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LESSONS FROM THE MUELLER REPORT:

COUNTERINTELLIGENCE IMPLICATIONS OF VOLUME 1

Wednesday, June 12, 2019

U.S. House of Representatives,

Permanent Select Committee on Intelligence,

Washington, D.C.

The committee met, pursuant to call, at 9:00 a.m., in Room 210, Cannon House Office Building, the Honorable Adam Schiff (chairman of the committee) presiding.

Present: Representatives Schiff, Himes, Sewell, Carson, Speier, Quigley, Castro, Heck, Welch, Maloney, Demings, Krishnamoorthi, Nunes, Conaway, Turner, Wenstrup, Stewart, Crawford, Stefanik, Hurd, and Ratcliffe.

The Chairman. The committee will come to order.

Without objection, the chair is permitted to declare a recess at any time.

In April of 2016, as the U.S. Presidential race was getting underway, an individual with links to the Russian Government reached out to the Trump campaign to telegraph the Kremlin's preference for Mr. Trump. Joseph Mifsud, a London-based Maltese professor, told George Papadopoulos, a member of Trump's foreign policy team, that he recently met with high-level Russian officials who told him that the Russians had dirt on Hillary Clinton, including thousands of emails.

Papadopoulos was also informed that the Russian Government could assist the Trump campaign through the anonymous release of stolen material. At the time, Mr. Papadopoulos was given this extraordinary information, the American public was unaware that the DNC and Clinton campaign had even been hacked, let alone that Russia was behind the attack and planned to weaponize the data that it stole.

In July of 2016, the Russian Government began dumping the stolen emails in precisely the same fashion it had previewed for Mr. Papadopoulos. It was at this point, informed of the Russian outreach to Papadopoulos and aware that the Russians were actively meddling in our election through the anonymous release of the information, that the FBI opened up its investigation.

But as James Comey would explain in his first public testimony on the matter in March 2017 and before this committee, the investigation began not as a criminal probe but as a counterintelligence investigation. What does that mean? How does a counterintelligence investigation differ from a criminal investigation? What does it mean that a U.S. person may be acting as a witting or unwitting agent of a foreign power? And how could the Russians use the compromise of U.S. persons to influence U.S. policy in a manner that jeopardizes our national security?

These are the questions that we hope to answer today, during the second of a series of hearings the committee will be conducting to explore the special counsel's disturbing findings in Volume I of the report and to examine what steps are necessary to protect the public, our democracy, and our national security.

We will hear from two former senior FBI executives who oversaw the Counterintelligence Division of the Bureau who will help us better understand the counterintelligence implications of the range of contacts between the Trump campaign and Russians directly or indirectly tied to Kremlin intelligence services.

Volume I of the report outlines a sweeping and systemic effort by Russia to interfere in the 2016 election for the benefit of Donald Trump. It establishes that the Trump campaign welcomed the Russian interference because it expected to benefit electorally from the information stolen and released through the Russian effort. It shows how the Trump campaign built the theft and dumping of Russian stolen documents into its campaign messaging and strategy. And as special counsel made clear, it sets out in great detail why the conduct in his report should concern every American.

The report details well over 100 contacts between the Trump campaign and agents and officials of Russia. Some of this outreach was conducted in public, as when the President called on Russia to hack his opponents' emails, and only hours later, a unit of the Russian intelligence, the GRU, attempted to do exactly that.

Other contacts took place outside of the public view, as in the case of the June 9, 2016, meeting at Trump Tower in New York between a Russian delegation and the President's eldest son, Donald Trump, Jr.; his son-in-law Jared Kushner; and Paul Manafort, Trump's campaign chairman. That meeting was part of a plan to secretly receive help in the form of dirt on Hillary Clinton from the Russian Government. Some of the contacts, because of encrypted apps, destroyed communications, and deception,

remain shrouded in secrecy, such as Manafort's meetings with Konstantin Kilimnik, someone the FBI assesses to have ties to Russian intelligence, Manafort's provision of internal polling data to Kilimnik, and their discussion of the campaign strategy for winning Democratic votes in Midwestern States.

Most Americans consider the solicitation of foreign help during a Presidential campaign, the offer of foreign assistance, and the campaign's eagerness to accept that offer, quote, "If it is what you say it is, I love it," to constitute plain evidence of collusion, not to mention the sharing of polling data and campaign strategy by the chairman of a campaign with a foreign nation, which at the very same time is intervening to help their campaign win.

Nevertheless and contrary to the President's oft repeated mantra and the many misrepresentations of the Attorney General, the special counsel reached no conclusion as to whether the Trump campaign's many Russian contacts constituted collusion, since that term is not defined in criminal law. For those who have not yet read the Mueller report -- and most have not -- they might be astonished to learn that a finding of no collusion, much less a finding of no obstruction, is nowhere to be seen on any page or in any passage of the Mueller report.

Instead, in making its charging decisions, the special counsel examined only whether it could meet the Justice Department's high bar of being able to prove beyond a reasonable doubt at trial each element of the crime of conspiracy and found that it could not, even as it emphasized that the failure to establish conspiracy did not mean the absence of evidence of conspiracy.

Volume I of the Mueller report is therefore by its very nature and the special counsel's mandate a report about the exercise of prosecutorial judgment, who should be charged and who should not. It does not contain the FBI's counterintelligence findings,

that is, were Trump campaign, transition, or administration figures, including the President, acting as agents of a foreign power wittingly or unwittingly? Were they advancing Russian or other foreign interests by virtue of financial incentives or compromise, whether or not such actions were a crime?

These are the types of concerns that the FBI's Counterintelligence Division works to expose, prevent, and investigate, using an array of investigative and intelligence capabilities. As we will hear from our witnesses today, the primary objective of a counterintelligence investigation is not to target an individual for prosecution but to protect the Nation by developing information about the actions and intentions of foreign powers and to thwart them before they can act against us.

The President's efforts to make money from a real estate project in Moscow and to conceal the transaction from the public are a quintessential example of a counterintelligence nightmare that may or may not include criminal activity. It may not be a crime to build a Trump Tower in Moscow or for Michael Cohen to seek the Kremlin's help to do so. It may not be a crime to try to enrich yourself with a foreign business deal, even while running for President, or to lie about it to the American people, but it is deeply compromising and not only because of the inducement of hundreds of millions of dollars; no, that is only part of it. It is also deeply compromising because the Russians were on the other end of the transaction and could expose the President's duplicity at any time. In fact, when The Trump Organization's efforts to enlist the Kremlin's help in the deal were finally exposed, Dmitry Peskov, Putin's spokesman, told the international media that the Kremlin never responded to Michael Cohen's outreach. Thanks to the Mueller report and our own committee's investigation, we now know that Mr. Peskov's statement was a lie. The Kremlin did follow up. So here we have the prospect of the Kremlin participating in a cover up by the President of the United States.

Here is what we know: The President sought to make money from a foreign power during the campaign, so did some of his children, so did his campaign manager and deputy campaign manager, so did his personal lawyer and his National Security Advisor. Some of these actors have been prosecuted, but all of their actions are deeply compromising of our national security. And yet Mueller's report provides no evaluation of the counterintelligence concerns raised by these facts and others. Of all the questions that Mueller helped resolve, he left many critical questions unanswered. What happened to the counterintelligence investigation? Were there other forms of compromise, like money laundering, left out, uninvestigated, or referred to other offices? Were individuals granted security clearances that shouldn't have? And are there individuals still operating in the administration that leave America vulnerable? We are determined to find out.

And I now yield to the ranking member for any opening remarks that he would like to make.

[The statement of The Chairman follows:]

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Mr. Nunes. Thank you, Mr. Chairman.

Here we are more than 2 years since Democrats from this committee publicly claimed to have more than circumstantial evidence that the Trump campaign colluded with Russians to hack the 2016 election and more than 2 years since they read false allegations from the Steele dossier into the Congressional Record in an open hearing of this committee.

After that, the American people were subjected to endless hysteria by the media, Democrats, and anonymous intelligence leakers. Seemingly every day the media triumphantly published a supposed bombshell story, often based on classified documents the reporters had not actually seen which purportedly prove that President Trump or some Trump associate was a treacherous Russian agent.

Democrats on this committee regularly joined the news pundits in denouncing the traitors. Eventually, the Democrats became convinced that the Mueller report would finally rid them of their sinister President, who had the audacity to defeat Hillary Clinton.

The entire scheme has now imploded, and the collusion accusation has become exposed as a hoax. One would think the Democrats would simply apologize and get back to lawmaking and oversight, but it is clear they couldn't stop this grotesque spectacle even if they wanted to. After years of false accusations and McCarthy-ite smears, the collusion hoax now defines the Democratic Party. The hoax is what they have in place of a governing philosophy or a constructive vision for our country.

The Democrats assembled us today to analyze the shoddy political hit piece known as the Mueller report. It is written in the same spirit and with the same purpose as the Steele dossier, which was once championed by Democrats on this committee but which they rarely mentioned after it was exposed as yet another Democratic-created hoax.

Unfortunately for the Democrats, the Mueller dossier, as I call it, either debunked many of their favorite conspiracy theories or did not even find them worth discussing. These include Mueller's finding that Michael Cohen did not travel to Prague to conspire with the Russians, no evidence that Carter Page conspired with Russians, no mention of Paul Manafort visiting Julian Assange in London, no mention of secret communications between the Trump Tower computer server and Russia's Alfa Bank, and no mention of former NRA lawyer Cleta Mitchell or her supposed knowledge of a scheme to launder Russian money through the NRA for the Trump campaign. These insinuations against Mitchell originated with Fusion GPS chief Glenn Simpson and were first made public in a document published by Democrats on this committee.

The real purpose of the Mueller dossier, however, was to help Democrats impeach the President in the absence of any evidence of collusion. Thus, the report includes a long litany of ordinary contacts between Trump associates and Russians, as if a certain number of contacts indicate a conspiracy, even if no conversations actually created or even discussed a conspiracy; excerpts from a voicemail from Trump attorney John Dowd that the Mueller team selectively edited to make it seem threatening and nefarious; no comment on the close relationship between Democrat operatives at Fusion GPS and multiple Russians who participated in the June 9, 2016, meeting at Trump Tower; in fact, no mention or comment on Fusion GPS at all; no useful information on figures who played key roles in the investigation, such as Joseph Mifsud, a Malta diplomat, or the Australian diplomat Alexander Downer, or the Democratic-paid operative, former spy Christopher Steele; no useful information about the many irregularities that marred the FBI's Russia investigation.

Furthermore, the Mueller dossier cites dozens of articles from the reporters and publications that were most responsible for perpetuating the Russian hoax. Thus,

Mueller produced a perfect feedback loop: Intelligence leakers spin a false story to the media. The media publishes the story. Mueller cites the story. And the media and the Democrats then fake outrage at Mueller's findings.

In sum, Mueller relied on a mass of reporting whose central narrative that the Trump campaign colluded with the Russians to hack the elections is false. And the Democrats spread a hoax claiming Trump is a Russian agent, but it was later discovered the only people who colluded with the Russians were the Democrats, who paid for the Steele dossier, which relied on Russian sources.

I would like to remind the Democrats on this committee that this was created to do important oversight work of our intelligence agencies. This work is even more crucial now that the media have abandoned their traditional watchdog role and instead have become a mouthpiece of a cabal of intelligence leakers.

I understand the Democrats' inability to move past the failed hoax and get back to normal business. Nevertheless, I suggest they give it a try.

Welcome to the speakers today, and I look forward to your testimony.

I yield back.

[The statement of Mr. Nunes follows:]

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The Chairman. Thank you to our witnesses for coming before the committee today. To ensure that all members are able to ask questions due to competing business of other committees this morning, today's witnesses will be afforded 5 minutes each for their opening statements, which will be strictly enforced. We will then proceed immediately to member questions.

I want to thank our witnesses for joining us for this important open hearing. Stephanie Douglas currently serves as senior managing director of Guidepost Solutions, addressing high-risk investigations and compliance matters. Prior to this position, Ms. Douglas served for over 23 years at the FBI in a variety of roles, including as Executive Assistant Director of the National Security Branch.

Robert Anderson is currently the chief executive officer of Cyber Defense Labs and previously was a principal at the Chertoff Group and managing director at Navigant Consulting. Mr. Anderson served for many years in the FBI, rising to be the Executive Assistant Director of the Criminal, Cyber, Response, and Services Branch.

I would also like to welcome the minority's witness, Andrew McCarthy, a former assistant United States attorney, like many of our staff, from the Southern District of New York, and currently a senior fellow at the National Review Institute and a contributing editor of the National Review.

And, Ms. Douglas, we will start with you.

STATEMENTS OF STEPHANIE DOUGLAS, FORMER EXECUTIVE ASSISTANT DIRECTOR OF THE NATIONAL SECURITY BRANCH OF THE FBI, CURRENT SENIOR MANAGING DIRECTOR FOR GUIDEPOST SOLUTIONS; ROBERT ANDERSON, FORMER EXECUTIVE ASSISTANT DIRECTOR OF THE NATIONAL SECURITY BRANCH OF THE FBI, CURRENT CEO OF CYBER DEFENSE LABS; AND ANDREW MCCARTHY, FORMER ASSISTANT U.S. ATTORNEY FOR

THE SOUTHERN DISTRICT OF NEW YORK, CURRENT SENIOR FELLOW AT THE NATIONAL REVIEW INSTITUTE, AND FOX NEWS CONTRIBUTOR.

STATEMENT OF STEPHANIE DOUGLAS

Ms. Douglas. Good morning, Chairman Schiff, Ranking Member Nunes, and members of the committee. Thank you for the opportunity to answer questions relative to Volume I of the special counsel's report regarding Russian interference in the 2016 Presidential election.

As was established and communicated by the U.S. Intelligence Community in early 2017, the Russian Government systemically and effectively used a number of intelligence tools to impact the 2016 election.

The special counsel's report supports these conclusions and provides specific and detailed examples which illustrate the methods of Russian influence. I am happy to answer questions regarding this report, but understand that I have no access to any supporting information or investigative detail other than that is provided in the special counsel's report.

I am proud to have been a special agent in the FBI for almost 24 years, most of it focused on counterintelligence and national security matters. While the FBI has been the subject of much discussion in the press and elsewhere, I support the work of the counterintelligence professionals who work with the special counsels to conduct this exhaustive investigation. I hope that my presence here and our discussion today will lead to further awareness and preparation for what is certain to be another high-threat election in 2020.

So, with that, I am happy to answer your questions.

[The statement of Ms. Douglas follows:]

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The Chairman. Thank you.

Mr. Anderson.

STATEMENT OF ROBERT ANDERSON

Mr. Anderson. Thank you, Mr. Chairman, Ranking Member Nunes, and members of the committee. Thank you, Ranking Member Nunes and members of the committee. Thank you for the opportunity to be here today to talk to you about counterintelligence and cyber threats to our great Nation.

I hope that my background and experience as a former Assistant Director of Counterintelligence for the FBI, where I was responsible for all counterintelligence, espionage, and economic espionage matters, can assist in shedding some light on the daily threat our country faces from foreign intelligence services. These threats were highlighted several times by the heads of the United States Intelligence Community and also in the report on the investigation into Russian interference in the 2016 Presidential election, which is commonly known now as the Mueller report.

In my current role as the CEO of a cybersecurity company, I see hundreds and hundreds of cyber breaches every year. And in my opinion, these attacks originate from a variety of criminal organizations, nation-states, and activists.

In my opinion, in the last 3 years, these attacks have become more sophisticated, prevalent, and have occurred on a much larger scale than before. I think this is extremely important when we talk about hostile intelligence services and their activities in the 21st century.

During my career, I had the privilege to work for three Directors: Louis Freeh, Robert Mueller, James Comey. The last position I held, as the chair had said, was the

Executive Assistant Director of the Criminal Cyber Response and Services Branch, where I managed a number of divisions, but I was mainly in charge of high-profile criminal and cyber investigations.

The threats to our country have changed remarkably since when I first entered into law enforcement in 1987 as a young Delaware State Trooper. During my career, I had the privilege to work alongside the men and women of the FBI and the United States Intelligence Community, who I can tell you have worked tirelessly to combat these hostile intelligence services' activities to our great country.

As the committee knows, the number of sophisticated counterintelligence cyber attacks against this Nation's networks and private-sector companies and government has increased dramatically.

I looked forward to discussing these issues with you today and the committee. And I stand ready for your questions. Thank you very much.

[The statement of Mr. Anderson follows:]

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The Chairman. Thank you, Mr. Anderson.

Now Mr. McCarthy.

STATEMENT OF ANDREW MCCARTHY

Mr. McCarthy. Thank you, Mr. Chairman, Ranking Member Nunes, members of the committee, thank you for inviting me here this morning. I served as a Federal prosecutor for nearly 20 years, almost all of it at the United States Attorney's Office for the Southern District of New York where I retired in 2003 as the chief assistant U.S. attorney of the Southern District satellite office in White Plains.

Since leaving government service, I have been a writer and a commentator. I am appearing this morning in my personal capacity as a former government official who cares deeply about our national security and the rule of law.

For most of my first several years as a prosecutor, my work focused on international organized crime. After the World Trade Center was bombed on February 26, 1993, I spent much of the late decade of my tenure working on national security investigations. I am proud to have led the successful prosecution of Sheikh Omar Abdel-Rahman and 11 jihadists for conspiring to wage a war of urban terrorism against the United States. I was privileged in that effort to work alongside a superb team of Federal prosecutors, support staff, and investigators assigned to the FBI's Joint Counterterrorism Task Force.

It was in connection with that investigation that I became intimately familiar with the FBI's counterintelligence mission and the powerful tools that the Constitution and Federal law make available for the execution of that mission. While it escapes the attention of many Americans who know the Bureau as the Nation's premier law

enforcement agency, the FBI is also, as my colleagues at the table have noted, our domestic security service. This is a purposeful arrangement on our government's part to have both the national security and the law enforcement mission housed in the same -- under the same bureaucratic roof. And I believe it is a prudent one and that the FBI does it, generally speaking, in an exceptional fashion.

I look forward to engaging with the committee. I would make a few general points to start about Volume I of the report. It draws three principal conclusions. First, the Putin regime perceived advantage in a Trump victory and conducted its operations accordingly. Second, there is evidence that the Trump campaign hoped to benefit from the publication of negative information about the opponent. And, third, there was no evidence of a conspiracy between the Trump campaign and the Russian regime.

The first of these two findings are more in the nature of political assertions than prosecutorial findings. If there is insufficient evidence that a conspiratorial enterprise existed, a prosecutor has no business speculating on the motive in a politically provocative manner. Moreover, I do not believe the assertion is borne out by the evidence.

The report shows that agents of Putin's regime expressed support for Trump's candidacy. That is entirely consistent with a motivation to incite divisions and dissent in the body politic of free Western nations, which is Russia's MO throughout the world. Russia's goal is to destabilize Western governments, which advantages the Kremlin by making it more difficult for those governments to pursue their interests in the world. Putin tends to back the candidates he believes will lose on the theory that an alienated losing faction will make it harder for the winning faction to govern. Putin is all about Russia's interests, which is destabilization. It is a mistake, I respectfully submit to the

committee, to allow him to divide us by portraying him as on one side or the other side. He is against all of us.

There is no reason to doubt that the Trump campaign hoped to benefit from the publication of negative information about Secretary Clinton. That is what campaigns do. It is not an admirable aspect of our electoral politics that campaigns seek negative information, euphemistically known as opposition research, wherever they can find it.

Candidate Trump's opposition hoped to benefit from the theft of tax information. The Clinton campaign took help from elements of the Ukrainian Government. And through its agents, it hired a British former spy to tap Kremlin-connected operatives for damaging information about Trump. The First Amendment makes it difficult to regulate this sort of thing, our guiding principle is that good information will always win out against bogus information. We can debate how well that works, but we shouldn't pretend that the Trump campaign is the first or the only one ever to play this game.

Finally, as to the conclusion that there was no Trump-Russia conspiracy to create espionage or violate other Federal criminal law, I believe this had to have been obvious no later than the end of 2017.

In September of 2017, the Carter Page FISA warrant lapsed.

I am sorry, sir?

The Chairman. Mr. McCarthy, your time has expired, but we will be happy to receive the complete written testimony.

Mr. McCarthy. Thank you, sir.

[The statement of McCarthy follows:]

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The Chairman. I recognize myself for 5 minutes.

Ms. Douglas, the investigation, as James Comey revealed when he testified before our committee the first time in open session about the Trump investigation, began as a counterintelligence probe. The Mueller report devotes only one paragraph to that counterintelligence investigation. In it, Mr. Mueller says: From its inception, the office recognized that its investigation could help identify foreign intelligence and counterintelligence information relevant to the FBI's broader national security mission. FBI personnel who assisted the office established procedures to identify and convey such information to the FBI.

It then talks about counterintelligence FBI agents embedded within Mueller's team sending findings back to headquarters. We have yet to see those findings. Can you tell us the nature of that counterintelligence investigation or a counterintelligence investigation, where those findings would go within the FBI, whether counterintelligence investigations, like criminal probes, have a formal opening and a formal closing? Since the counter intelligence investigation doesn't result necessarily in criminal charges, when does a counterintelligence probe come to an end, and where do we need to go to find out answers?

Ms. Douglas. Thank you. So I do recall reading that paragraph in the report. And based on the paragraph, it sounds like there are intelligence components sitting within the Mueller investigative team that are reporting other information that may fall outside the purview of the scope of the Mueller investigation. So it could be additional information that they are developing in the course of their investigation that has foreign -- counterintelligence aspects to it that needs to be looked at independent of the Mueller investigation. So it could be another contact with a Russian that they don't think really falls within the scope of the Mueller investigation, that they will then task out

through an intelligence apparatus to an appropriate place, either in a field office or to headquarters, to run down -- possibly a separate investigation would be sped up on something like that.

Counterintelligence investigations do have an opening and a closing, and they are not unlike criminal investigations in a lot of different ways. You have to be able to articulate a predication for an investigation. You have to initially take it through a number of different steps to really affirm the allegation in the first place. And then, as you gather information relative to that allegation, you may have an ability to increase the different tools that you use against it based on the amount of evidence, information, and intelligence that you are gathering under that case authority. It could be a preliminary investigation, and I know that you are familiar with some of that, that there are limited tools that you can deploy against that, or it could be a full investigation, which allows you a much broader set of investigative tools. But there can be beginnings -- I mean there are beginnings and ends of these investigations.

I hope I explained the intelligence aspect, pushing it back to other components that would actually take the lead and do further work on it outside the scope of the Mueller investigation.

The Chairman. Thank you.

Mr. Anderson, the Mueller report focuses really on two things. It focuses on the Russian hacking dumping operation, and it focuses the Russian social media operation and the question of whether U.S. persons conspired with either. It does not analyze whether, for example, financial motivations, the President's desire to build a Trump Tower in Moscow or the campaign chairman Paul Manafort's desire to make money from Russian oligarch Oleg Deripaska, or the National Security Advisor's effort to make money from Turkey or other motivations to secure financing for Trump properties motivated

policies towards Russia either during the campaign or thereafter. Would those be in the nature of counterintelligence concerns? And what might concern the FBI about U.S. persons of influence in the administration seeking to make money from foreign powers even as they guide U.S. policy?

Mr. Anderson. Thank you, Mr. Chairman. First of all, when it comes to Russia and the SVR, GRU, or FSB, their number one, number two, and number three priority is this country. They will absolutely exploit any avenue that they can when it comes to trying to get to the ends to whatever they are trying to do, whether it is intelligence or it is looking to potentially extort somebody into action.

It doesn't surprise me at all that the Russian Government launched sophisticated cyber operations against our country during the times when we look at it in the report. They are some of the best in the world at this, quite frankly. They will take that information and exploit it in any way they can.

When it comes to the actual individuals that have been approached or talked to in and around the Trump campaign before he became President and even afterwards, it also doesn't surprise me from what I have read in the Mueller report that they are going after or at least looking to appear to meet with numerous individuals around and inside the campaign. It is an absolute classic tradecraft of Russia and the Russian intelligence services. They will never have one point of failure. If they are looking to try to obtain or pass information or potentially even influence information, they will make sure that they have numerous aspects or points to where they can try to get that done. So to answer your question specifically about that, there are definitely situations where, in some instances, as Stephanie said, you would have concerns about that. And then you would either go out, potentially depending on what they saw, and talk to the individuals that were being approached, or potentially what other information you have, you may

then open up either assessments or some type of investigation to look at that. It would definitely be a counterintelligence concern.

The Chairman. And what is the concern when you have policymakers seeking to make money from an adversary at the same time they are making policy?

Mr. Anderson. Well, that I think is pretty clear. You know, in the business world, it is a global business of market; I understand that. But when it comes to the national security of the country, there are specific rules regarding all this, with our clearances and also what we can and cannot do while we are a government employee. Those rules, as the committee knows, becomes more intense the higher you go within government. And I think you always have to look at, when you are looking at Russia, there is a so-called President sitting over there that was a former lieutenant colonel in the KGB, one of the most vicious intelligence services in the history of this world, which was disbanded right before he went into politics. He absolutely understands how to run proactive intelligence and counterintelligence operations against our country. So I think that is a high area of threat where people should be very concerned about that.

The Chairman. Mr. Nunes.

Mr. Nunes. Thank you, Mr. Chairman.

I am concerned about anybody in the Department of Justice or the FBI, current or former officials, that would think it is okay to open up a counterintelligence investigation into political campaigns. I think that is really at the forefront of what we have been facing here.

Mr. McCarthy, are you aware, of all your 20-plus years at the Justice Department, that there was ever a time a counterintelligence investigation opened up on any Presidential campaign that you are aware of?

Mr. McCarthy. I am not aware of a specific situation like that. We do have a

history in this country of government interference in political campaigns. In fact, the FISA law is a vestige of exactly the sort of thing that we are talking about in the 1960s and 1970s, you know, political spying, and the notion that we needed to give Americans a modicum of process protection.

Mr. Nunes. It was the reason for the not only creation of the FISA laws but the creation of committee, was to ensure that the intelligence agencies stayed out of politics.

Mr. McCarthy. Right.

Mr. Nunes. And that was why we provided oversight. And we don't have to get into this too much, but as you know, the Trump team never received a briefing. It seems like, at some point, if they had concerns about individuals, they would have went to the Trump campaign and explained it to them, especially since they had two former U.S. attorneys on the staff, on the team, in both Governor Christie and former Mayor Rudy Giuliani.

I want to get to Joseph Mifsud because he seems to be the character -- at the beginning of the saga, he is supposedly the one who was able to see or knew emails and had talked to Papadopoulos about emails. Now, only go to what Mueller says in his report. He portrays him as having deep ties to Russia, detailing trips to Moscow and extensive contacts with Russian officials.

Now, Mueller stopped short of calling Mifsud a Russian agent. Now, James Comey, the former FBI Director in The Washington Post 3 weeks ago in fact does call Mifsud a Russian agent. I am not sure what he knows that Mueller does not know. However, my big concern about Mifsud is that he was a Malta diplomat. He worked closely with the Italian Government. He is described in the press as a Western intelligence asset by some in the press. He worked at the London center that is affiliated with many operations in the U.K., has been a guest speaker at numerous foreign

policy forums all over the globe. I think most concerning to me -- two things are most concerning: One is he was known to train or trained with FBI officials in Italy, and also that he actually spoke here in the United States Congress, just steps from the -- not this committee -- this is the Budget Committee that we are in -- but just a few hundred feet away from the House Intelligence Committee. In 2017, this was after he knew all of this, supposedly. And yet he was invited by our own State Department.

So, Mr. McCarthy, my question to you is, if Mifsud truly is what James Comey says, a Russian agent, we have compromises in the U.S. State Department. We have compromises within the FBI, possibly within the Department of Justice.

Mr. McCarthy. Well, you know, Jim Comey has a lot more information about Mifsud than I do. I have been out of government for a very long time.

I do note that the Mueller report is very careful, I thought, about the way that Mifsud is described. They do not -- they say that he has got deep connections to Russia. They don't say that he has got deep connections to the Russian regime necessarily or certainly to Russian intelligence services. I thought it was interesting that we learn in the Mueller report that Mifsud was actually interviewed by the FBI and denied having told Papadopoulos that they discussed emails. The reason I found that interesting is, if there is anything we learned from the Mueller investigation, it is that Mr. Mueller was quite good at bringing false statement prosecutions if he thought that he could prove that the witnesses who they were interviewing had given false information to the FBI. No such prosecution was ever brought against Mifsud. So I just thought that was an interesting fact as well.

Mr. Nunes. And also, in the Mueller report, in one of the footnotes, they referred to a media story, which I outlined in my opening statement. In that same media report that they used to justify where Mifsud worked, they left out the fact, in that

same media story, he was described as a Western intelligence asset. Why didn't that make it into the Mueller report?

Mr. McCarthy. You are asking the wrong guy.

Mr. Nunes. It is a little peculiar I would think. My time is up.

Mr. Chairman, I yield back.

The Chairman. Mr. Himes.

Mr. Himes. Thank you, Mr. Chairman.

Thank you to the panel.

The Mueller report highlights the counterintelligence risk posed by financial leverage that the Russians may have had over individuals, a variety of individuals close to President Trump, especially Paul Manafort.

The report explains that, quote: Manafort had connections to Russia through his prior work for Russian oligarch Oleg Deripaska and later through his work for a pro-Russian regime in Ukraine. Manafort stayed in touch with these contacts during the campaign period through Konstantin Kilimnik, a longtime Manafort employee who previously ran Manafort's office in Kiev and who the FBI assesses to have ties to Russian intelligence. We also know from reporting that Manafort owed Deripaska substantial sums of money.

Many of Manafort's contacts with Kremlin-aligned actors took place while he was chairman of Donald Trump's campaign. Among other things, Manafort, quote, instructed Rick Gates, his deputy on the campaign and a long-time employee, to provide Kilimnik with updates on the Trump campaign, including internal polling data. It appears that Manafort believed that by sharing confidential campaign information with Deripaska, one of Putin's most loyal oligarchs, he could resolve their, quote, disagreement originating from several lawsuits filed by Deripaska against Manafort.

The ranking member's opening comments that the contacts with Russia were ordinary notwithstanding -- and, Mr. McCarthy, with due respect to your many decades of service to this country, that is not what campaigns do. And sharing internal polling data with a hostile foreign power is not what campaigns do. I am willing to bet you or anybody else my next paycheck that not a single Member of the United States Congress, the 535 of us, ever asked our campaign managers to share our internal polling data with a hostile foreign power.

So, Mr. Anderson, let me start with you. How could the Kremlin or its intelligence services try to exploit Manafort's longstanding business and personal relationship with Konstantin Kilimnik, who the FBI assesses to have ties to Russian intelligence and to Deripaska, how could they use the relationship? What counterintelligence risks are posed by such a relationship with a Presidential campaign?

Mr. Anderson. Well, there is a lot, sir. One, obviously, they would exploit -- if they did have financial leverage on that individual, they would exploit every aspect to that.

The one thing I will tell you about Russian intelligence services is, if you read a book from 1940, they are the same. They are an in-your-face, not a very polite bunch of people that will use any means possible once they have locked on into an individual that they deem necessary to get to whatever end they are going after. So, not only would they exploit financial information for Mr. Manafort or anybody else that they could, but they would also use that then to look at individuals around those financial transactions.

So, in other words, not only going directly at Mr. Manafort, but potentially going at individuals around those financial transactions that, if for some reason that did not work against him, they would look at other avenues to get toward that.

Mr. Himes. Thank you.

Ms. Douglas, let me ask you a variant of that question. How could Russia's knowledge of Manafort's illicit dealings for which he is now a tenant of the United States Government which stemmed from his work with pro-Kremlin parties in Ukraine be useful as kompromat or compromising material as the Russian Government undertook a covert influence effort directed at the U.S. public? How could the Russians use what they knew about Paul Manafort to their advantage?

Ms. Douglas. Well, I think they did it very effectively. One of the ways they did it that is immediately apparent is they actually tasked him. And that is how -- that is one of the initial tests when you are developing an asset for intelligence collection.

Mr. Himes. Can you elaborate on that? You just said that the Russians tasked the campaign chairman of Donald Trump's campaign. Can you just elaborate on how the Russians --

Ms. Douglas. They asked him to provide polling data. And like you said, I mean, polling data isn't the keys to the kingdom, right? But it is a small step that illustrates his willingness to provide information to someone he knows he is beholden to financially, right? An ongoing lawsuit, fees that are owed. And he is willing to provide internal campaign information to a foreign government and to a person who is closely tied to the Kremlin. And I think that is a great illustration of how the Russians work. And Paul Manafort was very, very forward leaning on volunteering all of his abilities, his experience, his connections. He made all of that available in addition. But I thought that that was very interesting, that they are tasking him and building upon that. And if he would have stayed with the campaign, I am sure that they would have continued to task him.

Mr. Himes. Thank you. I am out of time. So I will yield back the balance of my time. Thank you.

The Chairman. Mr. Conaway.

Mr. Conaway. Thank you, Mr. Chairman.

I thank our witnesses.

Former FBI Director Comey testified before this committee in open session that the FBI coordinates with the Intelligence Committee as an investigative technique in its investigations. It since then has become clear that the U.S. Intelligence Community expended much time and resources in supporting the FBI's investigation into the Trump campaign for alleged but unfounded collusion with Russia regarding the 2016 election.

In December of 2016, nearly a month after the election, President Obama finally ordered a review of Russian activities targeting the election. Why would the administration not conduct this type of comprehensive review earlier, especially given the October 2016 public statement by DHS, ODNI, and the FBI regarding Russian cyber activity. Why the timing?

Mr. McCarthy. The question for me, sir?

Mr. Conaway. Sure.

Mr. McCarthy. I think that they did take some investigative steps. It is debatable whether they -- certainly whether they should have taken more. I think to hear them tell it, they would say that they had to weigh the difference, the competing cost between what the reaction would have been if they had appeared to be putting their thumb on the scale in the middle of the campaign in an investigative way versus, how do we stop Russia from doing what Russia was doing? And I think you can certainly argue whether they made the right value judgment there.

Mr. Conaway. So is it appropriate then, though, for an outgoing administration to use these extensive resources of the CIA, the NSA, and the Federal Bureau to conduct that assessment -- publicly release that assessment, but not give the incoming -- not

consult with the incoming administration if that is what they were doing.

Mr. McCarthy. To my mind, the assessment is very peculiar in that, having worked in the government for a very long time, ordinarily, the kind of an assessment that you are talking about there would be something that would take well over a year to do, certainly many months to do. Even under circumstances where the information was readily available to investigate who had things like grand jury power in order to conduct the investigation. It seems to me that, in this instance, there was a rush to get that out within a matter of days and then roll it out while President Obama was still President.

Mr. Conaway. All three of you have, at least Ms. Douglas and Mr. Anderson, had extensive careers with the FBI. Is it -- I don't want to phrase the question to telegraph the answer -- but troubling relationships within the hierarchy of the top FBI and their attitude toward this Trump administration and the conflict of interest that that seems to have, to most folks, to have been in place. We are worried about a commercial transaction -- openly commercial transaction that the Trump Tower would have been in Moscow; there are no cutout entities being involved in between those. But yet folks at the top of the FBI, disdainful of the President, incoming President, conducted this investigation. Is that the standard for the FBI, or did they -- do you -- did they -- did you in the police -- police yourselves better than to show those conflicts of interest among the folks that are leading the investigations?

Sure.

Mr. Anderson. I think, first of all, in any criminal or counterintelligence investigation, period, it should be neutral. You should be looking at it in a neutral playing field and developing the evidence to see where it leads you, and it should be able to stand on its own. So I think that is the way I worked it and was involved in cases for my whole career.

As far as all the stuff that has gone on the last couple of years, it is obviously very concerning about the different accusations that are taking place. I think that any of these investigations should have looked at specific facts and let the facts lead you where they go. It should not matter one iota if somebody is a Republican, a Democrat, or an independent.

Mr. Conaway. Ms. Douglas, what was your experience?

Ms. Douglas. Very, very similar to Bob's experience. You know, we were even talking earlier; we don't even know political preferences, and we have been friends for two decades. It is just -- it is not -- everybody comes into every position with a certain level of bias --

Mr. Conaway. So how did leadership fail? If that is the normal way of operating, how did it fail with respect to several of the top folks involved in the briefings of the campaign and other things going on? How did that happen, where they have they had clear preferences for Trump getting beat; they had some sort of secret weapon? How did the system fail itself?

Mr. Anderson. I have no idea. I can tell you, and we talked about this earlier, Pete Strzok was my chief of staff when I was the Assistant Director of Counterintelligence. I never saw that side of what I saw in the emails and text messages. And those text messages and emails are unbelievably inappropriate. And I think the corrective action was taken from that was just. But I can't answer your question, Congressman, because I didn't see it.

Mr. Conaway. I see.

Thank you, Mr. Chairman. I yield back.

The Chairman. Mr. Quigley.

Mr. Quigley. Thank you, Mr. Chairman.

Thank you all for being here today.

A story we all know so well: Beginning the spring and a summer of 2016, the GRU hacks Clinton campaign manager John Podesta's email, the D-trip, the DNC. The GRU then systematically released the hacked emails through their online personas, Guccifer, DCLeaks, as well as WikiLeaks.

They seem -- the Russians appear to have timed the releases to maximize the effort to harm the Clinton campaign, to maximize the benefit to the Trump campaign, according to the report. We also note in the report there is a lot of evidence that the Trump campaign knew about the WikiLeaks releases, welcomed them, strategized about how to amplify the message as part of the campaign. In fact, Donald Trump, Jr., communicated directly with WikiLeaks in October of 2016 in an effort to use the hacked emails as the campaign's advantage. The report indicates that the President himself knew about the planned dump of emails.

It seems like an obvious question: From a counterintelligence perspective, what might this set of facts suggest about the relationship between the campaign and WikiLeaks? What might you worry about if a U.S. Presidential campaign had foreknowledge of the release? More broadly, what counterintelligence risk is this when a campaign uses this information about a political opponent that was stolen and released by a foreign adversary? Mr. Anderson?

Mr. Anderson. Thank you, sir. First of all, it troubles me that no one -- if they did not communicate this type of information to some government agency, just because of the facts laid out in the report and what you just brought up. I think also there needs to be a heightened sense of counterintelligence relationships as administration's move into the White House. I think, in this administration, unlike other administrations that I have seen or been involved in preparing briefs for the President or whoever to read these

to understand the concerns of it, I didn't see a lot of people within that, at least from the layman's eyes looking in from the outside, even understood counterintelligence or understood that these threats were real. I think there should be a lot of that. The other point, and I think this is an important point, when Russia is releasing information through different what I would call cutouts, i.e., WikiLeaks and other platforms, this is not unusual. In a lot of ways, they are doing that to start to sow the web so broad and wide it is hard for us as an intelligence organization or a group of intelligence organizations to start looking at who actually got that information, how did it get the information, and why are they using it. That is done absolutely on purpose. It would not surprise me if there is a lot of other entities that the Russian intelligence services had teed up to maybe displace more information that they never utilized.

So, going back to your original question, that is why it is so important. Individuals that are giving information, as Stephanie said, or are being tasked and then receiving information, that is the initial way that you vet any asset or any person that you are targeting for a possible either unwitting asset or recruitment in the future. And those actions can take anywhere from a few weeks to years, depending how that organization is going to go after the person.

Mr. Quigley. Ms. Douglas.

Ms. Douglas. I would just like to add, if you are a foreign power and you have a campaign or individuals who are willing to entertain receiving information that you are collecting for their benefit, I think that is a tacit approval of that action. And I that is where we have to be careful of allowing people to communicate to either a foreign government, a foreign actor, that what they are doing, which is illegal, by hacking and collecting information and then releasing it, giving that kind of approval by a head nod or a suggestion or any kind of inference that it is okay is a tacit approval of that kind of

behavior, and I think that puts us at greater risk.

Mr. Quigley. Mr. McCarthy, have you read the report in its entirety?

Mr. McCarthy. I have -- I should say I have read all of Volume I because I knew that we were going to be discussing it today. And I have read most of Volume II.

Mr. Quigley. I appreciate that. You are ahead of most.

You read, then, about all the contacts that took place, coming over from the Russian side. At any of those points, sir, putting yourself in the place of those who received those contacts, at any of those points, would you have called the FBI?

Mr. McCarthy. Well, I -- would I have called the FBI?

Mr. Quigley. Yes.

Mr. McCarthy. I call the FBI for things probably a lot less serious than that, I imagine.

Mr. Quigley. Thank you.

Mr. McCarthy. I do think --

Mr. Quigley. However else you feel about the report, do you think someone should have called the FBI?

Mr. McCarthy. Yes. I think -- there is no question, and my colleagues here who have worked counterintelligence I am certain would tell you, we always want information, any information that would be helpful to us in appraising what the likely intentions of potentially hostile powers are. Where it gets dicey and where you have to be careful is, if you are going to use investigative techniques that require a particular quantum of intelligence, then you have to make sure that you satisfy the quantum of intelligence before you trigger that technique. And that I think is where you go from the mere collection of information to doing something that is more active.

RPTR WARREN

EDTR HOFSTAD

[10:00 a.m.]

Mr. Quigley. Thank you.

The Chairman. Mr. Turner.

Mr. Turner. I yield my 5 minutes to Congressman Ratcliffe.

Mr. Ratcliffe. I thank the gentleman for yielding and thank the witnesses for being here.

Mr. McCarthy, in Volume I of the Mueller report, Bob Mueller details what he calls sweeping and systematic efforts to influence the 2016 election by the Russian Government.

Those details are largely set forth in two separate indictments, one identifying 12 Russian hackers associated with the GRU and another one identifying 13 Russian individuals and 3 organizations, part of Russia's Internet Research Agency.

Is that an accurate summary?

Mr. McCarthy. Yes.

Mr. Ratcliffe. Did the special counsel find that those sweeping and systematic efforts to influence our election began before or after Donald Trump's entry into the 2016 Presidential field?

Mr. McCarthy. If I am remembering correctly, he takes it back to 2014.

Mr. Ratcliffe. Was it also --

Mr. McCarthy. -- which is significantly before.

Mr. Ratcliffe. Was it also determined that Russia's sweeping and systematic efforts to interfere in the 2016 election not only predated Donald Trump's entry into the

campaign but also included some actions by the Russian Government that were decidedly anti-Trump in nature?

Mr. McCarthy. Yeah, I think toward the end that in particular was true.

Mr. Ratcliffe. And was it based, Mr. McCarthy, on evidence gathered by a team of nearly 60 FBI agents and prosecutors over a 2-year period by Bob Mueller's team to make an evidence-based decision not to charge any American, much less anyone associated with the Trump campaign, with any complicity, with any conspiracy, with any collusion-related crime in Russia's election interference?

Mr. McCarthy. That is my understanding.

Mr. Ratcliffe. And yet, despite the special counsel's finding that neither Donald Trump or anyone associated with his campaign conspired or colluded with or was in any way successful in meddling in the 2016 Presidential election, it is hard to argue that Russia wasn't successful in their ultimate goal of undermining the outcome of our election and sowing the seeds of discord in the American democratic process.

We need look no further than this very room to see evidence of Russia's success. Our country just endured a 2-year investigation to determine whether or not the President of the United States was part of a treasonous conspiracy with a foreign adversary to steal an American election. Yet the same Democratic Party that started the investigation into that alleged conspiracy that the special counsel conclusively and unequivocally established never existed now convenes this hearing to talk about it some more.

So let's talk about some of the reasons why the Russians might have been so successful in sowing the seeds of discord into the American public's mind. Let me ask you about some factors that may or may not have contributed to Russia's success.

First, the Obama administration's decision not to advise candidate Trump during a

defensive briefing in early August of 2017 about suspected Russian interference or infiltration into his campaign, while simultaneously opening a probe of the Trump campaign using foreign counterintelligence spying authorities, do you think that might have been a factor that contributed to Russia's success?

Mr. McCarthy. To Russia's success in sowing discord into the body politic?

Mr. Ratcliffe. Yes.

Mr. McCarthy. I don't know if Russia goes tactic by tactic. I will say this. I think Russia succeeded beyond its wildest dreams, if that is what its intentions were.

I don't think that that necessarily means that particular entreaties by Russians to people who were connected to any campaign is something that isn't alarming and shouldn't have raised people's hackles up.

Mr. Ratcliffe. So let me ask you, the Obama administration's Intelligence Community assessment that you referred to earlier, which was used to tell the American public that not only did Russia interfere with the 2016 election but did so because Vladimir Putin was trying to get Donald Trump elected, do you think that might have been a factor in Russia's success?

Mr. McCarthy. Well, I think, in terms of sowing discord into our body politic, the fact that that particular conclusion does not seem to me to be compelling, given what the evidence is and given what we understand Putin's general approach to the United States and the West is, I don't think it helps to have people come out and say, you know, Putin was in Trump's camp, when it appears that, if we look at everything Putin does everywhere, Putin is in the camp of the people he thinks are going to lose, because he thinks that is better for him.

Mr. Ratcliffe. The Obama administration's use of FISA warrants obtained through verified applications based on the unverified Steele dossier, which the Obama

Justice Department and the FBI knew to be an uncorroborated Clinton campaign opposition research document, do you think that was a factor that contributed to Russia's success?

Mr. McCarthy. I think we don't know everything we need to know about the FISA applications, but from what I have seen of them, I think they certainly should have been more forthcoming with the court about what the provenance of the dossier was.

Mr. Ratcliffe. And when Obama --

The Chairman. The time of the gentleman has expired.

Mr. Ratcliffe. I appreciate the chairman's indulgence. Since he asked questions for 7 minutes and 27 seconds, could I have an additional minute to finish my --

The Chairman. It is the chairman and the ranking member's prerogative to go beyond the 5 minutes.

Mr. Ratcliffe. I understand. I am just asking for your indulgence.

The Chairman. We may have time for one last question.

Mr. Ratcliffe. Well, obviously, I only have -- my 5 minutes has expired, and I have run out of time to stop listing all of the other things that the Obama administration did or didn't do to cause or contribute to the success of Russia in undermining the 2016 election.

So, since the purpose of this hearing, Mr. McCarthy, is to learn lessons from the Mueller report, do you think it is fair for a lot of the questions that this committee needs to be asking to understand and to hopefully prevent Russia's success in undermining future elections ought to be focused on the administration of President Obama rather than President Trump?

Mr. McCarthy. I think it would be a very good thing for the country if we had a common understanding that Putin has it in for us, whether this country is being run by

Republicans or Democrats, and that what his objective is is to destabilize the United States so that we can't pursue and protect our interests in the world, which is good for Russia.

Mr. Ratcliffe. I very much appreciate the chairman's indulgence. Thank you, and I yield back.

The Chairman. Mr. Heck.

Mr. Heck. Thank you, Mr. Chairman.

I add my expression of gratitude to all the panelists for their being here.

So, by now, we know that the Mueller report included numerous examples of Russian interference in the 2016 Presidential election. And we know that the special counsel, in his public presentation, closed his remarks by suggesting that absolutely every American should be concerned about this. I know we all are.

Instead, however, of addressing what FBI Director Ray described as an ongoing threat, contrasted to that we have the President who has attacked the special counsel's investigation, attacked the FBI, generally tried to undermine the work product of the Mueller investigation.

More to the point of this hearing, the President has called Russia's attacks at various times and repeatedly on our democracy, quote, a hoax. And he has literally sided, as we famously know, with Vladimir Putin over our own intelligence agencies.

Considering that past is often prologue, we are all greatly concerned that similar interference will occur in the future.

So, for my question, which I think I want to start with Mr. Anderson, I want to briefly tell this story. I had the great privilege to serve as chief of staff to a Governor in Washington State, Booth Gardner, several decades ago. One budget cycle, we didn't have the money to propose as high a salary increase for public employees as they sought.

That difference of opinion became quite manifestly contentious.

The Governor had accepted an invitation to go to our capitol rotunda to address the public employees for many months, and when he went out, there weren't hundreds, there were thousands there, and they lined the walls in several levels. And it was difficult for him to give his remarks because they were expressing their understandable frustration in quite loud terms.

Walking back to our office, I turned to the Governor and asked, "I don't understand why you didn't more affirmatively defend your point of view." And I will never forget what he told me. He turned to me, and he said, "Denny, that is our workforce. If we are going to accomplish anything, it is going to be with that workforce. Those are our people. We are only able to do what we can do through them."

So my question, Mr. Anderson, is, as a former senior official at the FBI, despite the public statements of "stiff upper lip, we are professionals, we put our heads down, we go to work every day," is the Bureau and, most importantly, our workforce, those dedicated professionals, completely immune from these attacks by the President of the United States?

And I know you are not there now, but if you were there, I would be curious as to what your reaction would have been to that and what you think might be the reaction by the workforce. And do you think that they would be concerned about their job or their work in light of, frankly, unwarranted attacks?

Mr. Anderson. Thank you, Congressman.

First of all, I have never seen anything like this in my almost 30 years of law enforcement. Two, I think the FBI for over 100 years has been through a lot of ups and down, but I personally think it has taken a toll.

Look, the men and women of the United States Intelligence Community, the FBI,

they are going to go to work and give 110 percent every day and work 18 hours every day. People don't see that. But I do think this takes a toll.

And the one thing that I will tell you, when it comes to Russia and many other nation-states to this country, they didn't just start on this thing back in 2014, which this report says. And they didn't go away. They are not leaving. I can guarantee you they are still here, looking at the next Presidential election and figuring out how they can attack it through SIGINT, HUMINT, cyber, or any other way they can. And I think, overall, I think that does take an effect.

Mr. Heck. Ms. Douglas, thinking more prospectively, because our primary concern here is what we can do to avoid this kind of interference in the future, do you believe that there would be a net gain or a benefit if we created an affirmative duty to report anytime that there is this kind of contact with foreign representatives?

Ms. Douglas. I think it would have to be very well-crafted, given that people come in contact all the time with foreign nationals. It is a global world --

Mr. Heck. I mean representatives, official representatives of a Presidential campaign.

Ms. Douglas. I think, even then, you are going to have to be very careful of how you would do that.

I just think that there is so much interaction in the global world, even here in D.C. You know, there are so many opportunities to meet people. For the most part, they are not malicious, they are not intelligence officers.

I think it is, you know, possibly something to consider, but, again, it would have to be very well-crafted, that it would be appropriate and would be something that you could actually do and be able to hold people accountable to.

Mr. Heck. My time has expired. Obviously, we still beg the question that I

hope we will get a chance to get into, is what your recommendations would be to avoid this kind of interference, moving forward.

Thank you.

I yield back, Mr. Chairman.

The Chairman. Dr. Wenstrup.

Dr. Wenstrup. Thank you, Mr. Chairman.

And thank you all for being here.

You know, as a veteran, I have always tried to put my country first. And, you know, through all of this that we are talking about, I think one of the things I am most disturbed about is that an American political party would hire a foreign agent who works with agents of a foreign power, namely Russians, to create a fake document to attempt to destroy their American political opponent, and yet many in authority seemingly choose to ignore that, that that is not part of the conversation.

You know, in 2018, the committee's then-majority found no evidence of collusion, coordination, or conspiracy between the Trump campaign and the Russian Government. We did address Russian interference and their tactics and what we would try to do in the future to disseminate that.

Two years ago on this committee, which was my second term on this committee, things changed. We were very nonpartisan. It changed, and the division on this committee grew. And I sat here and I said to the entire committee, what is going on right now is exactly what Mr. Putin wants. We are giving him everything he has worked for and, as you said I think, beyond his wildest dreams. We have.

But through all this, here we are. And with a team of approximately 19 lawyers, 40 FBI agents, intelligence analysts, forensic accountants, and other professional staff, the special counsel's Office, which issued more than 2,800 subpoenas, executed nearly 500

search warrants, interviewed nearly 500 witnesses, and made nearly 13 requests to foreign governments, concluded that the investigation did not establish that the members of the Trump campaign conspired or coordinated with the Russian Government in its election interference activities.

Mr. McCarthy, do you believe the special counsel's Office was properly resourced to conduct a thorough investigation?

Mr. McCarthy. I think they had more than the resources they needed.

Dr. Wenstrup. And had appropriate access to investigative tools?

Mr. McCarthy. So far as I know. I can only answer these questions as a person analyzing it from the outside who has, like, some --

Dr. Wenstrup. But you are experienced in this arena, and so your perception is --

Mr. McCarthy. I have no reason to think that they didn't have everything they needed in the way of access and resources.

Dr. Wenstrup. And I would suggest -- and you can agree or disagree -- they had more access and tools than any congressional committee has.

Mr. McCarthy. That is on you, Doctor. I don't know.

Dr. Wenstrup. Well, I believe that to be the case.

But with all these resources at hand, I find it hard to believe the special counsel's Office -- if they had all these tools, that they likely would have found more than circumstantial evidence of collusion if it had existed in plain sight.

But let me ask you this. How are confidential human sources in counterintelligence investigations vetted?

Mr. McCarthy. The FBI has a, generally speaking, pretty -- I mean, it can vary from person to person. And these are very -- the human dynamic, in my experience of dealing with informants, never goes away. So there are peculiarities and eccentricities

that you have to deal with on both on informant side and the agent side, and it is often very difficult work for the agent because -- I was a prosecutor. The agent has to take the brunt of some of the more crazy stuff so that the prosecutors can, you know, focus on the case.

Dr. Wenstrup. Are they vetted once, or are they vetted over and over again, or are they vetted every time?

Maybe someone else would like to answer that question.

Ms. Douglas. They are vetted more than once. They are vetted regularly. They are tested. Depending on how you use an asset, if you are operationally tasking an asset, there are ways you can test your asset to make sure that they are providing credible information.

They go through a vetting system on a regular basis. Their files are reviewed at a supervisory level. They can be pulled and audited for any purpose by headquarters and other asset review --

Dr. Wenstrup. My time is short, but I appreciate your answer.

So, if the FBI were to run a confidential human source into a U.S. political campaign or against individuals associated with the campaign, would the FBI notify someone in that campaign to let them know that that was happening? And if not, why not?

Mr. McCarthy. Ordinarily, no, if you are investigating the campaign, you wouldn't notify the campaign.

Now, there is a different --

Dr. Wenstrup. If it is not the candidate but someone in the campaign -- if you have no evidence that the candidate is doing this, wouldn't you want to let the candidate know, the nominee for President of the United States, that someone in their campaign

may be doing this? It seems to me you are in a different position at that time.

Mr. McCarthy. Well, but I do think that this goes to what some of the members of the committee have mentioned, which is the idea of whether you do a defensive briefing or not. I think if what you think is that you have some people who are in the orbit of the campaign who are problematic, that might be something you would give the campaign a heads-up in the context of doing a defensive briefing.

If you have decided that everything in the Steele dossier is true and the candidate is the problem, I don't see how would you notify the campaign, since the candidate is the one person the campaign is not going to get rid of.

Dr. Wenstrup. Well, if someone in my campaign was doing something nefarious and engaging with a hostile foreign entity, I would sure hope I was informed.

I yield back.

The Chairman. Ms. Sewell.

Ms. Sewell. So my line of questioning has to do with the 14 pages in the Mueller report that deals with Papadopoulos's meeting with Joseph Mifsud.

According the Mueller report, in late April 2016, Papadopoulos was told by a London-based professor, Joseph Mifsud, immediately after his return from a trip to Moscow, that the Russian Government had obtained dirt on -- and that is a quotation from the Mueller report, this is -- had obtained dirt on candidate Clinton in the form of thousands of emails.

One week later, on May 6, 2016, Papadopoulos suggested to a representative of a foreign government that the Trump campaign had received indications from the Russia Government that it would assist the campaign through the anonymous release of information that would be damaging to candidate Clinton.

Mr. Anderson, it appears to me, from reading of the Mueller report, that Joseph

Mifsud was cultivated and communicated sensitive information to George Papadopoulos, who by March 2016 had been publicly named as the foreign policy advisor to then-candidate Trump.

Why might this type of cultivation raise flags at the Bureau? I would suggest the fact that he was so engaged with Papadopoulos that he was a proxy of the Kremlin in that case -- in this case.

Can you elaborate a little bit about your thoughts about that meeting between Papadopoulos and Mifsud and what red flags that would raise and how a foreign power would seek to leverage a relationship like that to its own intelligence gathering or policy objectives?

Mr. Anderson. Thank you for the question.

I think one of the things people need to realize is that, when foreign powers are actually going at individuals to try to gain access or potentially recruit or use them unwittingly, it is not like you see on TV. A lot of the times the people that are coming at people, they intentionally -- and I don't know if he was a source of the Russian Government or not, but they will utilize individuals in academia, they will utilize people in certain social sections, they will utilize people outside of threatening environments to where you are meeting with an official of the Russian Government.

And so, for people like me that have worked this for a very long time and seen thousands of these different types of cases, that does raise a level of suspicion.

Now, the one thing that troubles me even more is once the tasking starts. And as Stephanie said earlier, I cannot tell you, when it comes to validating, vetting, potentially recruiting, or just seeing if this is somebody that you should potentially spot and assess for later recruitment, this is a big deal. And they are going to watch to see what the information is given and then given back to that individual.

So, from an academic side, I can tell you that the Russian intelligence services use this a lot --

Ms. Sewell. Yep.

Mr. Anderson. -- and they also use it in different circles.

Ms. Sewell. So, Ms. Douglas, Papadopoulos was told by Joseph Mifsud that Russia had Clinton emails and, crucially, of Russia's desire to release them anonymously, well before that fact became public.

Why might a foreign adversary, like Russia, want to provide such sensitive information to someone like Papadopoulos, a Presidential campaign staffer? And what might they seek to gain from having that?

Ms. Douglas. Right. You know, one of the things I thought was very interesting is Papadopoulos said that he was of no interest initially when he met Mr. Mifsud -- right? -- until he told him that he was involved in the campaign, and then all of a sudden there was this reengagement after he returned from Moscow.

You know, he is one of the many areas where they are looking for opportunities and they are looking to establish relationships that maybe are not overly successful on that first once or twice where they actually have conversations but they want to establish a relationship for the future.

George Papadopoulos wasn't a heavy player in the campaign. You know, he was very early on with his assignment at the campaign when they started having conversations. But the Russians know that, hey, he is early on with the campaign now, he could potentially be with the administration in the future, and we want to get in good with him now.

Ms. Sewell. And, you know, through Mifsud and another Russian national, Papadopoulos was introduced to members of the Russian Ministry of Foreign Affairs.

Papadopoulos used his relationship with the Russian Ministry of Foreign Affairs to push for a secret meeting between Donald Trump and Vladimir Putin.

What sort of counterintelligence risks might a secret meeting between candidate Trump and Vladimir Putin generate?

Ms. Douglas. Well, obviously, pre-election, trying to set up a meeting between a candidate and, you know, a leader of our most significant adversary outside normal channels -- and Papadopoulos putting himself in that position where he could actually arrange it honestly puts the campaign at even greater jeopardy.

Ms. Sewell. Thank you.

Thank you, Mr. Chairman.

The Chairman. Mr. Stewart.

Mr. Stewart. Thank you.

Ms. Douglas, I appreciate what you said. You said something exactly right. I love the fact that you and Mr. Anderson worked side-by-side with each other and was not aware of each other's political views. That is the way it should be, for law enforcement professionals especially.

Now, when I listen to Mr. Comey, Director of the FBI, Mr. Brennan, Director of the CIA, the Director of National Intelligence, they sound like political hacks. And I wonder, how in the world could someone so political and so partisan be selected to such a position of leadership? You two set a much, much better example of that.

Mr. Chairman, I am glad you had this hearing. It gives us a chance to tell the American people the truth. It took courage to hold a hearing that demonstrates that much of what people have heard for the last 2 years simply is not true and to emphasize what the Mueller report clearly found. The special counsel did not find the Trump campaign or anyone associated with it conspired or coordinated with the Russian

Government despite multiple efforts by Russian-affiliated individuals to assist the Trump campaign.

And I would like to emphasize something that I feel very strongly about, and I think the American people feel very strongly about this. It is unfair -- in fact, I think it is un-American to make accusations about people without evidence. To destroy the lives of -- and the presumption of innocence. To destroy people's professional lives, to destroy them financially, to try them in the media when they don't have the ability to defend themselves -- the American people know these things aren't fair. And the Mueller report and hearings such as this give us a chance to emphasize that.

I would like to dive into what is one of the more troubling aspects of this episode, and that is the FISA application. The FISA application is a very, very intrusive tool. It allows someone to essentially survey your email, your texts, your personal contacts, family and friends. I am going to use a word, and heads are going to explode, but it essentially allows you to spy on U.S. citizens.

And yet, knowing the FISA application was based on the Steele dossier -- Mr. McCarthy, I will start with you -- should the FBI have taken steps to verify the contents of the Steele dossier prior to including it in the FISA application?

Mr. McCarthy. I believe they should have. I think that Steele was in the position not of a source of information but an accumulator. In this equation, he is much more like a case agent than a source.

Generally speaking, for prosecutors in courts, in any warrant situation, whether it is a FISA warrant or not, the source information are the people who see and hear, make the observations that the court is being asked to rely on for purposes of probable cause. It generally doesn't matter whether your case agent is credible; it is whether the source information --

Mr. Stewart. Well, and this is stating the painfully obvious. The FBI should verify information before presenting it before the FISA court. We all agree on that.

Mr. McCarthy. Before any court, but yeah.

Mr. Stewart. Before any court, absolutely.

Mr. McCarthy. If you mean by "verify" corroborate, yeah.

Mr. Stewart. Yeah, absolutely, especially with the FISA court, though, because there is no defender of the person being accused in this case.

Mr. McCarthy. Right.

Mr. Stewart. And I am sure the three of you are familiar with the Steele dossier. Is that true?

Ms. Douglas. I have never read the Steele dossier.

Mr. Stewart. Never read it.

Mr. Anderson?

Mr. Anderson. I have not read it either, sir.

Mr. Stewart. Okay.

Mr. McCarthy. I have read it.

Mr. Stewart. Well, okay. Mr. McCarthy, thank you. I would challenge you or anyone who has read the Steele dossier to tell us anything in there that we now know is true. Do you know of any accusation made in the Steele dossier that we know now is true?

Mr. McCarthy. There are a number of assertions that are made in the Steele dossier which are true but of not great --

Mr. Stewart. Irrelevant.

Mr. McCarthy. -- importance. Like, for example, we know that Carter Page did go to Moscow in July, for example.

Mr. Stewart. But --

Mr. McCarthy. What he did there is the subject of a great deal of back-and-forth.

Mr. Stewart. Right.

Mr. McCarthy. But whether he went there or not, which the Steele dossier asserts, is not, I don't think, in conflict.

Mr. Stewart. Well, and so that is not an accusation, because that is not a crime, going to Moscow. It is the --

Mr. McCarthy. Well, none of it is -- when you are dealing with counterintelligence, none of it is necessarily a crime. The question is whether he is acting as an agent of a foreign power.

Mr. Stewart. And so my point being is that this thing, which was almost entirely the basis for the FISA application, we now know that almost all of the accusations in there are not true. None of them have been proven true.

And so that then begs the second question, and that is, to your knowledge -- and I will ask any of the three of you because you surely have knowledge of this -- has the FBI ever used political oppositional research funded by a U.S. political campaign and including information from foreign agents in a counterintelligence investigation?

Mr. Anderson, are you aware of that ever happening before?

Mr. Anderson. I am not aware of anything. It doesn't mean that it hasn't potentially happened before, but I am not aware.

Mr. Stewart. Okay.

Ms. Douglas?

Ms. Douglas. Yeah, I am not familiar with any prior use.

Mr. Stewart. Mr. McCarthy?

Mr. McCarthy. Yeah, may I just say? I have taken information from the worst people on the planet. I have taken information from terrorists. I have taken it from murderers, from swindlers. When you do this kind of work, the people that you get information from tend not to be, you know, the kinds of people -- the question is, what do you do with the information when you get it?

And the more suspect that the source of the information is, the more and higher your obligation is to verify it before you use it in any way that is going to intrude on anyone's rights.

Mr. Stewart. Yeah. Yeah. Thank you. My time has expired. We will talk again. Thank you.

The Chairman. Mr. Castro.

Mr. Castro. Thank you, Chairman.

I want to ask you about Michael Flynn and particularly his relationship and his actions with respect to Russian Ambassador Kislyak and his attempt to undermine the Obama administration sanctions that were put in place in December of 2016.

Michael Flynn used secret back-channel discussions with the Russian Ambassador to, in effect, undermine the Obama administration's ongoing foreign policy.

So my question is, what counterintelligence concerns arise from this type of back-channel coordination between an incoming Presidential administration and a foreign adversary? Why would the FBI be concerned with an incoming National Security Advisor conducting foreign policy before the new President has ever taken office and also without informing the State Department?

Mr. Anderson. Well, first of all, one of the things when it comes to back-channel communications on political or national security issues or views from the White House, one of the things that Russia and other significant nation-states' intelligence organizations

try to have that created -- and the reason they do is they try to get the current administration, whether it is the one that is currently in there now or whenever, having their public face confused with what either the State Department is saying or people that are saying stuff through a back channel.

This is absolutely the exact same thing that was going on with the Maria Butina case, which I was the expert for for the Department of Justice 4 weeks ago at her sentencing.

And they will do it at different levels. So, regardless if it is a National Security Advisor to the President -- which, once the individual moves into the office, it is not unusual for them to be talking to a multitude of ambassadors -- the key here is, Russia wants to get the administration, whatever administration that is, off-balance with what their real political views are and potential back channels.

Ms. Douglas. And I would just, obviously, agree that it immediately puts the existing administration in a horribly conflicted position -- and they didn't know it -- by the back channel in advance of inauguration. It jeopardized how the U.S. was viewed by the Russians. And, also, it probably assured the Russians that they were going to get a more favored treatment by the incoming administration.

And even Mike Flynn says that when he says, I didn't put any of this in an email or notes because I thought it looked like we were undermining the current administration. And, indeed, that is exactly what he was doing.

Mr. Castro. And, you know, the Mueller report explains that Flynn had a preexisting relationship with Russia, going back to at least late 2015 when he traveled to Moscow to attend an event organized by the Russian state-backed media outlet RT, at which he sat next to Vladimir Putin himself. Flynn also reportedly met secretly with Ambassador Kislyak on several occasions during the transition period in December 2016.

And so my question is, what do you make of this relationship, in particular, and given Flynn's role as the head of the Defense Intelligence Agency and the incoming National Security Advisor? And how might Russia exploit this relationship with Flynn to effect United States policy?

Ms. Douglas. You know, I will just speak from my own personal experience. Obviously, having known and worked with Mike Flynn, I would say it was a very surprising position for him to take. Obviously, he had very high-level access to information, and then seeing that as a close business and personal relationship was concerning.

Mr. Castro. Anyone else?

Mr. Anderson. I would just say, going back -- and this goes back -- this all goes back to the clearance process and having sustainable clearances above the Secret level or TS/SCI with very well-defined reporting requirements.

I mean, I would report yearly, just to maintain the Top Secret clearance as the Assistant Director of Counterintelligence, traveling around the world, engaging with foreign intelligence agencies, hundreds of contacts that would either talk to me, stop by, have a conversation.

And I think part of this is, when it gets into the aspect of when individuals aren't reporting that, and the second they start having clandestine or secret meetings, it puts them in a very vulnerable position.

Mr. Castro. It leaves them open to blackmail and --

Mr. Anderson. Well, it is definitely a vulnerable position, because there is nobody in the room with you who can say, hey, here is exactly how the conversation went.

And these are all tricks of the trade when it comes to hostile adversaries and intelligence services.

Mr. Castro. Thank you, Chairman. I yield back.

The Chairman. Mr. Crawford.

Mr. Crawford. Thank you, Mr. Chairman.

I thank the witnesses for being here today.

In 2017, former CIA Director Brennan stated in an open hearing in this committee that Russian active measures to impact the U.S. had been going on for decades.

In 2012, then-candidate-for-President Romney stated he believed Russia posed the greatest threat to the United States, to which President Obama replied, "The eighties called. They want their foreign policy back."

In 2014, then-Chairman, now-Ranking Member Nunes warned of Russian malign influence campaigns.

All of this acknowledgment of Russia and their intentions, and yet no response from the Obama administration.

So there are a lot of conspiracy theories swirling around about Russian collusion, so let's just add this one. Is it possible that a group of politically motivated individuals at the highest echelons of national security decided to turn a blind eye to this activity, feeling that it would, in fact, enhance their candidate's chances of winning?

I don't expect you to answer that, but I do expect you to consider it.

And, with that, I will yield to Mr. Ratcliffe the balance of my time.

Mr. Ratcliffe. I thank the gentleman for yielding.

I want to follow up on Mr. Stewart's line of questioning about the FISA process and the Steele dossier's role in that.

According to sworn testimony given by former DOJ Associate Deputy Attorney General Bruce Ohr, he said under oath that he had advised Andy McCabe, Deputy Director of the FBI, Peter Strzok, and Lisa Page at the FBI in early August of 2016 that

Christopher Steele was, in fact, motivated and desperate to stop a Trump Presidency.

Separately, documents that have now been made public pursuant to a FOIA request indicate that a State Department employee, Kathleen Kavalec, advised the FBI about concerns over Christopher Steele's credibility based in part on his assertion that this well-developed conspiracy with Russia was being run out of the Russian consulate in Miami, where Russia does not have a consulate.

So, Mr. McCarthy, I want to ask you to tell me what you think about that information and whether and how that information about Christopher Steele should have impacted how the Steele and whether the Steele dossier should have been presented to the FISA court.

And you mentioned it, but I think it is worth mentioning again, to also address as part of that whether or not it was appropriate to represent Christopher Steele as a source of information in that application.

Mr. McCarthy. Yeah. My main, overarching problem with it is that I think it was objectionable to take somebody who was in the position really of a case agent and refer to him and treat him as if he were a source when he did not make the observations that the court was being asked to rely on for purposes of probable cause.

Now, if you want to take the position that I am wrong about that, then I think the second thing that has to be said is that the more remote that somebody is from the observations you are asking a court to rely on, the more you have to do in the way of being transparent as far as what that person's biases are, potentially.

It is one thing to say that, you know, somebody who sees something criminal happen brings a lot of baggage to the table, but they either saw what they saw or they didn't. And the circumstances surrounding that can tell you a lot more than their bias can.

If you are talking about somebody who is remote from that -- and here, we are talking about somebody who may be three, four, five hearsay steps remote from it -- I think you have a higher obligation to be straight with the court about what that person's baggage is in terms of bias, motivation, economic motivation, whatever.

And just a rule of thumb -- and I think any good Federal judge would tell you this -- if you need to write a footnote that takes a page and a half in order to avoid writing the sentence, "And he is connected to the Clinton campaign," then you should probably disclose that he is connected to the Clinton campaign.

Mr. Ratcliffe. Thank you.

Ms. Douglas or Mr. Anderson, anything about what Mr. McCarthy just related that you would disagree with or want to clarify?

Ms. Douglas. You know, I will just add that, on the counterintelligence and on the counterterrorism side, we take information from sources that aren't right there, and it has been critically important in a lot of cases, especially in the counterterrorism world, where you have a person who is receiving information or hears of information, that you make every effort to validate and corroborate and see, is that source trusted? And that is where you really have to -- you have to look to see, has that source provided reliable information in the past?

And I am not defending the Steele dossier. And I don't even think that comes up in the Mueller report, actually. But I would just say that the FBI did have reliable reporting from Steele in the past, and, you know, maybe that gave them some assurance to it.

And then, also, I think it is important for everyone to know, the Steele dossier wasn't stapled to a cover sheet for the FISA application. The FISA application has more information than just the Steele dossier. And I do think that that is important to know.

Mr. Anderson. Real quick, sir, just two things.

One is, the court needs to have complete transparency in any FISA or Title III about any information, full stop. It should never be anything other than that.

And the last thing I would say is, after a FISA or a Title III is running -- and you can use either nowadays in counterintelligence, depending on what you are doing -- if you find out something about the information you have supplied to the court after it is running and it is inaccurate, it is incumbent upon us to go back to the court and explain that to the court.

That is the only other two points.

Mr. Ratcliffe. Thank you.

I appreciate the gentleman yielding, and I yield back.

The Chairman. Mr. Maloney.

Mr. Maloney. I thank the witnesses for being here.

Just to return for a minute to Paul Manafort and the issue of sharing intelligence -- excuse me -- sharing internal polling data, consider the following from the Mueller report.

Quote, Because of questions about the polling date after it was sent to Kilimnik, the office could not assess what Kilimnik or others he may have given it to did with it, close quote.

Further, the report notes that, quote, Gates believed Manafort sent polling data to Deripaska so that Deripaska would not move forward with his lawsuit against Manafort, close quote.

Manafort also briefed Kilimnik on the Trump campaign and Manafort's plan to win, including campaign messaging and a discussion of battleground States, including Michigan, Wisconsin, Pennsylvania, Minnesota.

What are the counterintelligence concerns about that, that the chairman of a Presidential campaign would be providing that kind of information?

Ms. Douglas. I think Paul Manafort is trying to sell himself, right? So, I mean, he clearly talks about his time on the campaign being good for his business. His plan was to go out and monetize his expertise after the campaign.

Mr. Maloney. And --

Ms. Douglas. Um --

Mr. Maloney. Excuse me.

Ms. Douglas. No, I am just saying I think he is providing polling data, he is talking to Kilimnik, he is doing everything he can to put his name out there with oligarchs, which are very much part of the intelligence apparatus for the Russian Government --

Mr. Maloney. This is the senior person on the Trump campaign at the time.

Ms. Douglas. Yes.

Mr. Maloney. And I am intrigued by your point about tasking, and I would just like you to return to that for a minute, because isn't that really the magic moment? Isn't the magic moment when you have done all this work and you have been cultivating people like this and you tiptoe up to them and you use all these unoffensive contacts to get near them, and then you give them something to do that is wrong --

Ms. Douglas. Right.

Mr. Maloney. -- that is inappropriate, and they know it is wrong, and they do it? Isn't that when you have got them?

Ms. Douglas. Yes. Of course. And it just continues to increase.

And, you know, that is why I said, I mean, the Trump administration is so lucky to have Paul Manafort out of there, because Manafort was not going to stop at polling data.

Mr. Maloney. Because it is a test, right?

Ms. Douglas. It is a test.

Mr. Maloney. If he will do that, he will do the next thing. And the deeper they get in, the more they have to keep going, right?

Ms. Douglas. Yeah.

Mr. Maloney. And so it is fair to say, had he stayed on as chairman, they would have kept tasking him, right?

Ms. Douglas. I would definitely assume that.

Mr. Maloney. And that is how you get in deeper and deeper and deeper. Isn't that fair to say?

Ms. Douglas. Yes.

Mr. Maloney. And it wouldn't just be him, right? It would be others that they are attempting and endeavoring to do this with.

Ms. Douglas. Well, I mean, it was very apparent that the Russians were in communication with a number of Trump associates and trying to establish these relationships. You know, who knows how far they would have gotten with certain people, but Manafort made himself available. He thought it was good for himself financially. He thought it could get him out of hock financially with some of the debts that were already owed, as far as this lawsuit. And, you know, he continued to really advertise his availability to them.

Mr. Maloney. Fair to say that is a counterintelligence nightmare, Mr. Anderson?

Mr. Anderson. Well, it might not be a nightmare, but it is definitely something to be extremely concerned about. Because, as was just discussed, that tasking will continue to whoever until you say no, and that is when the extortion starts, right? And we talked about this several times in this committee. It is, Bob is your best friend right up to the point that you don't give me what I am asking for.

Mr. Maloney. Right.

Mr. McCarthy, I am very struck by your answer to Mr. Quigley's question, that you would hope that someone in the position of the Trump campaign officials would come to the FBI. You said you want them to come to the FBI, right?

And, in fact, one of the reasons that you said you wanted that was because you liked the information. The FBI always wants more information; I understand that. But isn't it also the case that the reason that person comes to the FBI is to inoculate themselves against the very charge that they are playing footsie with a foreign intelligence service? Isn't that right?

Mr. McCarthy. Yeah. Some --

Mr. Maloney. In fact, sir, if they did that, you wouldn't need a counterintelligence investigation because you would be working in partnership with the Americans, in concert with their own government, against that foreign interference. Isn't that fair?

Mr. McCarthy. Well, yes, although on the government side of it you also have to be very careful that they are not playing both sides. You can get played that way too, and that happens more often, probably, than --

Mr. Maloney. Played by whom?

Mr. McCarthy. By the person who comes in to report to you.

Mr. Maloney. Fair enough. But in this case, it was true. In this case --

Mr. McCarthy. Well --

Mr. Maloney. -- it was part of a systematic --

Mr. McCarthy. I don't --

Mr. Maloney. -- we now know --

Mr. McCarthy. -- what you are saying is -- what you are saying is --

Mr. Maloney. In other words, if they had just told the FBI --

Mr. McCarthy. Yeah.

Mr. Maloney. -- because you, yourself, said you wished they had --

Mr. McCarthy. Right.

Mr. Maloney. -- there wouldn't have been a counterintelligence investigation at that point, right?

Mr. McCarthy. Well, what you are saying is true I am having trouble following, because -- I have read the report. I don't think there is -- we are skipping a step here. I don't think that there is evidence that Kilimnik is a Russian asset. There is a lot of reason to be concerned about it. There is a lot of, also, information that Kilimnik was an asset for the State Department. The connection that Kilimnik had to Russian intelligence goes back 20 years --

Mr. Maloney. Forget about Kilimnik.

Mr. McCarthy. No, but you guys are saying he was tasked. How do we know he was tasked? There is no evidence that he was tasked.

Mr. Maloney. I am not asking you about Kilimnik.

Excuse me. My time has expired, but with the chairman's indulgence.

The Trump Tower meeting or any of the improper contacts that we now know were part of this effort by the Russian intelligence services --

Mr. McCarthy. Right.

Mr. Maloney. My point is, sir, if the Trump campaign had simply picked up the phone and called the FBI and said, "We are worried about this," it would have gone a long way to inoculating them against the concern that they were working in concert with a foreign intelligence operation.

Mr. McCarthy. I couldn't agree more with that. And I think anybody who

thinks that they have been approached by a Russian asset should notify the FBI.

Mr. Maloney. Thank you, Mr. Chairman.

The Chairman. Mr. Hurd.

Mr. Hurd. Thank you, Mr. Chairman.

I would like to yield as much time as he may consume to the gentleman from California, Ranking Member Nunes.

Mr. Nunes. Thank you, Mr. Hurd. I appreciate that.

I just want to take time to clarify a few things.

Is it a crime for any American to appear on RT and take money from RT? I am not aware that it is.

Mr. McCarthy. No.

Mr. Nunes. I am a little confused as to -- I don't want to put words in any of the witnesses' mouth, but maybe it was from folks up here on the dais. But we have numerous former government officials and current government officials that appear on RT all the time and take money from it.

I am a little alarmed that people would make some type of reference that the head of our -- the former head of the DIA, who goes to the DIA to tell them, "Hey, I am going to go and meet with Putin, I am going to get paid to go on RT," goes there, does it, then reports back, that somehow -- now, I don't know that other former government officials are doing that same thing when they take large sums of money. But to hear people, you know, whether it is -- I don't want to put words in any of your mouth, but I thought that that is what I heard, that it wasn't okay for the former head of DIA to go and give a speech, like all former politicians and Presidents do.

Did I hear that? Is it okay for General Flynn to go to RT, or is it not?

Mr. Anderson. I mean, I think people do it all the time in the private sector and

go give speeches. I think, as long as that is what it is, it is fine.

Mr. Nunes. I mean, I know that General Hayden, a friend of mine, a friend of this committee for a long time, I mean, he was -- I don't know if he was paid by RT or not, but he did many appearances on RT.

The other thing that is a little alarming to me is this talk that General Flynn, by talking to the Russian Ambassador when he was the incoming National Security Advisor, would be somehow targeted by the FBI or any counterintelligence capability in this country when he is just talking to the Russian Ambassador, even if he doesn't agree with the Obama administration on sanctions. Because if that is the case, I mean, John Kerry should be under a full-blown criminal investigation for violating the Logan Act right now.

Should John Kerry be under investigation right now for violating the Logan Act, Mr. Anderson?

Mr. Anderson. I have no idea what John Kerry is doing. I mean --

Mr. Nunes. Well, it has been widely reported that John Kerry has had numerous meetings with the Iranian regime during the Trump administration.

Mr. Anderson. I would have to see a lot more about that, sir. I have no idea.

I mean, as far as -- going back to your original question, sir, as far as, like, the incoming National Security Advisor talking to the Russian Ambassador, on its own, I mean, that is not something that is going to raise a counterintelligence flag. You have to look at the totality of what is going on.

And I don't understand anything outside of this report that went on with Mike Flynn, who I also know, and the Ambassador, but that wouldn't, on its own, trigger any type of national security flag.

Ms. Douglas. While it might not trigger an investigation, I think have you to be mindful of how that looks to the Russian Government. And that is why I said it could be

a counterintelligence concern, right? It may not trigger an investigation, but --

Mr. Nunes. I just think it is preposterous for me to think that a three-star general, the architect of killing terrorists, really bad al-Qa'ida terrorists, is somehow connected to the Russian Government. And, I mean, you know, for him talking to the Russian Ambassador I just think is --

Ms. Douglas. And I didn't say that.

Mr. Nunes. I would expect, no matter if it is a Democrat or Republican administration coming in, that whoever the national security team is, that they would talk to the Russian Ambassador or any ambassador, for that matter.

I also don't think, as much as I disagree with John Kerry, the former Secretary of State, I also don't think that he should be investigated for violating the Logan Act right now, just to get that on the record.

However, some on this side of the aisle, on the left, in the media have continued to bash General Flynn for talking to the Russian Ambassador, but at the same time they say nothing about Senator Kerry meeting with the Iranians.

Ms. Douglas. I don't think it was just talking to the Russian Ambassador. I think that is what the difference is here. I think General Flynn reached out in what he considered to be an official position prior to the inauguration of the Trump administration and decided to do foreign policy work in the midst of another administration. And --

Mr. Nunes. That is --

Ms. Douglas. -- I think that --

Mr. Nunes. That is no different than what John Kerry is doing right now.

Ms. Douglas. Okay. I am sorry. I don't know what John Kerry is doing.

Mr. Nunes. So you would want to investigate John Kerry --

Ms. Douglas. No, no. I am not saying anybody gets investigated here. But I

am saying it is a counterintelligence concern. And it is just like, where we are saying that, yes, no criminal charge has been filed relative to Mueller's findings, it still does not mean that there is not a national security threat.

Mr. Nunes. Well, I don't think I would be putting John Kerry under a counterintelligence investigation anytime soon.

I have one more question, on tasking. You guys mentioned that Manafort was tasked to deliver polling information. I am a little troubled as to what the difference is between somebody asking for polling information versus a political campaign hiring a former British spy to go out and meet with what we now know to be, or supposedly, reportedly, and from notes at the State Department, meeting with high-ranking former SVR/GRU officials in the Russian Government to get dirt on Trump.

That is a tasking. I mean, that is a campaign paying for it. How is that any different? Matter of fact, I would say the other is worse. We may not like how political campaigns are run, but I don't think any of that is illegal.

Any response?

Mr. McCarthy. I think it is very disturbing that the Clinton campaign used Steele. I think it is disturbing that the Russians reached out to the Trump campaign.

There is a lot of talk about Deripaska, what a terrible guy Deripaska is. I agree. He is a terrible guy. Steele also worked for him. You know?

I mean, we are in a situation where, for 30 years, since the fall of the Soviet Union, this government, bipartisan, has taking the position, essentially, that Russia is a country we can work with. The Bush administration used to call them a strategic partner in connection with certain things. The Obama administration wanted to reset relations with them. Trump wanted to chase the panacea of having better relations with them.

If you are going to have that approach -- it wouldn't be my approach, but if you

are going to have that approach, you are going to have a lot of people having a lot of contacts with Russians. And we have a lot of people having contacts with Russians, and a lot of it is really inappropriate.

Mr. Nunes. Thank you, Mr. Chairman. I yield back.

The Chairman. Thank you.

Mr. Welch.

Mr. Welch. Thank you very much.

And I thank the witnesses.

The Mueller report describes efforts by the Kremlin to establish a back channel. And you spoke about how, Mr. Anderson, they are always looking for many points of contact so they don't have a single point of failure.

But, for example, in January 2017, Mr. Dmitriev, the head of Russian's sovereign wealth fund and, obviously, a close ally of Mr. Putin, met with Trump surrogate Erik Prince in the Seychelles. Prince later relayed what Dmitriev told him to Steve Bannon.

And then, separately, in late November of 2016, Dmitriev began communicating with Rick Gerson, who was a friend of Jared Kushner. And over the next few months, Dmitriev worked with Gerson on a plan for reconciliation between Russia and the United States, which Gerson then funneled to Kushner.

The Mueller report suggests that this memo, which was essentially drafted by the Russian Government and which Dmitriev told Gerson was approved by Putin, may have influenced Trump's first phone call as President.

Can you explain this concept a little bit more of back channel and what sorts of counterintelligence risks can arise from such back channels?

And the reason I ask is we are having a back-and-forth here, understandably, about political motivations. And in campaigns, campaigns tend to push the limits. But

what appears to me to be unique about this is that Russians have information which becomes a tool for them to advance their policy interests as opposed to ours.

Mr. Anderson?

Mr. Anderson. Yes, sir. Thank you.

Two points. One is, you are absolutely right. One, it is for them to be able to be put in a position to advance whatever they are looking to gain from the United States instead of us.

But, two, it is also there to cause confusion and discord, right? Because as these different opposing policies or back channels start to go up through the different channels, it causes discord within those different organizations and up eventually to whoever is trying to get the official policy through, whether it is at the State Department or at the White House.

The one thing you will see -- and I have seen it in this report -- is, with Russia, going back to the point about looking at different channels to try to make those things happen, you actually start putting people against each other, even inside the same office, because they don't understand what is the official channel versus what we are hearing from the back channels.

Mr. Welch. When you say within an office, you mean, like, the FBI or the CIA or --

Mr. Anderson. Office of the President. You know, bigger. You know, Office of the President, the State Department, other areas within our country. And they will do it not necessarily just right around the individuals who are located within there making the policies, but they will also do it outside of that.

And the last point I will make is, one thing I think we really need to do is look larger, also, when it comes to Russia attacking our political infrastructure than just what

we are looking at right here. Because I can guarantee you -- again, I referenced the one trial I was the expert in a few weeks ago for DOJ. That is identical to what we are talk about. It is same type of political back channels.

Mr. Welch. All right. Thank you.

Ms. Douglas, would you care to elaborate on this?

Again, the focus for me is not campaigns pushing the limits so much as candidates becoming compromised by some of the actions that they take or information that they share. For instance, having a business transaction involving multimillion-dollar potential profit obviously creates an incentive to protect that invest.

Do you want to comment on that?

Ms. Douglas. Yeah, I mean, I think it is important and I think the report lays out how well Putin really puts to work all these Russian billionaires, with outreach and connections to a number of associates and friends of family and friends of friends.

And that is a good example. The reconciliation plan really is kind of a strategy document by Dmitriev, who is very closely aligned with Putin -- I think he refers to Putin as his boss -- and a friend of Jared Kushner's. And putting those two people together to come up and work on this plan, which they then --

Mr. Welch. Yeah.

Ms. Douglas. -- present, internal, to be used for this call.

Mr. Welch. Let me just follow up on that. Because my understanding is that it was our official policy during the Obama administration to oppose the expansion into the Ukraine. And then there was an ongoing debate that carried over into this administration about whether to provide significant new armaments for the Ukraine fighting the Russians. So the two seem to be in conflict.

Ms. Douglas. Yeah, I mean, I think just having that kind of external input into a

very early-stage administrative strategy appears to be very unusual.

Mr. Welch. Thank you.

I yield back. Thank you.

The Chairman. Mr. Carson.

Mr. Carson. Thank you, Chairman.

And thank you all.

When the June 9, 2016, meeting at Trump Tower was proposed to Donald Trump, Jr., he was told that the crown prosecutor of Russia offered to provide the Trump campaign with some official documents and information that would incriminate Hillary and her dealings with Russia as part of Russia and its government's support for Mr. Trump. His response: "If it's what you say, I love it."

In other words, the son of a U.S. Presidential candidate agreed to accept assistance from a foreign adversary to undermine his father's political opponent. What counterintelligence risks does this set of facts pose?

And, secondly, what would Russia's intelligence objective be, offering such damaging information on a political opponent?

And, lastly, what other similar techniques used, if at all, were effective, and why might they be effective?

Mr. Anderson. So, first, as we have said before, I think it is the ability to get access to the administration. That is where it starts, right? You are talking to people that are around the President or potential President of the United States. From that point on, you have a voice inside that you can filter information to.

The second point is that I think Russia looked at this way in advance on how to potentially target these different incoming administrations. In the current President's administration, the people that were around him were not savvy at all, in my opinion, to

counterintelligence threats or national security issues. They are coming from the private sector and corporations. And I think they took advantage of that. In a lot of these instances, I don't think the Russians in any way needed to recruit anybody. They needed to be able to get in front of somebody and supply information so that that information then would be conveyed up to the President.

Mr. McCarthy. Yeah, I would just add that I think by taking the meeting -- and I don't think you need a lot of training for this -- by taking the meeting, you have made yourself beholden to Putin in terms of however he wants to characterize it down the road, so that even if nothing inappropriate happens at the meeting, you have that vulnerability as well.

RPTR DEAN

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[11:00 a.m.]

Ms. Douglas. It tells a great story of how the Russians work. It shows that a prior relationship that the Trumps had basically worked with another prior relationship to reach out directly to Donald Trump, Jr., and dangle this potential piece of information. Now the meeting resulted in nothing, but the fact that they used connections that they knew that Trump had in Moscow through business dealings to basically weave their way to get in front of very, very senior level people in the campaign, Manafort, Trump, Jr., and Jared Kushner, shows how they how this work. They use personal relationships, business relationships, and then they try and piece it together. And like Bob said, the one thing that is illustrated is the fact that they were able to access such a high level.

Mr. Carson. Thank you. One of the topics of discussion at the June 9th meeting were the U.S. sanctions imposed under the Magnitsky Act. How might Russia have leveraged the Trump campaign's acceptance of Russian help to attack Hillary Clinton as an opening to seek access to and influence over Trump and his associates to in order to affect U.S. policy regarding sanctions?

Mr. Anderson. I think part of that is more of the same. I think the biggest thing is access. In most of these types of situations, I think the acceleration of access to somebody as high as these people were, as Stephanie just said, doesn't happen as quickly. A lot of what you are seeing here is because, as I said before, people aren't looking at it as a counterintelligence threat or necessarily national security threat. They are obtaining that. The reason I am saying this, Congressman, is because I think that accelerates the process. How this usually works, it takes months to years to get access

to individuals that will eventually go up to a level where somebody can relay information. I think one the big things about this, though, is the acceleration of this process because they were able to get so high so quick.

Mr. Carson. Thank you for your service.

I yield back, Chairman.

The Chairman. Mr. Ratcliffe.

Mr. Ratcliffe. Thank you, Chairman.

Mr. Anderson, I both appreciated and agreed with your comments during my last round of questioning about the need to update and correct ongoing FISA applications. I want to ask you about the obligations as it relates to exculpatory information. As you know in the criminal case, we have what is called the Brady rule where the government has an obligation upon request to provide any exculpatory information to a defendant that the government may have. Obviously, in a counterintelligence or title III, it is a different proceeding where the defendant isn't represented, but we know, in this case, the FBI has asserted that the underlying predicate for this counterintelligence investigation was George Papadopoulos and the conversation he had allegedly with an Australian diplomat. If the FBI had exculpatory information or contradictory information, information that contradicted that underlying predicate, would you agree with me that the FBI had an obligation not to withhold that and to provide that to the FISA court?

Mr. Anderson. I think the FBI, one, should have vetted both the information as best they could. And then, two, I think there should have been a discussion with the DOJ and the FISA court about that information.

Mr. Ratcliffe. And what if there was no discussion with the DOJ about that information, would that have been improper?

Mr. Anderson. I don't know if it would have been improper, but I don't think that would have been the true transparency that those types of hearings need, especially, as I think one of the Congressmen brought up earlier, this is a significant power when you are looking at FISA or title III authority.

Mr. Ratcliffe. Mr. McCarthy, what is your take on that?

Mr. McCarthy. You know, in our world -- I am in the same world you were in for a long time, which was criminal investigations -- there is some laxity involved in how much you have to disclose with respect to exculpatory information, for example, in the grand jury. But I think the big difference here is that the criminal process has a way of keeping people honest that, unfortunately, the counterintelligence process doesn't. So, even though when you go to get a search warrant or an arrest warrant from a judge in a regular criminal case, you get to go in secret, in the sense that they are sealed proceedings and there is no one there representing the defendant, but everybody knows or assumes in the equation that there will eventually be a prosecution in which case everything will be revealed; the defense will get complete discovery of what you represented to the court, and they will be able to go to work on it.

In the FISA process, the only due process an American who is suspected of being an agent of a foreign power ever gets is if the FBI complies with its rules and procedures and the FISA court holds them to it in that proceeding. I shouldn't confine it just to the FBI; it is the Justice Department as well.

To my mind, and I think this is reflective of what most people in that equation think and what the FISA judges seem to think, there is a higher obligation to be transparent, knowing that that process that you get in the criminal -- in the criminal thicket, where everybody is going to get discovery of what you did in the court, is not going to happen.

Mr. Ratcliffe. Let me, in my remaining time, ask you, Mr. McCarthy, you have had a number of questions about the need or the desire or whether or not it was appropriate to advise Donald Trump about Russian efforts to interfere in his campaign during a defensive briefing. We know that a defensive briefing took place, was conducted by the FBI on August 17th of 2016.

Mr. McCarthy. If I may -- I have heard that before. I happened to be at a meeting at Trump Tower that day, and I know -- with a bunch of other people, they were going over to get a briefing that candidates get.

Mr. Ratcliffe. Candidate defensive briefing.

Mr. McCarthy. Right, but it was not the targeted defensive briefing that they were talking about in this committee's report that Lynch and Comey and McCabe were talking about in the spring of 2016.

Mr. Ratcliffe. To my question, earlier you said the reason that, at whatever time, Candidate Trump may not have receive a briefing about Russian interference efforts would be if they had already determined that the Steele dossier was true or that he was the subject of a criminal investigation, but we know that that wasn't the case because we know that the FBI Director told the President, President Trump well into early 2017, that he was not the subject of a criminal investigation, that he was not under investigation. So what reason would the FBI have had in 2016 -- what legitimate reason would they have had in 2016 not to advise candidate Trump or President-elect Trump about Russian interference threats?

Mr. McCarthy. I don't think they had a good reason. I think it would have been preferable if they had done a defensive briefing. I am familiar with former Director Comey's testimony about this. And I would just point out that he pointed out -- I think it was in testimony to this committee -- that not everybody on his advisory team agreed

with his idea of telling the President or the President-elect that he was not a suspect simply because, in a very technical sense, his name was not on any file and he was not listed as an interceptee on any FISA. And the point that was made to him, which he ultimately rejected as I understand it, was that the way the investigation was structured they were looking at the campaign and they were taking evidence about the campaign, and since it was Trump's campaign, obviously, he was a subject of what they were looking into. So to tell him that he wasn't a subject seemed like it could be misleading. So I think they should have been more forthcoming with him about his status in the investigation. And I think it would have been preferable if they had done a defensive briefing.

Mr. Ratcliffe. I agree with it.

With that, I yield back.

The Chairman. Mrs. Demings.

Mrs. Demings. Thank you, Mr. Chairman. Thank you to our witnesses today.

Mr. Anderson, page 10 of the Mueller report notes that the special counsel's Office learned that some of the individuals they interviewed or whose conduct they investigated, including some associated with the Trump campaign, deleted relevant communications or communicated using applications that feature encryption or that do not provide for long-term retention of data or communication records. In such cases, the office was unable to corroborate witness statements through comparison to contemporaneous communication or fully question witnesses about statements that appeared inconsistent with other known facts.

Given these identified gaps, the office was unable to rule out the possibility that the unavailable information would shed additional light on or cast -- or cast in a new light the events described in the report, yet the special counsel could not necessarily know if

the person on the other side of communication likely in a foreign country might have saved those messages. And coming from a law enforcement background, this is particularly concerning to me. How might a foreign power like Russia leverage knowledge of a U.S. person deleting communications with an agent or other individual working on behalf of the Russian Government?

Mr. Anderson. Thank you for the question. I think this is a huge part of our new world we live in. There are numerous different encrypted apps that people use in the private sector. Nowadays, there are hundreds of millions of people who use those apps.

I think, from a counterintelligence hostile adversary point of view, any time that information is transmitted to someone they can have access to then deliver it to an intelligence service, there is an issue because that person is not going to delete the information. And that person is going to keep the information and most likely put it into a pool of information where it is correlated if they can use it.

Unfortunately, though, in my career, in the last probably 6 to 7 years between counterintelligence and the Executive Assistant Director, this has become a much bigger issue because you cannot go back, whether it is a person in a criminal investigation in a drug case all the way up to a serious espionage investigation.

Last point I will make, ma'am, is I do think, when we look at the safety of our country, when it comes to people in certain political positions, I think that we need to have more standards about what type of communications they can actually use for this matter.

Mrs. Demings. You talked a little bit about this earlier, but in its heyday, the Soviet KGB collective reams of information on its surveillance targets. Do you believe that KGB successors, such as FSB or SVR or the GRU, continue these practices?

Mr. Anderson. Yes. And I will tell you just from my own experience, 30-some years ago, when I started in law enforcement, the only way you could find out about somebody was hard footwork going out, knocking on doors and actually physically talking to them. Nowadays, with social media and cyber techniques and artificial intelligence that is available to not only the open public but more sophisticated versions of that to hostile intelligence services, they have a pretty good idea of what you like, what you don't like, who you want to hang out with, where you are going to go for coffee, and it just makes them much easier of a target. So I would tell you that the modern day version of what some of what was done 25, 30 years ago provides much more available information to target somebody.

Mrs. Demings. Thank you. Finally, we discussed the concept of blackmail at several points today. But can you explain how the use of blackmail or leverage, including financial leverage, over government officials by foreign powers can pose a counterintelligence threat -- danger, and I believe that should be of importance to all of us in this room?

Mr. Anderson. No, it is, very much so. Russia and there are a few other services that uses it extensively. And they will use either financial blackmail, personal relationship blackmail, blackmail about potential criminal violations that nobody knew about that they actually know about.

As I said earlier in the hearing, the one thing that you will notice with all of these type of progresses, at first, it starts out almost non-incidental: asking, tasking, access, phone books, whatever. And it will move through that continuum. The blackmail historically doesn't really start, thought, until you say no. Once you say no, depending what they have, they will use any means possible, to include destroying your life -- they could care less about anybody in this room's life just because we are an American -- and

they will use those points to target their subjects to get them to do what they want them to do.

Mrs. Demings. Thank you so much, Mr. Chairman. I yield back.

The Chairman. Ms. Stefanik.

Ms. Stefanik. Thank you, Chairman Schiff.

I want to ask a few questions of Mr. McCarthy regarding the opening of the counterintelligence investigation and protocols of notifying Congress, protocols that were not followed. We know now that the FBI opened its counterintelligence investigation into the Trump campaign in July 2016, but they did not brief the Gang of Eight until March 2017, just days before former FBI Director Comey publicly announced the investigation during a March 20, 2017, open hearing before this committee.

So my question to you, Mr. McCarthy, is: Conveying sensitive information, such as the opening of a counterintelligence investigation into a political campaign, is exactly what quarterly briefings from the FBI to the Gang of Eight are intended for. Is that correct?

Mr. McCarthy. I believe so. I don't see what would be the point of having the Gang of Eight.

Ms. Stefanik. I agree with you.

Do you think that the FBI Director, in this case Director Comey, should been allowed to decide when a CI investigation is, quote/unquote, too sensitive for the Gang of Eight?

Mr. McCarthy. I don't think the FBI Director should do that because otherwise you can't have congressional oversight.

Ms. Stefanik. I agree with you with that as well. So you would agree when I say that the FBI should not get to pick and choose which investigations, particularly those

focused on the U.S. political campaign, are briefed to Congress.

Mr. McCarthy. I think that is true. And I think from what I understand from Director Brennan, he thought that he was the obliged to comply with his Gang of Eight disclosure requirement.

Ms. Stefanik. Is it appropriate for the FBI, in your opinion, to publicly announce the subject of an ongoing counterintelligence investigation in an open setting before fully briefing Congress on the matter?

Mr. McCarthy. No. I don't think -- counterintelligence investigations are classified. I don't think the FBI, when it can, should ever confirm the existence of an investigation. Counterintelligence investigations are classified; that is like a double no-no. And there is no reason that I can think of to announce publicly the subject of such an investigation or to say that there would be an assessment at the end of crimes being committed.

Ms. Stefanik. We know now that Director Comey failed to follow established DOJ procedures during the conduct of this investigation. In your opinion, why do you believe that Director Comey decided to publicly announce the investigation in March 2017 instead of following the protocol and immediately brief the Gang of Eight during his quarterly briefings?

Mr. McCarthy. I have known Director Comey for 30 years. I have a lot of respect for him. And I think he goes about -- in my experience, he went about his business in good faith. I am sure if had a reason did -- if he did something, he probably thought he had a good reason for it. I don't agree with whatever the reason was, but I can only assess what he did. I can't get into his head.

Ms. Stefanik. I want to highlight that I introduced legislation requiring the briefings to the Gang of Eight to congressional leadership when there is an opening of a

counterintelligence investigation of a Federal campaign. We deserve to know this. It is clear that, in this case, in 2016, the process and procedures were circumvented. This should have been briefed to the Gang of Eight. And I think that is one of critical questions that we need to continue asking in our oversight capacity.

So, with that, I yield back.

The Chairman. Before I go to Mr. Krishnamoorthi, I do want to mention -- and this is through no fault of Ms. Stefanik -- while I can't comment on the Gang of Eight briefings the contents of the Gang of Eight briefings, the timeline you have set out is not correct. But I can tell you that, once James Comey was fired, we no longer continued to get Gang of Eight briefings on this constellation of counterintelligence investigations, and we have not had one since, which is a real problem.

Mr. McCarthy. Yes.

The Chairman. And to this date, we have requested from the FBI and from the Director a briefing on the status of the counterintelligence investigations. We do not know to this date whether they are ongoing. We do not know whether any had of them have been closed. We do not know what those findings are, but we are determined to find out.

Ms. Stefanik. Would the chairman yield?

The Chairman. Yes.

Ms. Stefanik. Regarding the timeline, it was clear in the open hearing in front of this committee that Director Comey testified that he chose not to brief the Gang of Eight on the opening of the counterintelligence investigations. This has been widely reported. This was an open hearing, and we have worked across the aisle on language to be included in the Intel Authorization Act to ensure that any counterintelligence investigation into a Presidential campaign is briefed. So I hope you would agree, based

upon the testimony of Director Comey, that he circumvented the process. And in our oversight capacity, I agree with you; we need to have an update to make sure that they are following those procedures. But I think we need to strengthen not just the typical way of doing things but put it in law so that they are required to brief us.

The Chairman. Ms. Stefanik, I would only say that that was not his testimony that the first time that he was briefing the counterintelligence investigation to us was contemporaneous with his disclosing it to the public.

Ms. Stefanik. I did not say that in my statement. Will the gentleman yield? I said days before, so in March of 2017.

The Chairman. And the representative is not accurate. But I cannot go into the timeline, but I can say that that is not accurate.

Ms. Stefanik. I hope the members of the public would go back to Director Comey's testimony and follow the facts. And just look at his direct testimony to this committee, which stated that he did not follow the proper protocols and procedures are of briefing congressional leadership on the opening of the counterintelligence investigation.

And I yield back.

The Chairman. Mr. Krishnamoorthi.

Mr. Krishnamoorthi. Thank you for your service. Thank you for being here today.

And thank you, Chairman.

I want to focus on security clearances. This is an issue that comes before the oversight committee, and I am shuttling back and forth this morning between these two committees. So I would like to ask you about this particular topic. In order for any person working for the President to obtain access to the Nation's most sensitive secrets,

that person must undergo an FBI background investigation and obtain a security clearance. And one of the things that the FBI investigates is the candidate's contacts with foreign nationals and whether those relationships pose any risk that the candidate may be compromised by a foreign power.

It has been widely reported that Jared Kushner's security clearance was initially denied last year because of serious concerns about foreign influence, private business interests, and personal conduct. There has also been reporting that Jared Kushner did not report all of his foreign contacts on the forms -- these are the SF-86 forms -- he completed related to his security clearance application education.

What counterintelligence risks arise when an applicant is not fully forthcoming or honest in his or her security clearance application? Mr. Anderson?

Mr. Anderson. Thank you, sir.

Well, I think it is extremely important to have all the documented information and a thorough investigation before issuing any security clearance, especially when you get above the secret level into top secret SCI information, which that is almost every major meeting in the national security realm in the White House. So I think that is very important.

I also think, coupled with that, the mandatory financial disclosures and other information that is required every 5 years, and, in some cases, in the FBI's organization, there is a polygraph -- I have had six of them in my career -- to just make sure that the individual that is trusted with the ability to see that information is safe for our country.

Mr. Krishnamoorthi. Okay. But what if they don't -- let me ask Ms. Douglas. What if they are not forthcoming or honest? And how can a foreign power take advantage of that particular situation?

Ms. Douglas. Well, I don't know all the specifics around Mr. Kushner's clearance

issues, but I think there is potential if you are trying to hide or be deceptive about your contacts, that that could be something a foreign intelligence agency could take advantage of, right? So those forms are incredibly detailed. It is a global world. So people have, you know, many, many foreign contacts these days, especially somebody like Mr. Kushner, who has global businesses, right? So --

Mr. Krishnamoorthi. Can you give us a specific example? What would a Russian agent try to do if he or she knew that Mr. Kushner did not report a certain foreign contact?

Ms. Douglas. On any kind of information that you are not being truly honest with, if you can be compromised based on your dishonesty about something, that is something a foreign intelligence agent could take advantage of it.

Mr. Krishnamoorthi. And then what is the impact of that if the individual you are trying to manipulate has access to top secret materials?

Ms. Douglas. Right. I mean, you could potentially say that then, if that person is compromisable, are they in a position where, since they have access to very sensitive information, are they willing to provide information to you in order not to be disclosed as being dishonest with an SF-86 or something.

Mr. Krishnamoorthi. And have you seen this in your career where such a situation ever developed where a Russian entity or even any other foreign entity tried to take advantage of someone in that type of situation.

Ms. Douglas. You know, I have seen instances where people have not disclosed sensitive foreign national contacts, but I have not seen an instance where the foreign actor has taken advantage of that fact because they don't want it disclosed either so they are not going to jeopardize that. They are usually already in a relationship.

Mr. Anderson. I am not seeing exactly your description of it, but I have seen

individuals in certain former espionage cases -- that I have actually briefed to this committee years ago -- that they were looking at aspects on ways to get towards them around their clearance issues. I have not seen them actually follow through with different aspects, as Stephanie said.

Mr. Krishnamoorthi. And what type of reform would you make in that type of situation to prevent that type of situation from arising?

Ms. Douglas. Well, I mean, it is kind of hard to force someone to tell you something if you don't even know that it exists, right? So it is kind of hard to hold somebody accountable to something you don't even know about. I just think that there has to be very significant diligence on it. It has to be explained very forthrightly upfront so that people understand that they could be jeopardy. And I think that that is clearly articulated, actually, that you could be in jeopardy of even getting a clearance if for some reason you are not disclosing a personal or an ongoing and continuing relationship. That should absolutely be a consequence.

Mr. Krishnamoorthi. Thank you. Thank you, Mr. Chairman.

The Chairman. Thank you. I have many so followup questions. On the FISA application, Mr. McCarthy, what was the time of the first FISA application? When was that first sought before the court?

Mr. McCarthy. Mr. Chairman, my recollection is I think October 21st, which I think comes from a document from this committee, if I remember. October 21st of 2016.

The Chairman. And at that point, the counterintelligence investigation had been open for several months already. Is that correct?

Mr. McCarthy. The FBI's investigation formally opened, as I understand it, at the end of July square. So that investigation certainly was open for over 2 months.

The Chairman. So the FBI counterintelligence investigation was opened irrespective and having nothing to do with the FISA application.

Mr. McCarthy. Correct.

The Chairman. It had to do with George Papadopoulos receiving information about Russian possession of stolen Clinton emails.

Mr. McCarthy. In the parlance of the Justice Department and the FBI, we sometimes refer to title III investigations or FISA investigations as if they were their own separate entity, but they actually tend to be part of a larger investigation.

The Chairman. But in this case, the theory that the counterintelligence investigation of those around the President is flawed from its inception is in itself flawed because the FISA application didn't take place until months after the investigation was open, correct?

Mr. McCarthy. I don't understand your question.

The Chairman. Well, some argue that we should ignore everything Bob Mueller has to say, we should ignore everything the Russians did, because they have problems with aspects of the FISA application. The FISA application was opened months after the investigation began, correct?

Mr. McCarthy. Correct.

The Chairman. It didn't initiate the investigation, correct?

Mr. McCarthy. Also correct.

The Chairman. In fact, Carter Page was not even with the Trump campaign anymore at the time the application was filed. Isn't that correct?

Mr. McCarthy. I don't think that is relevant, but it is, as I understand, they had formally separated. I assume you know that when you get up on somebody's phones and stuff, you can go backwards as well as --

The Chairman. It is certainly relevant, is it not, Mr. McCarthy, if you are making an accusation of spying on the Trump campaign that a FISA application, in fact, of Carter Page didn't begin until Carter Page was no longer with that campaign? Isn't that accurate?

Mr. McCarthy. No. I think that if you are getting access to somebody's communications under circumstances where that access will afford you the opportunity to go backwards so that you can read their communications while they are on the campaign --

The Chairman. Do you know that to be a fact, Mr. McCarthy, or are you speculating to that then?

Mr. McCarthy. I know it to be a fact that when you get authorization, you get to go backwards.

The Chairman. Do you know whether that is the case here, or are you speculating?

Mr. McCarthy. I don't have any direct knowledge of the investigation. You are quite correct; I am speculating from the outside.

The Chairman. Do you think the Justice Department officials that signed off on the application were acting in bad faith?

Mr. McCarthy. No, I think they made a mistake.

The Chairman. Do you think Mr. Rosenstein, who signed off on one of the applications, was acting in bad faith?

Mr. McCarthy. I think he made a mistake.

The Chairman. Do you think the judges who signed off, I believe there were three or four judges who signed off on the applications, were they acting in bad faith?

Mr. McCarthy. I don't think anyone was acting in bad faith on the FISA court.

The Chairman. So all of them just made mistakes?

Mr. McCarthy. Yes, that is right. That happens.

The Chairman. And the Steele dossier, how does Mr. Mueller rely on the Steele dossier in his report?

Mr. McCarthy. You know, it is 200 pages. Off the top of my head I can't think of anything that he relied on it for in terms of any kind of important conclusion.

The Chairman. This so the answer is he does not.

Mr. McCarthy. I don't think so. I just don't want to give you a sloppy answer off the top of my head.

The Chairman. Mr. McCarthy, when did you learn that there was a counterintelligence investigation of the Trump campaign?

Mr. McCarthy. You know, I don't know. I would have to -- I mean, again, I learned as a member of the public. I don't have any inside personal information. So I would have to go back over things I had written and read over time to try to pin it down.

The Chairman. And when it did the public learn of the existence of the counterintelligence investigation with Trump's campaign?

Mr. McCarthy. I know Director Comey testified here, or before this committee, on March 20th of 2017. It seemed to me at that point in time that what he was directing his remarks to at least in part was evident from the Intelligence Community assessment that came out in January. So it was -- it seemed clear to me reading the public version of the Intelligence Community assessment that the Intelligence Community had not stopped investigating Russia's interference into the election.

The Chairman. You are correct, Mr. McCarthy, the first public disclosure of the counterintelligence investigation of the Trump campaign took place in Mr. Comey's open testimony in this committee of March of 2017.

Mr. McCarthy. Right.

The Chairman. That would have been months after the Presidential election, correct?

Mr. McCarthy. Yes.

The Chairman. If the personal animus reflected in the private emails between Mr. Strzok and Ms. Page reflected official actions to scuttle the Trump campaign, wouldn't the Trump investigation have been disclosed before the election, not after?

Mr. McCarthy. I don't know that the bias that you detect from the emails would have had anything to do with the investigation. The emails are --

The Chairman. If FBI agents were determined to scuttle, act unprofessionally and scuttle the Trump campaign, would they not have disclosed the fact that they were investigating the campaign of a Presidential candidate for links with a foreign adversary?

Mr. McCarthy. Mr. Chairman, I am not trying to be difficult. I never have said that they were trying to scuttle the Trump campaign. I don't know that there is evidence that they were trying to scuttle the Trump campaign. So I don't want to be in a position of agreeing that that is my position because it is not.

The Chairman. The FBI was very open, however, of the investigation of one of the candidates, Secretary Clinton, correct?

Mr. McCarthy. Yeah, well, that was a public -- it was a criminal investigation that couldn't help but be public because of the way it was referred to the FBI. And the other investigation, the counterintelligence investigation, which is classified and they are not allowed to talk about, they are really two different things.

The Chairman. Well, they are not really supposed to talk about a pending criminal investigation either, are they?

Mr. McCarthy. No. You are right. If there are no charges, the government should not speak until the government speaks in court. You are not supposed to talk about investigations until you formally charge someone, and then they have the full array of constitutional protections that they get to defend themselves.

The Chairman. So, in terms of the public actions taken by the Bureau during the Presidential campaign, it had the effect of disclosing and discussing the investigation involving Hillary Clinton but not Donald Trump, correct?

Mr. McCarthy. No. I wouldn't go that far because in -- beginning in, I think it is September, you start to get these public reports that Steele and Fusion GPS are putting out. And the Isikoff article I am thinking of in particular, which I think is like September 23rd, refers not only to information from law enforcement people and counterintelligence people, but I think it quotes a letter -- I don't know if it quotes it as a letter, but it quotes remarks from then Senator Reid, with respect to the investigation and pushing the FBI to get on with an investigation. So clearly --

The Chairman. There is no public acknowledgement by the FBI of any investigation of Donald Trump or his campaign prior to the election. Isn't that true?

Mr. McCarthy. You mean formal as opposed to leaked information, a formal public announcement that there was an investigation? No, no.

The Chairman. Mr. McCarthy, also you said that Putin doesn't have a preference for candidates except for those who he expects are going to lose. What other examples do you have for that declaration apart from the last campaign?

Mr. McCarthy. I think -- what I try to direct my remarks to Mr. Chairman was Russia's current activities in the West. I wasn't trying to be specific to our elections. I think that Putin does have a pattern, particularly in Western Europe, of giving support to upstart populist parties, which are unlikely to win but could make life very difficult for

the --

The Chairman. Well, it is not just that they are likely to lose --

Mr. McCarthy. -- with the elected faction.

The Chairman. If Mr. Orban had a challenge, do you think Putin would support Mr. Orban's opponent?

Mr. McCarthy. I don't know what Putin would do.

The Chairman. Really, Mr. McCarthy?

Mr. McCarthy. Really.

The Chairman. You don't think Mr. Putin would have a preference for a candidate who talked disparagingly of NATO or wanted to see the United States leave NATO?

Mr. McCarthy. Yeah, no. Look, again, I am not trying to be difficult here. I think Putin would be very happy to have the support of a candidate who would do whatever Russia wanted. And if he was going to be fortunate enough to get that kind of a candidate into power, sure I think he would be delighted by that.

The Chairman. And he would be delighted by a candidate for U.S. President who was open to removing sanctions over Russia's invasion of its neighbor, correct?

Mr. McCarthy. I would think so.

The Chairman. And he would be interested in a candidate who was interested in doing business and making money in Russia during the campaign, would he not?

Mr. McCarthy. Well, it would depend on whether that was the one issue that would come up. I would imagine in the totality of it, if it turned out that the candidate was going to be very difficult for him in other areas, if, for example, our military spending were to be ratcheted up so that we were more of a threat to Russian interests, he would have to weigh that like anyone else has to weigh the good and the bad.

The Chairman. But a candidate who has all of these attributes -- wants to undermine NATO, wants to undermine sanctions, wants to make money in Moscow -- that would be a candidate the Kremlin would be very eager to support, would it not?

Mr. McCarthy. Yeah. I think -- you would think if that was the only part of the ledger that we were talking about and, on the other side, there wasn't another side of the ledger where there was going to be an increase in military spending and an increase in support of actors who were opposed to Russia's interests, he with would have to weigh everything. I don't think -- Putin, as I understand it, is a very sophisticated actor. I don't think he acts on one particular aspect or one particular item on a menu. I think he looks at the totality of the circumstance.

The Chairman. Ms. Douglas, do you have any quarrel with the special counsel's conclusion that the -- through the social media campaign and the hacking and dumping of stolen Clinton and DNC emails, that Putin and the Kremlin were attempting to help the Trump campaign and hurt the Clinton campaign?

Ms. Douglas. I think that was very clear from the very beginning. And I agree with Mr. McCarthy that this started back in 2014, and the reason it -- probably even before then -- is because they were so intent on not having Hillary Clinton as the President. And I think they did it -- it ended up being very much to the benefit of the Trump campaign.

The Chairman. And, Mr. Anderson, do you concur that both the assessment of the Intelligence Community as well as Mr. Mueller's report that the Russians had a clear preference for Mr. Trump was borne out by the evidence?

Mr. Anderson. Yes.

The Chairman. Let me ask you about what I started out with, the issue of

Moscow Trump Tower. Here candidate Trump was attempting to consummate a deal the special counsel estimates would have made hundreds of millions of dollars for his family business while claiming no business dealings with the Russians. When that transaction was revealed, when the fact that the business deal went on through the middle of the Presidential campaign was disclosed, and emails were produced showing Michael Cohen reaching out to Dmitry Peskov, someone close to President Putin, Mr. Peskov would later issue a statement denying that there was any Russian followup on that outreach. That turned out to be false. The Russians did follow up on the Trump business outreach. What does it mean that the Kremlin, how do you interpret the Kremlin issuing a false statement in support of the President's own false statements about the deal?

Ms. Douglas. Well, I think probably the Kremlin issued issues a lot of false statements. I think --

The Chairman. But why would the Kremlin have an interest in covering up for the President of the United States in concealing efforts by the President and his business to seek Kremlin help during the campaign to make that deal happen? Why would the Kremlin be interested in covering that up?

Ms. Douglas. I think that they very much want a good relationship with Donald Trump. And to them that means supporting him and the deception that was undertaken on the part of Michael Cohen when he lied about the length of the time that those negotiations were underway.

The Chairman. Mr. Anderson, the report outlines a lengthy conversation Mr. Cohen had with someone in the Kremlin to try to make the deal happen. Would it be your expectation that the Kremlin would be recording that conversation?

Mr. Anderson. Oh, absolutely.

The Chairman. And so, during the campaign and after Mr. Trump became President, if the Kremlin had a tape-recorded conversation with the President's lawyer at which the President's lawyer is exploring making this deal during the campaign at a time when the President is denying doing any business dealings with the Russians, were the Russians in a position to publish that tape if they had it to embarrass the President of the United States?

Mr. Anderson. I think if it behooved Vladimir Putin and Russia, they would do almost anything. So the answer to your question would be yes, if they had it and they could use it to exploit some type of weakness.

The Chairman. Is that what the Russians mean when they talk about kompromat, having compromising information?

Mr. Anderson. Yeah, any time you are talking about compromising information, it goes back to what we said before, Mr. Chairman, it could be financial; it could be a conversation; it could be a compromising position. They will use whatever they can.

The Chairman. Would it be compromising if a foreign power had recordings of the President's associates engaged in a business deal that the President was denying?

Mr. Anderson. Potentially, sir. I would have to know more about the deal, but potentially if they had conversations they could exploit.

The Chairman. And how do the Russians exploit the use of that kind of information?

Mr. Anderson. It depends. In the past, I have seen where Russia has mailed audiotapes or agents of Russia have mailed audiotapes or pictures or financial documents to individuals that we have investigated in other either counterintelligence or espionage investigations, letting them know that they have this information and potentially could use them against them. Sometimes they don't; they just do it anyway.

The Chairman. And in a circumstance like this, could the Russians make the President or his people aware that they had such recordings and were prepared to use them if necessary?

Mr. Anderson. I don't know if they would do that right off the bat. Usually, that is toward the end of a spectrum of trying to obtain what they want. So the answer is potentially, but I don't think they would do it necessarily right off the bat.

The Chairman. How do the Russians use financial leverage to compromise people?

Mr. Anderson. A variety of ways. A lot of times they will either give individuals payment in a variety -- it doesn't necessarily mean cash. It could be other valuables. And in some instances, they will try to get them to live beyond their means. So, if they cut off those payments, that individual then is in jeopardy of losing whatever is dear to them.

The Chairman. Does the existence of the financial relationship in itself become a form of compromise?

Mr. Anderson. I would have to know a lot more about that because, as was brought up earlier by Stephanie, I think in the global business marketplace, you have to look at the totality. So I would have to know more.

The Chairman. There are any number of facts in the Mueller report about efforts to establish back channels for the Russians, discussions about using Russian diplomatic facilities for secret back channels. Would those pose serious issues in any kind of security clearance process?

Mr. Anderson. They absolutely could, depending on what was being discussed and what the individuals were doing with the information that they were pushing. And then, obviously, depending on the level of the information, when I mean "level,"

classification level of information that they are talking to individuals from a foreign country.

The Chairman. Finally, with respect to Mr. Flynn, if a National Security Advisor or advisor designate is having a secret conversation with a foreign adversary, endeavoring to undermine existing U.S. policy, and then is dishonest about that, what are the counterintelligence implications of that?

Ms. Douglas. Well, obviously, the key here is the deception. The deception makes the person vulnerable. It is not even the act. The fact that somebody has a multimillion dollar business in Russia doesn't compromise them. The fact that they are trying to hide it or be deceptive about the extent of their relationship could possibly make them vulnerable. And just like the case with Mike Flynn, it is not the fact that he had that conversation, whether it was appropriate or not appropriate. It is the fact that he chose to be deceptive about it that could make him vulnerable.

The Chairman. If the National Security Advisor is talking with the Russian Ambassador or anyone else, for that matter, let's say the Russian Ambassador, would you have to presume that the Russians might be recording the conversation on the Russian end?

Ms. Douglas. Of course.

The Chairman. And so, if U.S. officials, like the Vice President, are representing certain things that are not true and the Russians know they are not true and the Russians possess a recording of that, are the Russians in a position to compromise the administration?

Ms. Douglas. Yes, they are, if somebody is not telling the truth about the conversation. If you come out and are honest about the conversation, it is hard to blackmail someone if you are being honest about what you have done. But if you are

not being honest about what you have done, that is what makes you vulnerable.

The Chairman. Mr. Nunes, any final questions?

Mr. Nunes. Thank you, Mr. Chairman.

One of the things that, if we go back to the beginning, there has been a lot of talk about when did this investigation begin. Now that is an open-ended question because we can say that this investigation could have begun in 2015 because we know some of the same players were having run-ins with individuals that have questionable ties to either Western intelligence or possibly political campaign operatives, but officially they have said that it started at the end of July. When the public became aware of it, I guess it all depends on whether or not you believe The Washington Post, The New York Times, or Yahoo! News, because you had Christopher Steele, who we now know was an FBI paid informant out not only briefing multiple news agencies, but if you are to believe those same news agencies, they also had sources within the FBI and the Department of Justice. Now you all worked there. Is this normal, to have an FBI informant, Christopher Steele, who has been hired to investigate the Trump campaign by the FBI, hired by the Clinton campaign to investigate the Clinton campaign -- I mean, to investigate the Trump campaign, then talking to media, talking to people within the State Department? Is this normal activity by the FBI or Department of Justice?

Mr. McCarthy. No, I think Steele was ultimately -- the reason that was given for his termination as an informant was contacts with the press because that was a violation of his understanding what the FBI --

Mr. Nunes. We shouldn't just leave it at Steele because, in those same articles, if these reporters are to be believed, there are multiple sources within the Department of Justice, FBI, or senior intelligence officials.

Mr. McCarthy. I thought you were just asking me about informants. Officials

should not be talking about investigations to the media.

Mr. Nunes. Right. So we have -- if the stories are to be believed -- we have an FBI informant who is both working for the Clinton campaign and the FBI investigating Trump, leaking to multiple news outlets. We have multiple people within the FBI and DOJ leaking to news outlets. At some point here, I am just shocked that there is not more former DOJ and FBI officials who aren't out there saying this is wrong. I don't know how any Republican, unless something like Ms. Stefanik's bill passes -- this Counterintelligence Department over at the FBI, I think, is in big trouble. I mean, the fact that you guys are sitting here, former FBI officials and not saying that -- basically making the case that it is okay to use these very special powers to target a political campaign, it really troubles me. I will just leave it at that.

I just want to finish up on the Trump Tower Moscow. Because there was a little talk about Trump Tower Moscow and how that concerns some of you. Would it concern you that Fusion GPS, who is the Democrat campaign operative arm, security operations arm, they were also working for Russians. Were you familiar with that? Mr. McCarthy, are you familiar that Fusion GPS was working for Russians?

Mr. McCarthy. Yes. They were working with the Katsyvs in connection with the Prevezon litigation, which is a forfeiture action that was brought by the Department of Justice in connection with the killing of Magnitsky and the fraud that flowed out of that.

Mr. Nunes. Were any of you familiar that Fusion GPS was working for these entities?

Ms. Douglas. No, sir. I was focused on the Mueller report for this discussion.

Mr. Nunes. So, now that you know that Fusion GPS was working for Russians, the other thing that needs to be put on the record here is that not only was Fusion GPS hired to oppose the Magnitsky act, to dirty up Bill Browder, who I think many people

know is a friend of Magnitsky, and smear him really. But when Glenn Simpson admitted, the time that he with testify before this committee, that he met with the group that met at the Trump Tower -- I am back to the Trump Tower meeting -- he met them the day before, the day of, and the day after. So you have Glenn Simpson, who is working not only for the Clinton campaign to dirty up Trump, he is also working for the Russians to dirty up anybody who doesn't oppose to the Magnitsky act. He is meeting with all those individuals. Now, you as former counterintelligence people, would that raise any flags to you at all, that a Clinton campaign operative arm who is working for these Russians happen to be the same Russians that are meeting with -- at Trump Tower, offering supposed dirt?

Mr. Anderson. I think it is not in a vacuum. So it is not just about President Trump's campaign or Secretary Clinton's campaign. It is about the contacts to Americans with information. So, regardless of whose campaign it was, if there were significant concerns or things we thought could raise to that, I think it absolutely would be worth looking at.

Mr. Nunes. And one of the things I stated in my opening, Mueller doesn't talk about Fusion GPS at all, even though of all their questionable contacts with the Russians, including the fact -- and I will just close with this for the record -- after we discovered all of this, we brought Glenn Simpson back and numerous other Fusion GPS employees, and they pled the Fifth before this committee and refused to answer the questions. So, if that doesn't raise questions, I don't know what does.

With that, I want to thank the witnesses for appearing today, and I yield back.

The Chairman. Thank you.

I just remind my colleagues that Fusion GPS was originally hired in a Presidential campaign by the conservative Washington Free Beacon.

This concludes our hearing. I want to thank the witnesses again for their participation. And the committee is adjourned.

[Whereupon, at 11:53 a.m., the committee was adjourned.]