# MEMORANDUM FOR THE RECORD

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Event: Interview of Bob Dies, former FBI Executive Assistant Director and Chief

Information Officer

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Participants - Non-Commission: None

Participants - Commission: George DelGrosso and Michael Jacobson

# **Background**

Dies worked for IBM for 30 years. He was the general manager for several different product lines and was also on IBM's worldwide management council for the last 10 years of his career. This council consists of 36 IBM executives from around the world. After Dies retired, one of his sons went to work for IBM. His son ended up with the FBI account, and over a three year period often mentioned to Dies that he was not having much success. He couldn't get the FBI to do anything he asked them to do.

### How and why the FBI recruited Dies

In 2000, Director Freeh called a senior VP of IBM, looking for assistance in upgrading the FBI's information technology systems. This individual turned to Dies and asked if he would be interested. Dies's son helped convince him to do it. Dies then interviewed with Freeh and Pickard. Dies said to both of them that the FBI's systems had been broken for years, and asked why they wanted to fix it now? He said to Freeh that they shouldn't waste his time, if their heart was not really into fixing it. Freeh's answer was that the system was broken, and that it was hurting the FBI's operations. Pickard had only been in the job for a few months at that point, Dies noted.

As far as why the FBI reached out to Dies in the first place, Dies thinks that Freeh might have reached out for outside assistance because their previous proposal had gotten rejected by Congress. Freeh probably had a heart to heart discussion with members and asked why it had not gotten approved. They probably told him that it was because the FBI didn't know what it was doing in this arena. Dies thought that this proposal was not

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well thought out. They were trying to do all sorts of things for which they didn't have the expertise.

As far as why Congress was so unhappy with the FBI, Dies was asked about the rumor that the FBI diverted money from technology to other areas. He doesn't think that this happened, and doesn't know how it could have. Every time he tried to move any amount of money, everyone was always telling him that this would be a "reprogramming."

# Dies's role at the FBI

Dies agreed to come to the FBI for one year, with the possibility of staying on for a second. Dies said that he would come to the FBI, help them identify the problems, and propose solutions. He told them that he wouldn't be there through the completion of the project. Freeh agreed to this, in part, Dies thinks, because he had no other choices.

When Dies came on board, he was made the Chief Information Officer. Every federal agency has to have one, and when he arrived, Pickard was the CIO. Within the first 30 days, Pickard transferred this responsibility to Dies. Dies said that it was helpful to have this title, and it gave him more credibility within the agency.

When he joined the FBI, he was in IRD. The Arthur Anderson study recommended that he report directly to Mueller. He ended up being removed from IRD, and made an EAD, reporting to Mueller.

#### Efforts to improve FBI's Information Technology prior to Dies's arrival

The FBI spent a lot of money on the ACS creation in 1995. In the end though, it was hard to use, and there was a "rebellion." There were a few red team studies saying that this system was a waste of money. In Dies's opinion, it was stupidly put together. It was hard to use because the FBI did not have modern computers on which they could run a system. Therefore, they had to design it to work on the FBI's old computers. This was their approach instead of deciding to upgrade the computers.

#### State of FBI information technology when Dies arrived

Dies got to the FBI and the technological situation was even worse than his son had described to him. The Assistant Director of the Information Resources Division had been there for years, and hadn't gotten much of anything done. She was an African-American woman and had been put into the position so that the FBI could have a minority executive. Congress was highly frustrated with the FBI at that time. The last major thing that the FBI had done in the IT arena was that in 1995 they had rewritten the case management software (the creation of ACS).

In 2000, when he arrived, a lot of the agents didn't even have computers. Of those that did, 65% were between 4-8 years old. The useful life of a computer, Dies said, is about 2 years. Because the computers themselves were so out of date, they had to design ACS to work on these computers. In the Bridgeport RA, where there were 25 investigators, they all shared a 56k modem dial up. They would have to wait 2, 3, 4 minutes between screens when they were using the system. As a result, they wouldn't even use the system. The New York office ran all of its telephone lines and connections through 1 switching station. When 9/11 hit and this switching station was knocked out, they were cut off. In the modern world, Dies noted, they should have been using multiple switching stations so that this would not occur.

# Dies's initial plan for improving FBI Information Technology

The FBI needed to fix their networks, the systems, and the software. All 3 parts were broken. The FBI also did not have the internal expertise necessary to improve. Dies thought that the first step would be to get the PCs and the networks up and running, and then deal with the software issues after that. When he showed up at the FBI, there was no plan in place to improve the technology. Dies was the person who came up with the "Trilogy" concept.

Dies went to Pickard and Freeh before he went to Congress to present the "Trilogy" concept and explained to them the magnitude of the problem. He also told them what it would cost to fix. They said ok. He then went to Collingwood and they put a plan together for how to present this to the Hill.

# Role of Congress in funding FBI's information technology

The FBI had made a proposal to Congress 2-3 years before to improve its information technology capabilities. Under this proposal, they wanted to redesign everything from scratch. The proposal was for about \$580 or \$600 million. Congress said no to this, and Dies thinks that they made the right call. Given the complexity of the project, and the lack of expertise at the FBI, the chances of success were slim. In addition, the FBI had no credible track record with Congress of success. Dies tried to dumb down and simplify the proposal, so that they would have a greater chance of success. Dies went to Congress and told them that the FBI was about a decade out of date. He said that all he could do was get the car out of the ditch. His goal was not to build the fanciest car, but just to get it out of the ditch.

When he arrived at the FBI, Congress was so upset with the FBI that they had stopped funding their technology efforts. From what Dies saw, Congress went so far out of its way to give him money. He couldn't believe it. Dies went to Congress and asked for \$385 million for the new computers and the new network systems, and within 60 days of his presentation they had the money. In Dies's opinion, Congress was not the problem. They were hugely beneficial. As an example, Dies was able to get and spend \$18 million training agents on how to use the new computers. Many agents didn't really know how to use their computers.

In October 2000, Congress agreed to fund Dies's proposal to improve the FBI's information technology capabilities. They had companies bid on the contract in November 2000, and in July 2001, the FBI finally let the contract. After 9/11, they went to the contractor and said that they needed things completed sooner. The contractor said that they could do it for another \$85 million for the network and computer replacement portion of the contract. They said that they could get those portions done in a year instead of 3. Congress immediately gave the FBI the extra money.

After he started at the FBI, he met with John Collingwood, then the Director of FBI's Congressional Affairs office. Collingwood told him that Congress would not be a problem for him because he knew what he was doing. Congress, in Collingwood's opinion, wanted the FBI fixed.

### Technological Capabilities throughout the FBI

There were pockets of technological excellence in the FBI. The innocent images and fingerprint programs had better technology and capability than the rest of the FBI. However, all of the expertise is program based. In addition, because things had been broken for so long, that individual offices had designed their own programs. For example, the "fast start" [note: possibly referring to "Rapid Start"] standalone system was created as a data management system. They ended up putting the PENTTBOM information into this because ACS couldn't handle this amount of data. The problem is that it isn't connected to the rest of the network so most people in the FBI wouldn't have access to the data in there.

In Dies's opinion, the technological limitations did not impact FBI greatly if the crime involved was local in nature or even domestic.

#### Reasons for Dies's Departure from FBI

One of the subcontracts for \$8 million total was to IBM. The FBI lawyers viewed it as a conflict that Dies would be supervising a contract with his old firm. He was then recused from the project. At that point, there was no reason for him to stay at the FBI any longer and he left. Dies noted that the FBI cannot run and improve this program on their own. They need someone from the outside to come in and do it. There were fields of computer expertise in the Bureau but not much.

When Dies was leaving, he called Wilson Lowrey and told him that he would be leaving. He told him that the administration and procedures were as bad as he's ever seen. He recommended that Lowrey come to the FBI to supervise the administrative divisions. It's important that Mueller give Lowrey some independence to fix these problems.

#### Reasons for Limited Improvement in FBI's information technology

One of the problems at the FBI had been that there was a lack of focus on technology from the top. Did Freeh have any knowledge of computers? No. From what he knows, Freeh never even turned one on. Since Freeh didn't understand technology, he spent no time on this issue. Pickard had too much to focus on, being responsible for supervising the entire Bureau. The FBI's management team, by and large, was computer illiterate. They grew up in an agency with no technology. As a result, noone focused on this issue. Mueller is trying to fix these problems, and is more computer savvy than either Pickard or Freeh. Dies did say though that every time he needed to see Freeh, he was available. Both Freeh and Pickard cared about this issue. He saw Pickard every day at the staff meetings. He did mention that one time when Freeh tried to find him though, that Freeh didn't know where Dies's office was.

Dies thinks another one of the problems was that that some of the lower level computer specialists were trying to stop the reforms. They had their expertise and with the status quo they were valuable. They were afraid that with the changes they would no longer be as valuable.

The FBI's management structure was also problematic. Pickard was the 6<sup>th</sup> Deputy Director in 8 years. Why? It's because one guy couldn't manage the whole Bureau. It can't be done. When Mueller came on board, Dies recommended that he change the management structure. Mueller did end up creating 4 EAD positions under the Deputy Director. In addition, the FBI also does not train its managers. When he became a manager at IBM, he received management training. The FBI's managers get no training.

Another systemic issue at the FBI was the agent-centric culture. If something wasn't done by an agent, it wasn't worth having. A few years before he got there, the agents had different color badges than the support employees. The notion that agents should run everything can't work. They are starting to get away from that at this point, but just a little bit. Chiradio, who is an agent, was selected to replace Dies as the EAD. Another example is that the FBI didn't go outside the FBI for expertise in creating ACS. They wrote the applications in 1995 for computers that were from 1990. Dies had better systems than this at IBM in 1980.

They eventually decided to hire a CIO instead of Dies (with Dies remaining the AD). They had 3 CIO candidates in a row fail the background checks. They ended up hiring Darwin Johns, who came from the Church of the Latter Day Saints. Even though he was 66 years old, he told them that he wanted to work another decade. Johns failed miserably. He was not nearly aggressive enough. He was used to managing large, competent staffs, and this was a different situation.

Overall, to summarize, there have been a number of resistors to change at the FBI. The first is that the management team as a rule has not been computer literate. Second, they don't have competent information technology staff. His recommendation to Congress was that the FBI should have between 60-100 great computer specialists. Everything else in this arena should be outsourced. However, Dies chose not to deal with

this problem right away. He noted that when NSA decided to outsource, it took them 3 years to get this done. Dies chose to deal with this problem later.

Mueller met with Larry Ellison from Oracle. Ellison told Mueller that he could fix the FBI's computer problems within 90 days. When Mueller mentioned this to Dies, Dies asked Mueller whether he really believed this. Mueller said that he didn't but that even if it were off, that these efforts might be faster than their current efforts. Dies told Mueller that he needed independence to fix the technology problems, and that Mueller couldn't be managing the program. Mueller responded that he agreed, and gave Dies the autonomy. In Dies's opinion, that was a "pretty adult" thing for Mueller to say.

One of the problems with ACS is that the security profiles are programmed into the applications themselves. In a better system, the security profiles would be in a separate matrix, and the system could search those to see, for example, whether a particular user was authorized.

### Creation and merits of "Virtual Case File" Concept

Dies explained how the Virtual Case file system was created. An agent named Robert Chiradio, who became the Executive Assistant Director for Administration (note: replaced by Wilson Lowrey), sold Mueller on this concept. His people had created a demo, with a lot of bells and whistles, which looked very user friendly. In this system, the images would be scanned into the system, and you could see the actual images on the screen. Dies said that if you were designing a system from scratch, this would be the way to go. However, Dies thought that given the magnitude of the problems, that the FBI had to get a system up and running as fast as possible. In Dies's opinion, you can't take something a decade out of date and fix it overnight. Dies decided to forgo renovation and focus on replacement. The Director though thought that the Virtual Case File system was the "cat's meow." Dies's proposal would have been completed faster than VCF, although he's not sure it would be done yet. Even with the VCF, this won't be a full step for the FBI. Dies doesn't begrudge them for changing the scope of the project, and making it more ambitious. But they need someone who understands how to do it. The FBI will have to keep funding the renovations and improvements to the system "ad infinitum."

In addition, given the lack of computer expertise at the FBI, it was better to improve the current system instead of starting from scratch. They could not go for the "cat's meow" of a system, but should make improvements to the current system. Under Dies's proposal, they would have Oracle or some other database at the back end. Dies noted that 95% of the world uses either Oracle or IBM databases, and using these would have been good in terms of upgrading or replacing parts (instead of creating a new system).

Mueller ended up going with Chiradio's proposal. Chiradio, Dies stated, knows nothing about computers. Dies speculated that after 9/11, Mueller felt that he would get one real shot at improving FBI's computer systems, and he decided to go with the "cat's

meow" proposal. He thought that it was worth taking the risk of a longer delay, and the higher cost.

### Recruiting and building expertise

One of the FBI's biggest challenges is how to build and create expertise. Agents switch all the time from one type of investigation to another. In addition, a lot of the expertise that the FBI will need in the future to fight international terrorism will have to come from people who aren't agents. Recruiting and continued specialization are big issues at the FBI. The FBI needs to recruit technological specialists as well.

Dies hired two summer interns who were technology specialists. One of them was a junior in college. He was very good, and at the end of the summer, Dies wanted to make him an offer for after graduation. He didn't want this guy going through the recruiting process, because he was worried they would lose him. Administration Division told him that he couldn't do that. He was not allowed to make this person an offer more than 90 days before his graduation.

As an example, Dies's son has a good background. He's Ivy League educated, and has a masters from Princeton. He went to Princeton to study Middle East Affairs issues because of a particular professor there. Many of the people in his program hoped to become professors, for which the starting salary is about \$37,000. The FBI should be hiring people like this, particularly for non-agent positions. These people have the right background, and are willing to work for less money. Dies hopes that in 5-10 years from now the FBI will have a lot of highly specialized non-agents working there.

# Relationship with Data Mining Companies

Dies was involved in the data mining efforts. They wanted to hire one of the data warehousing companies which was based in Arkansas. After 9/11, a number of companies who had publicly available information wanted to help the FBI. There are about 3 or 4 data warehousing companies in the U.S. They all came forward and said they could help. The company in Arkansas told the FBI that if the FBI just reimbursed them for the costs, that they would provide the information. However, the FBI never got over the privacy issues. The basic issue of the FBI having access to all of these records was a problem. This issue was kicked over to DOJ.

Regarding Seisent, there were other issues with that company, beyond privacy.

They were concerned with: under what conditions could they use data warehouses? Did they need court orders? How could they use these companies in the future? How would they pick which company to use? Dies is not familiar with TIA's efforts. This must have been after he left.

In terms of resolving these issues, no one at the FBI "owned" the problem. It is a statutory, legal issue. He doesn't recall who at DOJ was working on it. Someone needs to "own" the problem, otherwise it won't be resolved.

# **Problems with the Procurement Process**

Steve McGraw, the head of the FTTTF, and Dies saw great mapping technology. This company could tell you everything around a certain site, which would be great for the FBI in emergency situations. They knew where all of the critical infrastructure was in every city. He and McGraw tried to purchase a copy of the software. He was told that they had to go through procurement. The procurement people said that their initial bid was too tailored for this one company's software. They made it more general. This ended up tripling the price, and the company that had the software was not a company that Dies trusted. They ended not buying the product.

Dies noted that technology like this has a shelf life of 2 years. The procurement process takes a year. How can the FBI stay current with this type of system in place?

When Dies met with Senator Durbin, he raised these issues. He recommended to Durbin that they should change the law so that all federal law enforcement and intelligence agencies should be able to purchase items for which another agency has a contract. For example, if the CIA has a contract with a company, the FBI should also be able to buy off this contract. However, his proposal went nowhere. He makes the same recommendation to us. It's different if you're buying something like an airplane, but for something with a short shelf life, they have to be able to move quickly.

# Top Secret LAN

When Dies went to Congress, he was unaware about the TS system at FBI. They had never told him about this. When he was trying to set up the TS LANs and WANs, he got so frustrated with the lack of support that he reached out to the CIA for help. He got Ed Sisko to come over and help. Sisko is now the acting Assistant Director in IRD. The situation was so bad at FBI that they couldn't send information to DOJ, they had to hand carry it.

Dies put Sikso in charge of this project. He brought him over and told him that he had 30 days to figure out how to do it and report back. Sisko reported back and said that he could do it. He then got the TS network up and running at FBI in less than 12 months. They even brought the CIA over to train the FBI on the system. The money was approved for the project in the spring of 2002.

This was a good example where the FBI was able to leverage the skills of another agency. It also illustrated that the people involved in setting up the basic networks, didn't even know about the TS network. There was no TS LAN though. People should have told Dies this.