

SEP 11 2008

September 1, 2008

Terry D. Turchie
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Chairman John D. Dingell
House Committee on Energy and Commerce
2328 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Dingell:

I served as an FBI Special Agent for 29 years, retiring from the Bureau at the end of May 2001 as the Deputy Assistant Director of the FBI's Counter-terrorism Division. During my career with the FBI, I worked a variety of criminal and national security matters, which included counterintelligence and counterterrorism. I led the multi-agency Unabomber Task Force, authored the search warrant affidavit for the mountain cabin of convicted Unabomber Theodore Kaczynski, and was assigned as the FBI Inspector-in-Charge of the fugitive hunt for convicted Olympic bomber Eric Robert Rudolph in the mountains of North Carolina from March 1998 until March 1999. Both Kaczynski and Rudolph pleaded guilty before trial for the crimes they committed, largely as a result of solid and unimpeachable evidence collected while the task forces were searching for them.

From June 2001 until September 30, 2007, I served as the Senior Counterintelligence Officer at Lawrence Livermore Nuclear Weapons Laboratory. Upon my retirement from LLNL, Thomas P. D'Agostino, Undersecretary for Nuclear Security and NNSA Administrator, had this to say in a letter (copy attached) dated September 28, 2007:

"You assumed responsibility for the LLNL CI Office in June 2001 and built it into the premier counterintelligence program within the National Nuclear Security Administration (NNSA) and, many would agree, within the Department. Your outstanding work was twice validated by an external inspection team, most recently in July 2007. These two inspections, covering your entire tenure as the SCIO at LLNL, resulted in overall 'Excellent' ratings."

Prior to my departure, I made it clear to top level Lab management; DOE's counterintelligence inspection team; representatives of the DOE Inspector General's Office; and leadership in the DOE Office of Intelligence and Counterintelligence that my decision to leave was based upon the dangerously chaotic state of counterintelligence within DOE. I emphasized the potentially catastrophic consequences of the new

direction the program was moving towards by restructuring around intelligence collection and away from sound counterintelligence principles.

In late September 2007, I sent two rather blistering emails to the DOE Office of Intelligence and Counterintelligence expressing my concern that the changes in progress and the restructuring was creating larger counterintelligence vulnerabilities within the Department. While I do not have copies of the emails, I have read with interest the recent report on counterintelligence within DOE and wish to notify you of my continuing concern that Congress is being misled on the true nature of the effectiveness of counterintelligence within the Department of Energy.

I strongly agree with a number of the concerns cited in the report. Since the consolidation of DOE and NNSA counterintelligence under the overarching Office of Intelligence and Counterintelligence within DOE, counterintelligence (CI) capabilities have been greatly undermined. As a result, the vulnerability of DOE personnel and facilities to hostile intelligence entities has increased exponentially.

Examples of these vulnerabilities are:

- 1.) After DOE and NNSA CI were reconsolidated, necessary, ongoing communication between Senior Counterintelligence Officers in the field and the Deputy Director of Counterintelligence was drastically reduced. The chief of NNSA Counterintelligence had held quarterly meetings with all of her field representatives, communicated with them by email at a minimum of a dozen times each month, and frequently talked with each of them by telephone regarding serious CI incidents and cases. The Deputy Director who replaced her held no meetings, sent no emails, and called me just several times in the two years before I left.
- 2.) The chief of NNSA CI consistently reached out to the NNSA laboratory directors, engaging them in the development of sound counterintelligence principles and encouraging their support and involvement in the CI programs at the labs. She understood that all of the labs were different, but recognized the importance of consistency, transparency, and team building with all levels of lab management. As a result, there was a substantial trust between the NNSA lab directors and the chief of NNSA CI which translated into programmatic initiatives, expeditious handling of CI vulnerabilities, and continuous employee awareness from the top down of the CI threat.
- 3.) The chief of NNSA CI, supported by a small, yet seasoned and pro-active CI team at the Headquarters level, worked tirelessly to acquire funding to secure the full staffing of CI positions throughout the field to uncover and deal with identified threats. Since the reconsolidation, field CI positions have been severely reduced. As I prepared to retire as the LLNL Senior Counterintelligence Officer (SCIO), I located and groomed a highly qualified candidate acceptable to the lab director for the position. One year later, in spite of the fact that LLNL has undergone significant and inevitably disruptive management change, no SCIO has been named. The 2007 DOE CI inspection of the LLNL CI program concluded that the

program needed additional positions and that vacated positions should be filled immediately. The DOE Deputy Director of CI has ignored those inspection recommendations repeatedly. In fact, I never received a response of any type from DOE Headquarters to the second consecutive finding of "excellent" for the 2007 CI inspection.

- 4.) After the consolidation, the Deputy Director for CI told me first hand that he had no control over the CI budget, did not have any idea how much money he had to spend or where it was located, and couldn't get any answers from DOE Director of Intelligence and Counterintelligence Rolf Mowatt-Larsen or his staff as to the CI budget. At a conference in Las Vegas in the spring of 2007 sponsored by Mowatt-Larsen, I raised the budget issue during a rare one hour session involving the senior counterintelligence officers and the Deputy CI Director. His response was to look down at his watch and remind all of us that there was a "social" in Mowatt-Larsen's hotel suite, so we better wrap it all up so we could be there on time.
- 5.) The DOE Director of Intelligence and Counterintelligence, Rolf Mowatt-Larsen, is a former CIA officer who is intent on the primacy of intelligence over counterintelligence. Since the creation of the new structure under Mowatt-Larsen:
 - a.) The DOE Counterintelligence Budget, personnel staffing, training, analysis, cyber threats, and computer management related counterintelligence issues are under his management.
 - b.) As a result, the focus of counterintelligence analysis in the field has become almost exclusively strategic and based upon intelligence collection and the production of intelligence information reports, de-emphasizing tactical analysis to support the identification of counterintelligence issues.
 - c.) The budget for computer security matters at the labs has been reduced substantially, creating both security and counterintelligence vulnerabilities.
 - d.) Considerable money has been spent to relocate Field counterintelligence programs into closed and classified SCIFs and to merge counterintelligence cyber information systems with the intelligence information system. This is consistent with an intelligence analysis approach, but totally inappropriate for the effective operation of a counterintelligence program that relies on continuous contact with the lab population where counterintelligence vulnerabilities reside. Ironically, it also increases the potential pool of individuals throughout the DOE Office of Intelligence and Counterintelligence who have access to sensitive counterintelligence information.
 - e.) All of these changes have occurred without any written strategy documents and in an atmosphere completely lacking written policies, guidelines, and rules. In fact, the only matter ever discussed with the Senior Counterintelligence Officers by the Director of the Office of Intelligence and then vigorously pursued by his staff was the need to

change Executive Order 12333 to give more latitude for "intelligence operations" at the lab level.

- f.) Counterintelligence awareness at the field level has been significantly diminished as an objective, whereas previously it was a critical foundation of the program. It has been replaced by an atmosphere of suspicion and distrust, which is permeating the overall counterintelligence program as a result of the creation of the Office of Intelligence and Counterintelligence.

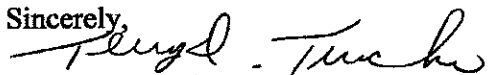
Perhaps most disturbing is the purge of over two dozen people from key counterintelligence positions within the DOE complex over the past two years as these changes have occurred. Highly experienced individuals have been fired, resigned, retired early, or have been reassigned to other positions within the DOE or NNSA because they dared challenge some of Mowatt-Larsen's changes based on their concern for the rule of law or the dramatic and disastrous impact his changes have had on DOE counterintelligence overall. There is no room for dissenting opinions and they are in fact viewed as disloyalty.

At one meeting, a key advisor to Mowatt-Larsen summed it up this way, as closely as I can remember;

"The train has left the station. Some of you will disagree with the changes, some of you will leave, some of you will get sick and I suggest you leave as well for the good of your health. But the time for disagreement is over and you will do as directed."

I strongly encourage the appropriate committees of the United States Congress to hold hearings on the current status of counterintelligence within the Department of Energy. Since the reconsolidation of the DOE and NNSA counterintelligence programs and the creation of the Office of Intelligence and Counterintelligence, the counterintelligence mission at the national labs and throughout the DOE has been turned into a massive intelligence collection program, with the creation of a host of attendant counterintelligence vulnerabilities. Based on my own extensive and successful professional experience in the fields of both counterintelligence and counterterrorism, I have little doubt that this has opened the way for major security breaches involving DOE installations and personnel in the future.

Sincerely,



Terry D. Turchie



Department of Energy
National Nuclear Security Administration
Washington, DC 20585

September 28, 2007

OFFICE OF THE ADMINISTRATOR

Mr. Terry D. Turchie
Senior Counterintelligence Officer
Lawrence Livermore National Laboratory

Dear Mr. Turchie,

With the time until your retirement now measured in hours (instead of years, months or days) I want to take a moment to reflect on your significant contributions as Senior Counterintelligence Officer (SCIO) at the Lawrence Livermore National Laboratory (LLNL).

You assumed responsibility for the LLNL CI Office in June 2001 and built it into the premier counterintelligence program within the National Nuclear Security Administration (NNSA) and, many would agree, within the Department. Your outstanding work was twice validated by an external inspection team, most recently in July 2007. These two inspections, covering your entire tenure as the SCIO at LLNL, resulted in overall "Excellent" ratings.

Your successes were many. Five years ago your office first alerted this Department to a significant cyber issue and you then pioneered counterintelligence (CI) investigative approaches to deal with it. The result was substantial mitigation of the threat at LLNL and across the government. Your program led all other CI offices in the collection and dissemination of Intelligence Information Reports, with numerous kudos received from recipients throughout the United States Intelligence Community. You have helped LLNL and NNSA manage the risks posed by our significant international interactions, earning a great reputation for sound judgment and excellent advice.

On behalf of all the men and women of NNSA, I want to thank you for your steadfast dedication to CI and national security. We in NNSA were fortunate to have the benefit of your experience and expertise, developed over the course of your career with the Federal Bureau of Investigation. Your outstanding personal qualities and professional capabilities, much appreciated by us, are now evident to all who may read your new book, Hunting the American Terrorist. Best wishes for continued success.

Sincerely,

A handwritten signature in black ink that reads "T. P. D'Agostino".

Thomas P. D'Agostino
Administrator

