

## FBI FACES DEEP CUTS IN PROGRAMS TO FIGHT CRIME - AGENTS STILL BEING TRANSFERRED TO COUNTERTERRORISM

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The Bush administration's 2008 budget cuts deeply into the FBI's crucial criminal program, further crippling the bureau's ability to tackle white-collar fraud, police abuse, civil rights violations and many other crimes, a Seattle P-I analysis has found.

A larger budget battle is brewing between the White House and Congress, leading lawmakers to challenge the cuts to the FBI, which could take effect as soon as Monday, the start of the federal fiscal year.

But the Democratic majority's spending plan - under the ever-present threat of a presidential veto - restores only a small fraction of the FBI agents needed to keep the criminal program at current levels.

Through accounting sleight of hand, President Bush's plan concentrates the loss of thousands of unfilled staff positions across the FBI on its criminal program by transferring hundreds more agents to counterterrorism operations - continuing a trend that started after 9/11.

"This is gutting the criminal program. Incomprehensible. Just plain dumb," said one recently retired top FBI official who requested anonymity.

Echoing the concerns of many within the bureau, as well as state and local law enforcement officials, the former official said the impact of the cuts will reverberate nationwide.

"At a time when fraud is a huge undercurrent of the subprime mortgage crisis, this will completely wipe out the FBI's white-collar program," the source said. "The ability to investigate cases like Enron will be severely handicapped. And look at public corruption. Those are complex investigations that take about five agents to work one case."

The White House and FBI Director Robert Mueller did not respond to requests for comment.

Six years after the terrorist attacks on the nation, the White House has failed to replace at least 2,400 agents transferred to counterterrorism squads. The result has been a dramatic overall drop in FBI investigations and case referrals.

Thousands of criminals likely have escaped federal prosecution, based on comparisons to pre-9/11 prosecutions. Since 2001, according to Justice Department data analyzed by the P-I, there has been a 34 percent drop in criminal cases referred to federal prosecutors, a 65 percent plunge in civil rights cases and a 30 percent decline in white-collar crime convictions.

In Western Washington, the drop has been even more severe. In this state, records show the FBI sent 28 white-collar cases to prosecutors in 2005, down 90 percent from five years earlier.

"It's breathtakingly frightening," said Sen. Patty Murray, D-Wash., who recently demanded that the FBI add more agents in Washington state.

### Counterterror units grow

If you were to go online to look at Bush's FBI budget proposal, you wouldn't see a 10 percent cut in criminal agents, but it's there.

While 2007's spending plan called for a total of 6,423 criminal agents, in 2008 there is funding for only 5,777.

To achieve the cut, the bureau transferred 400 street agents fighting crime to counterterrorism positions and eliminated 246 vacant criminal-agent positions. The cuts can't be found on any single budget line. It becomes clear only by sifting through a mountain of budget documents.

The 246 are part of a bureau-wide cut of 2,700 positions - 614 agents and 2,100 analysts and support staff - made to reflect the fact that neither the president's budgets nor those adopted by Congress for the past several years have adequately reflected increases in costs such as pay raises and health insurance.

The net effect: The criminal program continues to lose staff so counterterrorism units nationwide can grow, with less additional funding.

FBI budgets never match the reality of how its agents are used. Since 9/11, the criminal program has contributed a large percentage of its agents' time to work on counterterrorism. If that percentage remains the same, it would be as if there are only about 4,800 criminal agents on the street in 2008 - 26 percent below the number appropriated by Congress for 2007. Even that number may be generous, because it assumes all managers and headquarters agents assigned to crime will spend 100 percent of their time working criminal cases.

But Anthony Bladen, the bureau's current deputy assistant director for resource planning, says criminal agents won't have to spend nearly as much time on counterterrorism in 2008 as they have in recent years.

If Bladen is right, the bleeding of the criminal program will slow to a trickle.

"We're going to close the gap between what was appropriated and how the agents are actually being utilized," he said.

Bladen disputes the P-I's projection for agents working criminal cases as overly pessimistic.

Based on his projections, 5,581 agents will be working criminal cases in the coming year - 13 percent below the number appropriated by Congress for 2007. That would mean the number of criminal agents on the street would be slightly more than the 5,286 doing those jobs in 2007.

### Cuts force tough choices

The new cuts come as Murray decries the effect of past reductions. In a letter sent two weeks ago to Mueller, she asked the bureau to increase the number of agents in Washington, saying the "safety and security" of people here are at risk because of low FBI staffing levels.

Murray said she talked with Mueller on Thursday, but she declined to discuss the substance of the conversation.

In the meantime, Murray and other Democrats have been trying to boost the FBI budget. "We added \$27 million over the president's request," the senator said. "That's not enough to get us to where we need to be. It's a step in the right direction. But then the White House is saying if you add any additional money, we will veto it."

The Senate's Democratic majority would need to be joined by at least 16 Republicans in defiance of the White House to overcome a presidential veto, Murray noted.

Just to restore the FBI's corps of criminal agents to pre-9/11 levels would require \$400 million more a year, according to a P-I analysis based on numbers provided by the bureau.

Sen. Barbara Mikulski, the Maryland Democrat who chairs the Senate panel that reviews and sets FBI and Justice Department budgets, is pushing a bill that would add 131 more agents to criminal programs.

"We must remember that we are waging a battle at home to keep our streets safe," Mikulski said in a written statement.

Mikulski "doesn't think we should have to choose between keeping us safe from terrorism or keeping us safe from violent crime in our neighborhoods," said Melissa Schwartz, the senator's spokeswoman.

The panel's top Republican, Richard Shelby of Alabama, did not respond to requests for comment.

FBI insiders, reciting a litany of concerns, such as public corruption, violent crime and mortgage fraud, say the criminal program already has been cut to the bone.

"They are beyond looking at any body fat," one said. "They are lopping off limbs."

Former FBI congressional liaison Charlie Mandigo cautioned against cutting agents at a time when sophisticated criminals are using the Internet to perpetrate fraud across state and international boundaries.

"They're leaving the door open for crime to become global," said Mandigo, special agent in charge in Seattle until retiring in 2003. "You can't expect a detective in Peoria to address a crime being committed by a person sitting at a computer in Russia. It turns the clock back 70 or 80 years to why the FBI was started to begin with - to address interstate crime where local police don't have the capability, resources and jurisdiction."

Former FBI officials agree that cutting criminal agents will actually reduce America's ability to detect and deter terrorist attacks.

"This shows a very short memory of 9/11," said the retired FBI official. "They've not been paying attention to what is disrupting terrorist activity. It's criminal investigations that are disrupting terrorist activity all over the world."

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## TERRORISM TRADE-OFF

The P-I has been investigating how the FBI's focus on counterterrorism since 9/11 has drained efforts to fight traditional crime.

Read the series online at [seattlepi.com/specials/fbi](http://seattlepi.com/specials/fbi).

- **Caption: Photo, Chart(1) Mueller (2) SEATTLE P-I: FBI BUDGET FACTS**

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