

FBI's Unpaid Phone Bills Zap Wiretaps

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The Associated Press

WASHINGTON — The FBI has hit a major hang-up in its wiretapping program: failing to pay its phone bills on time.

Facing tens of thousands of dollars in unpaid bills, telephone companies have cut off some FBI wiretaps used to eavesdrop on suspected criminals, a Justice Department audit released Thursday shows. In one office alone, unpaid costs for wiretaps from one phone company totaled \$66,000.

In at least one case, a wiretap used in a Foreign Intelligence Surveillance Act (FISA) investigation "was halted due to untimely payment," the audit found.

FISA wiretaps are used in the government's most sensitive and secretive criminal and intelligence investigations. They allow eavesdropping on suspected terrorists or spies.

"We also found that late payments have resulted in telecommunications carriers actually disconnecting phone lines established to deliver surveillance results to the FBI, resulting in lost evidence," according to the audit by Inspector General Glenn Fine.

More than half of 990 bills to pay for telecommunication surveillance in five unidentified FBI field offices were not paid on time, the report shows.

The audit blamed the lost connections on the FBI's lax oversight of money used in undercover investigations, which it also said allowed one employee to steal \$25,000.

The audit is the latest in a string of reports from Fine's office in the past seven years to detail chronic financial- and inventory-management problems at the bureau, including a persistent failure to account for hundreds of guns and laptop computers.

Assistant FBI Director John Miller said wiretaps were dropped only a few times because of the backed-up billing. He said the FBI "will not tolerate financial mismanagement, or worse," and is working to fix the problems.

"While in a few instances, late payment of telephone bills resulted in interruptions of the timely delivery of surveillance results, these interruptions were temporary and in our assessment, none of those cases were significantly affected," Miller said Thursday evening.

The report released earlier Thursday was a highly edited version of Fine's 87-page audit that the FBI deemed too sensitive to be viewed publicly. It focused on what the bureau admitted was an "antiquated" system to track money sent to its 56 field offices nationwide for undercover work.

The American Civil Liberties Union (ACLU) called on the FBI to release the entire, unedited audit. The group, which has been critical of some of the government's wiretapping programs, also took a swipe at telecommunication companies that allowed the eavesdropping — as long as they are getting paid.

"It seems the telecoms, who are claiming they were just being 'good patriots' when they allowed the government to spy on us without warrants, are more than willing to pull the plug on national-security investigations when the government falls behind on its bills," said former FBI agent Michael German, the ACLU's national-security policy counsel. "To put it bluntly, it sounds as though the telecoms believe it when the FBI says the warrant is in the mail but not when they say the check is in the mail."

Fine's review focused on how FBI headquarters tracks special funds sent to field offices to pay for rental cars, surveillance and other expenses in undercover investigations.

A review of 35 employees with access to such funds found that half had personal bankruptcies or other financial problems, the report said. In one case prosecuted in June 2006, an FBI telecommunications specialist pleaded guilty to stealing more than \$25,000 intended for telephone services.

"As demonstrated by the FBI employee who stole funds intended to support undercover activities, procedural controls by themselves have not ensured proper tracking and use of confidential case funds," the report concluded.

Fine's report made 16 recommendations to improve the FBI's tracking and management of money, including its telecommunication costs. The FBI has agreed to follow 11 of the suggestions and found one recommendation unnecessary. It said that four "would be either unfeasible or too cost-prohibitive." The recommendations were not outlined in the edited version of the report.

The audit comes as the Bush administration is urging Congress to approve an overhaul of the 1978 wiretap law to grant telecommunication firms immunity from lawsuits for helping the FBI and other government agencies conduct secret surveillance.

Material from The Washington Post is included in this report.