | $… | $615,850 | $615,850 | $... | $… |

**Item Name: Lower Priority Program Reduction**

Budget Decision Unit(s): All

Strategic Goal/Objective: All

Organizational Program: All

Program Offset: Positions … Agt … FTE … Dollars ($2,000,000)

Description of Item

Through a contractor conversion effort that began in FY 2012, the FBI will offset $2,000,000 from the savings achieved by FY 2014.

Summary Justification

Since FY 2012, in support of DOJ and OMB guidance to promote efficient spending, the FBI has identified opportunities to convert and replace some of its contractors with lower-cost government personnel.

Impact on Performance

The proposed offset has no impact on performance.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2012 Enacted | | | | FY 2013 CR | | | | FY 2014 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| … | … | … | $3,384,417 | … | … | … | $3,384,417 | … | … | … | $3,381,848 |

Non-Personnel Offset Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost | Quantity | FY 2014  Request  ($000) | FY 2015  Net Annualization (change from 2014)  ($000) | FY 2016  Net Annualization (change from 2015)  ($000) |
| Low Priority Programs | n/a | n/a | ($2,000) | … | … |
| Total Non-Personnel |  |  | ($2,000) | … | … |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net Annualization  (change from 2014)  ($000) | FY 2016 Net Annualization  (change from 2015)  ($000) |
| Current Services | … | … | … | $… | $3,381,848 | $3,381,848 | $… | $… |
| Decrease | … | … | … | … | (2,000) | (2,000) | … | … |
| Grand Total | … | … | … | $… | $3,379,848 | $3,379,848 | $… | $… |

**Item Name: Permanent Change of Station/Relocation Program**

Budget Decision Unit(s): All

Strategic Goal(s) & Objective(s): 1.1, 1.2, 1.4, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6

Organizational Program: Human Resources

Program Reduction: Positions 0 Agt 0 FTE Dollars ($5,000,000) (all non-personnel)

Description of Item

The Budget proposes to reduce $5 million (all non-personnel) from the FBI’s Employee Relocation Program.

Summary Justification

The Employee Relocation Program strategically relocates staff to meet the organizational needs of the FBI by ensuring FBI field offices and programs are optimally staffed to carry out the FBI’s mission requirements.

Impact on Performance

To minimize staffing gaps in mission-critical programs and locations, the FBI will limit employee relocations according to mission priority.

**Funding**

Base Funding

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2012 Enacted | | | | FY 2013 CR | | | | FY 2014 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| 26 | 5 | 26 | $121,981 | 26 | 5 | 26 | $121,981 | 27 | 4 | 27 | $118,365 |

Non-Personnel Reduction Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Personnel Item | Unit | Quantity | FY 2014  Request  ($000) | FY 2015 Net  Annualization (change from 2014)  ($000) | FY 2016 Net  Annualization (change from 2015)  ($000) |
| Relocation Program | n/a | n/a | ($5,000) | $… | $… |
| Total Non-Personnel | n/a | n/a | ($5,000) | $… | $… |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net  Annualization (change from 2014)  ($000) | FY 2016 Net  Annualization (change from 2015)  ($000) |
| Current Services | 27 | 4 | 27 | $24,760 | $93,605 | $118,365 | $… | $… |
| Decreases | … | … | … | (5,000) | … | (5,000) | … | … |
| Grand Total | 27 | 4 | 27 | $19,395 | $93,605 | $113,000 | $… | $… |

**Item Name: State and Local Security Clearances**

Budget Decision Unit(s): All

Strategic Goal/Objective: All

Organizational Program: Security

Program Offset: Positions … Agt … FTE … Dollars ($2,115,000)

Description of Item

This offset will reduce direct funding available to conduct security clearances for state and local task force officers (TFOs) who are members of task forces other than Joint Terrorism Task Forces (JTTFs)*.*

Summary Justification

The FBI must ensure that individuals with system access have been vetted and subject to appropriate background investigations. Historically, providing security clearances to TFOs was intended to encourage and facilitate the free flow of information between the FBI and state and local agencies, especially when there is pertinent information that could affect their area of jurisdiction; however, much of the information shared with TFOs is done at the unclassified level.

Impact on Performance

The proposed reduction will reduce and limit the number of state and local TFOs cleared for access to classified information as part of their membership on criminal task forces; however, clearances would continue to be provided for the most critical TFOs participating on the JTTFs.

**Funding**

Base Funding\*

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FY 2012 Enacted | | | | FY 2013 CR | | | | FY 2014 Current Services | | | |
| Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) | Pos | Agt | FTE | $(000) |
| ... | … | … | $22,248 | ... | … | … | $22,248 | ... | … | … | $21,919 |

\*Resources represent base funding for all security background investigations, not just those for State and Local TFOs.

Non-Personnel Offset Cost Summary

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Non-Personnel Item | Unit Cost | Quantity | FY 2014  Request  ($000) | FY 2015  Net Annualization (change from 2014)  ($000) | FY 2016  Net Annualization (change from 2015)  ($000) |
| State and Local Clearances | n/a | n/a | ($2,115) | … | … |
| Total Non-Personnel |  |  | ($2,115) | … | … |

Total Request for this Item

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pos | Agt | FTE | Personnel  ($000) | Non-Personnel  ($000) | Total  ($000) | FY 2015 Net Annualization  (change from 2014)  ($000) | FY 2016 Net Annualization  (change from 2015)  ($000) |
| Current Services | … | … | … | $… | $21,919 | $21,919 | $… | $… |
| Decrease | … | … | … | … | (2,115) | (2,115) | … | … |
| Grand Total | … | … | … | $… | $19,804 | $19,804 | $… | $… |

**VIII. Construction**

**A. Appropriations Language and Analysis of Appropriations Language**

**Appropriations Language for Construction**

For necessary expenses, to include the cost of equipment, furniture, and information technology requirements, related to construction or acquisition of buildings, facilities and sites by purchase, or as otherwise authorized by law; conversion, modification and extension of federally-owned buildings; preliminary planning and design of projects; and operations and maintenance of secure work environment facilities and secure networking capabilities; $80,982,000, to remain available until expended.

1. Brothers’ Circle and the Semion Mogilevich Organization are Eurasian Organized Criminal Enterprises. [↑](#footnote-ref-2)
2. Please note that while the TSC and the FTTTF are part of the FBI’s CT Program, their resources are scored to the Intelligence Decision Unit (IDU). Similarly, the Counterterrorism Analysis Section is embedded within CTD but is scored to the IDU. [↑](#footnote-ref-3)
3. Targets previously reported for this measure did not accurately represent increases to performance as a result of meeting the identified target. Therefore, these targets are no longer shown in this section. The FBI will continue to reflect actual data as it is made available. [↑](#footnote-ref-4)
4. Targets previously reported for this measure did not accurately represent increases to performance as a result of meeting the identified target. Therefore, these targets are no longer shown in this section. The FBI will continue to reflect actual data as it is made available. [↑](#footnote-ref-5)