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MEMORANDUM FOR THE RECORD

Event:

Type of Event: Interview of Amy Jo Lyons (Assistant Special Agent in Charge, International Terrorism, New York Field Office)

Date: September 5, 2003

Special Access Issues: None

Prepared by: Michael Jacobson

Team number: 6

Location: FBI, Washington Field Office

Participants Non-Commission: Assistant General Counsel Sean O'Neill

Participants – Commission: Peter Rundlet, Barbara Grewe, and Michael Jacobson

Background

Lyons has a B.S. in Psychology from USC, and a masters in psychology from Ball State. After completing her education, she worked in the mental health field for several years. She joined the FBI as a Special Agent in 1986. She was assigned to the Newark Field Office for four years, before transferring to the Bridgeport Resident Agency of the New Haven Division. During her six years in Bridgeport, she worked primarily drugs and money laundering matters. In 1996, she was promoted to a supervisory position in international training and assistance unit at Quantico. In this position, she was responsible for coordinating training for foreign police agencies. After 18 months in this position, she transferred to FBIHQ, where she worked as a supervisor in the Latin American drug unit. In February 1999, she was selected as a squad supervisor of the Columbo Organized Crime squad in New York. She was promoted thereafter to the coordinator position for organized crime. In July 2001, she became the Assistant Special Agent in Charge of the Special Operations and Surveillance section in New York. In March 2002, she was detailed to FBIHQ, where she supervised the PENTTBOM investigation. Lyons mentioned that this was the first time that she worked on CT matters. However, it was a criminal investigation, and she had had considerable experience with criminal investigations and prosecutions so it wasn't completely new to her. She is currently the Assistant Special Agent for International Terrorism in the New York Field Office.

New York Surveillance Section

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The new 315 classification

Lyons thinks that having the 315 classification will help. It's difficult to have 2 cases at the same time on the same subject. Now they will be able to use both criminal and intelligence tools in the same investigation. It will also make the reporting easier to have 1 investigation.

New York office priorities

Their number one priority in New York is prevention. New York is now trying to focus on its own backyard. In the past, New York FBI agents spent so much time overseas investigating terrorist attacks, and on the prosecutions of al-Qa'ida members. Now they are making an effort to locate cells and targets in the New York area and to make sure that their own backyard is safe. They are doing this through FISAs, informant development, and liaison. This is not to say that New York is ignoring events overseas now. There are probably 10 agents traveling at any given time. As a side note, New York is also very busy trying to get the new IT branch "stood up." They are in the

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process of getting new office space for the branch, and this has consumed quite a bit of time as well.

Outside agencies on the JTTF

Another one of their priorities is trying to integrate their partners on the JTTF. They have been successful in recruiting many outside agencies, and are trying to fully integrate these individuals into the JTTF. Most agencies want to send people to the JTTF, but have their own resource limitations. Customs and INS continue to promise additional bodies, but they haven't actually sent anyone else. Other agencies are reluctant to send supervisory staff to the JTTFs. The FBI welcomes supervisory personnel, but they don't actually get to supervise squads, so supervisory personnel from other agencies don't always want to come. Once outside agency personnel are on board, they can see how important the JTTFs are. The FBI will often defer to other agency personnel, when they have greater expertise on particular matters. For example, when an issue arose about possible explosives on ships, FBI let Customs take the lead on this. The only agency the FBI has turned down is the IRS IG's Office. The FBI couldn't see what the value would be in having personnel from that office, or from IG's offices in general. FBIHQ was pushing New York to accept the IG's office, but New York decided not to.

The FBI does not interview the selectees for the JTTF. They just ask the agencies to send over someone who is a team player. They have brought in 15 new agencies to the JTTF in the past year. They are also getting a new building, and have received additional funding for the new building. A year ago, they have 1 CT branch, and now they have 14 CT squads.

Relations with the New York Police Department

Lyons said that it is complete nonsense that the FBI doesn't share information with the NYPD. It angers the FBI to hear the NYPD even claim this. On the street level, the FBI and the NYPD get along well. There are some complaints that the detectives don't do a good job with the paperwork, and that the FBI agent has to pick up the slack. To address this concern, they have been providing the detectives with report writing training. Even at the SSA-sergeant level the cooperation and relationship is very good. The "rub" begins at the level above this. The lieutenants and captains don't get along well with the FBI management. They want to be running the squads, and want to be in charge. Lyons does not think that the NYPD needs to have officers at that level assigned to the JTTF. The NYPD does not need this type of superstructure in place within the JTTF. The NYPD has an Inspector and a Chief at the JTTF. It is helpful to have the sergeants though. Sometimes, the FBI has to remind them that they are not running the squads. The sergeant should be the SSAs "right arm." The FBI asked [redacted] to leave. He was promoted out of here back to a position in the NYPD. [redacted] was a one star chief when he was on the JTTF, and was promoted to a two star position. Jim Waters is the current on scene NYPD inspector.

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The poor relations with the NYPD are taking their toll on office morale. D'Amuro is trying to address this by interacting with Ray Kelley and addressing his concerns. Kelly wants greater control of the JTTFs, and would actually like to run the JTTFs. Lyons said that it is "not their place" to do so. The NYPD is trying to run their own task force within a task force, and is trying to direct investigations. In her opinion, they don't have the expertise to run federal investigations. They try to run the investigations with a NYPD mentality. For example, they will pursue things and devote extensive resources to things that are not pertinent. They will want to devote 24/7 surveillance to a target of low priority in the Field Office. They can't let non-JTTF personnel do the surveillance because they don't have the clearance. Prior to 9/11, it was liking "pulling teeth" to get the NYPD to travel anywhere outside of NY. Now they want to put detectives overseas, whether there is investigative relevance or not. There is tremendous pressure on the FBI to acquiesce. The NYPD personnel can receive \$10,600 in federal overtime pay annually. When they are traveling overseas, they used to be paid 24 hours a day, which eats into this overtime quickly. This has stopped, Lyons noted. There is currently an agreement that for every FBI agent, there will be an NYPD detective. In addition, the SOG squads (of which there are now three) are made up of NYPD detectives. They are short about 15 detectives on the surveillance squad. Until recently, the NYPD could place their personnel on whatever squad they wanted, and the FBI had no input into this process. This has now changed. There is a new updated MOU on D'Amuro's desk which is very different from the previous MOUs. The previous MOUs were 3 pages, and this is a booklet, with a far different tone.

The NYPD is also not always sending over team players. The current situation is that the NYPD feels like the FBI dropped the ball in protecting NY. They claim that the FBI didn't share information, but she can't think of anything specific to 9/11 that they refer to.

The situation with Iman Faris, the truck driver in Ohio also caused some problems. The information on Faris had gone out in IIRs, but he wasn't identified by name. NYPD claimed that they should have been receiving the information on Faris, but in fact they were. Since the IIRs did not contain his name, they didn't realize that they actually were receiving the information. She was in a meeting with Ray Kelly and he was looking through the pictures seized from Faris. He said that one of the pictures was of Faris in front of his house. It turned out it was a large apartment building in Battery Park, so this was somewhat overstated. She concedes that the FBI should have given the NYPD the picture seized of the Holland Tunnel earlier.

New York Intelligence Briefings

There is a 9 am daily intelligence briefing in NY. Jim Waters (the NYPD inspector) is supposed to attend the briefing, and he often does. When he can't go, he sends another NYPD representative instead. There are usually 1-2 sergeants from IT-7 there as well. Tim Herlocher (SSA of IT-7), [redacted] (FBI analyst), the NCIS analyst, AD D'Amuro, and Lyons are at the briefing. [redacted] and the NCIS analyst are the ones who put together the briefing material.

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There is also a 3 pm Thursday briefing which has a wider audience. Mike Sheehan is invited to the Thursday briefing, but has never come. Captain Joe Herbert and Jim Waters are invited as well. The Thursday briefing is intended to be more of a management briefing. The SDNY has a spot at the table. The SDNY has a representative on IT-7, who is an analyst not an AUSA. Jim Wheeler is the current representative. He is interested in the threat information. The EDNY is also invited to the briefing, but their representative does not regularly attend.

Lyons makes the decisions on what is briefed. She gets weekly summaries from her SSAs on their investigations. She is not briefed in this format on most investigations, but only on the significant developments. She has a pretty good handle on the squads' cases and on personnel issues as well. For the 9 am briefings, the SSAs write up the high profile investigations. D'Amuro likes these briefings, and the HQ format for these write ups. This has been helpful when NY provides information to HQ for the Director's briefings, since they can use the same format. Lyons will review the summaries to determine what should be discussed at the 3 PM briefings. Generally, they do not discuss ongoing investigations at the Thursday briefings. They are threat briefings.

Call Center

The Call Center is a DT function. When they receive a call, they will run the name through ACS. If there is an open investigation on that person, it would be referred to that substantive squad. If there is a clear link to al-Qa'ida, it would be referred to that squad. If there is no clear IT connection, DT-1 would handle it. It's up to the judgment of the DT investigators as to whether to refer the matter to the IT squad. She does not review the daily sheets for the call center and DT-1. She would await a referral from DT. She would know, however, about the most significant DT-1 cases.

Information Dissemination

IT-7 serves as the information sharing mechanism. Their role is to disseminate information to other agencies. If an agency is interested in receiving threat information, she would tell them to make sure to have a representative on IT-7. Tim Herlocher, the SSA of IT-7, is pivotal in notifying other agencies when threats come in. It is extremely important to get threat information out.

In terms of producing IIRs, FBI NY has not done the best job. HQ has been doing it for them to this point. New York has put in for four reports officers, but none are on board yet. Dissemination is on everyone's minds, and is on the forefront of everyone's mind. As soon as relevant threat information comes in, they will send it out. When threat information comes in, the first question on their mind now is "who have they told." With regard to source information, this type of information is not "pumped out."

The FBI needs to get agents to the point that they recognize what needs to be sent out. Right now, she's heavily relying on the supervisors to recognize what needs to be

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disseminated. Since she receives the case summaries, she also considers it one of her duties to make sure that relevant intelligence is put into IIRs. New York is making an effort to emphasize this. Before, it was all out of HQ. This has been drummed into them over the past 2 months. They need to get better at this, and it will get easier once they have personnel. She has not heard about any IIR quotas specifically. However, she has heard that dissemination is one of the ways that they will be measured in the future. They will be judged on how much intelligence they push out. She doesn't think that it will be in the individual personnel performance plan, but that the office will be judged based on their dissemination overall.

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Analysis

In addition, each squad has two analysts and they should be thinking about what information needs to be disseminated in IIRs. Lyons agrees that it is clear that the FBI analysts are not "up to par."

Morale

Lyons acknowledges that there is a huge morale problem in the NY field office. She attributes it to several different factors. First, is the interagency struggle between the FBI and the NYPD. This struggle is "very bad" [redacted] 9/11 Classified Information [redacted] Third, is the feeling that NY was "robbed" by HQ when they took away the office of origin from. These issues are all addressed in the individual sections.

HQ centralization

Many in the NY office feel like they have been "robbed" since HQ has become the office of origin on al-Qa'ida investigations. This is taking its toll on office morale. This is not a problem for her. Al-Qa'ida has cells throughout the country and the effort should be centralized. Beefing up HQ and having it centralized is a much better idea and does not concern her. HQ is going through growing pains right now. It will be better in a year. In reality, HQ has not denied the NY office very much. NY can still run their investigations, and in most of the 199 investigations there really hasn't been that much change. NY agents have to realize that they can be just as important if they are part of a team. NY agents have to accept that they have peers. It is hard for them to let go.

HQ is getting better. There is better support from HQ on telephone applicants, and from the Communications Unit, on producing IIRs, and on traveling overseas. This should be the role of HQ. HQ should not have street agents running investigations. But

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HQ personnel can coordinate, find links between investigations, etc. HQ has to be the focal point. Centralization, in her opinion, is not about running the investigations. It is about centralizing intelligence and deployments overseas. HQ has far greater involvement and input than they did before. She is a believer in HQ.

"No lead left uncovered" strategy

The FBI's current strategy is that no stone will be left unturned. They are being hypervigilant, and aggressive. They have been told (by the Hill) that if there is one more mistake then they are done, and the mission will be taken away from them. They cannot keep this pace up. They will have to constantly circulate new people to cover these type of leads. The problem is that they are not building any sort of continuity or deep bench because of this.

Source Development

The source development and penetration of the radical communities varies from group to group.

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They are implementing an orientation program and part of this will be informant development. They need to put experienced investigators into these communities. They need to build criminal cases, and then flip people. With the new 315 classification, they will have the flexibility to utilize criminal charges to try and flip people. The FBI has been trying to do community outreach. She's been to about 10 mosques since she assumed her position. After one of the community outreach visits, a few people came up to her and talked to her. These were more concerned citizens trying to help than sources, but maybe it's a good sign. They are hopefully building rapport with the communities. This initiative has been HQ driven. All offices are doing this, but they are doing that more aggressively.

Part of the beauty of the JTTF is that some of the detectives come with sources. They will encourage the detectives to turn them into FBI sources. If they want to use in cases and pay them, they have to be FBI sources.

Training

Lyons has not had any IT related training. The FBI needs to do a better job training their people. Quantico just developed a CT training course, which is a good step.

TTIC and other intelligence products

She has not seen any TTIC products. NYPD intelligence has 400 detectives and a number of analysts. They do threat assessments, primarily based on open source

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information. They have requested copies of the intelligence products but have yet to receive them.

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