



# Department of Justice

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**STATEMENT OF**

**BILL PRIESTAP  
ASSISTANT DIRECTOR  
COUNTERINTELLIGENCE DIVISION  
FEDERAL BUREAU OF INVESTIGATION**

**BEFORE THE**

**COMMITTEE ON THE JUDICIARY  
UNITED STATES SENATE**

**FOR A HEARING ENTITLED  
“OVERSIGHT OF THE FOREIGN AGENTS REGISTRATION ACT AND  
ATTEMPTS TO INFLUENCE U.S. ELECTIONS: LESSONS LEARNED  
FROM CURRENT AND PRIOR ADMINISTRATIONS”**

**PRESENTED**

**JULY 26, 2017**

**Statement of  
Bill Priestap  
Assistant Director  
Counterintelligence Division  
Federal Bureau of Investigation**

**Before the  
Committee on the Judiciary  
United States Senate**

**For a Hearing Entitled  
“Oversight of the Foreign Agents Registration Act and Attempts to Influence  
U.S. Elections: Lessons Learned from Current and Prior Administrations”**

**July 26, 2017**

Chairman Grassley, Vice Chairman Feinstein, and members of the committee, thank you for the opportunity to appear before you today, and thank you for highlighting the Foreign Agents Registration Act (“FARA”). FARA is a valuable tool for today’s counterintelligence efforts because, as you know, it requires a person acting in the United States at the direction of a foreign principal to disclose this relationship, subject to certain conditions. Foreign nations may employ Americans or third-country nationals to pursue their national aims, just as they might use hackers, students, businesspeople, and other non-traditional actors, and in some cases, these aims run contrary to U.S. national security or other U.S. interests. Due to the gravity of today’s threat from state actors, all counterintelligence tools are critical, including FARA.

From my vantage point, the counterintelligence threat is growing in volume and complexity. Unfortunately, the threat continues to be misunderstood and underestimated by many.

**Why is the counterintelligence threat misunderstood?**

I believe that when most people hear the word “counterintelligence,” they think it refers to countering the activities of hostile foreign intelligence services or “spy versus spy.” They are partially correct. The focus on spies or intelligence officers was the original intent when the term was coined and when the FBI first began working counterintelligence matters.

However, the counterintelligence threat has evolved over the last twenty years or so. While hostile intelligence services continue to pose a formidable threat, a number of other foreign government actors and their proxies also engage in nefarious activities in furtherance of their countries’ desire to gain a strategic advantage over the United States. In effect, our adversaries use a whole-of-government approach – pursuing their goals on economic,

technological, military, and diplomatic fronts, as well as through traditional intelligence service activities.

As a result, where once the FBI's counterintelligence efforts primarily focused on countering the activities of hostile intelligence services, current FBI counterintelligence efforts encompass everything from combating economic espionage and proliferation to conducting supply chain risk management and identifying foreign investment that may pose a risk to our national security. Although these activities are disparate, they share one central idea: our adversaries want to obtain our country's most valuable assets, so we need to protect those assets.

And so, the counterintelligence threat is often misunderstood because today's threat encompasses far more than traditional hostile intelligence service activities.

### **Why is the counterintelligence threat underestimated?**

Human beings are generally good at recognizing and reacting to immediate dangers, but the counterintelligence threat is usually gradual and long-term. For example, if a state adversary steals trade secrets from a U.S. company today, the U.S. company may not immediately experience any negative effects. This is due to the fact the adversary may not fully comprehend what they stole or may not be able to exploit it right away. However, once the adversary fully understands what they took, and once they use it to begin competing against the U.S. company, the U.S. company will likely begin to feel enormous pain.

Therefore, the counterintelligence threat is underestimated because its impact lags behind the commission of the illegal activity. However, the impact from such activity may continue to harm our country for decades to come, and the damage is often irreversible.

The FBI is doing a number of things to combat today's counterintelligence threat, but for purposes of today's hearing, I will briefly describe just two of them.

First, the FBI is collaborating with the widest possible set of allies: other U.S. agencies at all levels of government, the private sector, and friendly foreign governments. Partners can provide the FBI valuable insight on threats, and we can do the same for them.

Second, the FBI is using all available tools to fight our adversaries, to include using partners' authorities whenever possible to safeguard and deny access to U.S. targets. In this regard, the FBI and DOJ are committed to using FARA, 18 U.S.C. Section 951, and all other appropriate enforcement statutes.

In conclusion, the FBI is determined to protect vital U.S. assets by leveraging the broadest set of partners and methods to combat the equally broad threat posed by foreign government adversaries.

I am pleased to be joined by my colleagues from the National Security Division and the Office of the Inspector General today. Thank you for this opportunity to testify, and I look forward to your questions.