

Transcript: William Evanina talks with Michael Morell on "Intelligence Matters" podcast, Sep. 4, 2018

MICHAEL MORELL:

Bill, welcome to show. It is great to have you. I think our listeners are in for a very important discussion. Welcome.

WILLIAM EVANINA:

Thanks, Mike. Pleasure to be here.

MICHAEL MORELL:

Bill, I have not been to your headquarters in Maryland, but I'm told that there is a museum of sorts there called the Wall of Shame. What is that?

WILLIAM EVANINA:

Great question. And we have what I think is a really unique memento. It's about a 60-foot wall depicting the history of espionage and sabotage insider threats, and it's with little bios and graphical depictions of each individual who betrayed this country all the way back to Benedict Arnold.

And it really gives the employees of NCSC and (UNINTEL) for that matter a reminder every day why we do what we do. And we believe-- we're expanding it, we have some artifacts. So, you have some typewriters, some stuff from Ames and Hanssen now to beef it up. But it's a great reminder for the folks who work on intelligence why we do it.

MICHAEL MORELL:

And what does it take to get on that wall?

WILLIAM EVANINA:

Bad things, right? It takes you betraying your country, whether that be--

MICHAEL MORELL:

Do you have to be convicted or--

WILLIAM EVANINA:

Yes. So, it would be right through the legal process. So, for us, legally, we have to have the ability. So, for instance, there are some people out there-- who maybe have-- leaked some classified documents who weren't (UNINTEL) through the legal process who aren't on the wall yet. And we can talk about--

MICHAEL MORELL:

--so, Snowden's not on the wall yet?

WILLIAM EVANINA:

Mr. Snowden is not on the wall. He--

MICHAEL MORELL:

Oh, I would tell you he should --be on your wall. (LAUGH)

WILLIAM EVANINA:

Right. And I would concur. You know, he's metaphorically on our wall.

MICHAEL MORELL:

Okay, excellent, excellent. Bill, you are a career F.B.I. official-- and I don't wanna embarrass you-- but you're one of the bureau's best-- so much so that you were under active consideration to replace Jim Comey as director when he left. So, congratulations on that.

WILLIAM EVANINA:

Thank you, Mike.

MICHAEL MORELL:

And one of the things that I've seen when you've talked about this is that you don't talk about the disappointment in not getting the job, you talk about the honor of being considered. And I wanna tell you, for somebody who was in exactly the same position at C.I.A., that really resonates with me because people would say to me all the time, "Gosh, you must be so disappointed." And it was just the opposite.

WILLIAM EVANINA:

I would concur, Mike. And I would sometimes-- I joke with my family or friends that it's the best of both worlds, right? To be considered and have that humbleness to it and the flattery of the hard work you've done, but also have someone else selected to do the hard work, right?

MICHAEL MORELL:

Right.

WILLIAM EVANINA:

It's a win-win, I believe--

MICHAEL MORELL:

Right, right.

WILLIAM EVANINA:

--and Director Wray's doing a great job, and I wish him the best of luck. They chose the right guy for the job.

MICHAEL MORELL:

Bill, one of the cases you worked on was the Russian illegals case. Can you tell our listeners about that case?

WILLIAM EVANINA:

Sure. That was a unique experience for me-- when it came down to Washington D.C. out of the Newark Field Office to work on this case where we had ten-plus individuals in the U.S. who were U.S. citizens who were really spies for the Russian government, right? They worked for the SVR and the illegals network.

So, they were here for many, many years under deep cover acting as regular citizens working our community doing spotting assessing of U.S. government employees and others on behalf of the Russian federation. The case started in 1999, and the F.B.I. working with partners in C.I.A. were able to monitor these individuals for ten years. And then we added a (UNINTEL) one-year planning operation for the take down and arrested those individuals, which resulted in the spy swap with Vladimir Putin.

MICHAEL MORELL:

So, how much operational activity were they involved in?

WILLIAM EVANINA:

Quite a bit. And I think if you went through each set of couples individually, they'd be in different types. I can give a Boston couple and the folks that came here in to Alexandria in Arlington-- they were living on the same floor with very important folks who had top secret clearances.

They were spotting and assessing those individuals, going cocktail parties, dinner. We had folks at the U.N. that were being hobnobbing with our secretary of U.N.'s support staff. So, there are a lot of categories we look at as being in the danger zone, but their ability to get up close and personal to critical folks, not even in the U.S. government, but in a contract community.

MICHAEL MORELL:

So, there's an important link here, right, between the recent assassination attempt-- in the U.K.-- Russian assassination attempt in the U.K. using chemical weapons-- against a former Russian intelligence officer and the illegals case, right?

WILLIAM EVANINA:

Direct correlation, correct.

MICHAEL MORELL:

And could you tell our folks about that?

WILLIAM EVANINA:

So, he was one of the four defector sources that we re-patriated back here to the U.S. He was-- he stayed-- in the United Kingdom, and the three are here safely in the U.S. So, we obviously, the intelligence community, had the same concern for those individuals here in the U.S. as they did in the U.K., and we do everything we can as a community and to include the C.I.A. to the best possible protection vectors for those individuals who are back here on safe soil.

MICHAEL MORELL:

So, the Russians have now done an assassination in the U.K., and now they've attempted another. Do you think they would ever try that here? This would be a big step for them, right?

WILLIAM EVANINA:

I would hope not, and the argument would be why would it be a big step? So, to me, the value proposition for them doing it in the U.K. is not that far from here in the U.S., right? And I think the more we have-- and I look at this-- Mike, as a juxtaposition of the environment we're in.

So, I would say five years ago that thought would never cross my mind. Two years ago, now, it's getting closer. But if you-- fast forward three years from now with the disinformation campaign that's going on, all the capabilities that the Russians are using on us, three years from now, maybe it's not that far-fetched, and maybe Vladimir Putin can get away with it. That's my concern; it's slippery slope we're on.

MICHAEL MORELL:

Okay though, let's step back and look at the various threats posed by foreign intelligence services and I'm gonna ask you to parse the threat-- in a couple different ways in a minute. But let me start by asking you to characterize the degree of the overall threat we face today versus other times in our history.

WILLIAM EVANINA:

So Mike, this is a good question, and we just presented our National Threat Prioritization Assessment to the president for signature, which we delivered to Congress, which lays out those particular threats for our country as we see them now. And there's some usual characters in there, but there's also some new venues, which we'll talk about.

But most importantly-- counterintelligence countering the (UNINTEL) has really grown dramatically in the five to six years where we have acknowledged what you and I knew for a long time, but the whole country approach with respect to cyber being as a vector for these organizations as well as critical infrastructure-- supply chain, all these venues five, ten years ago weren't really commonplace in the space; they are now, and which makes it more important to look at it holistically. OPM really opened our eyes to the ability of our--

MICHAEL MORELL:

This is the hack-- by the Chinese of the applications, right, for--

WILLIAM EVANINA:

21 million files on U.S. citizens. The ability of our advisories to look outside (UNINTEL) intelligence community for data that they believe valuable. So, really opened our eyes in the government to say, "Wow, there's valuable data other places." So, with respect to the prioritization and right now China is number one; it's not close. They have strategic plan to overtake us economically. I believe we're in an economic war with them-- they have declared that war.

MICHAEL MORELL:

So, this is the first question I wanted to ask you. So, who are the main players here?

WILLIAM EVANINA:

China is number one. So, existentially, long term, they're the largest threat to our national security, bar none; so, it's not even close. They-- however, and we'll juxtapose them with Russia in a second, their-- their processes are more economic-based to be-- the number one economic power in the world-- to not have a global equal like us, but to overtake us.

And they look at that from semiconductors, supercomputing, quantum technology that the persistent theft of our intellectual property and trade secrets, which is critical, the human-enabled cyber capabilities they have from insider threats-- we just-- the F.B.I. just made an arrest two weeks ago for General Electric.

So, that continues, and it's a persistent 1,000 grains of sand. They have a lot of resources they could throw at us, and they hit our academia, our industry, our research development, and obviously our government. The F.B.I. has arrested double-digit individuals in the last year or so all for spying on behalf of China.

MICHAEL MORELL:

And more aggressive today than they've ever been before.

WILLIAM EVANINA:

More aggressive than ever, right. And I think-- there's a combination of factors that go with that, but yes. But I would say not only more aggressive, Mike, but more diversified in how they attack us with their non-traditional actors. And for your listeners, that's those individuals who here who aren't intelligence officers, who are engineers and businessmen and academic professors and such who steal our (UNINTEL) data.

Now, the Chinese, when they attack our (UNINTEL) or look at our critical infrastructure or they do things, they're doing it because of economic purposes. They want to be better than us economically, and they want to be the global power. Versus Russia, all their activity is because they don't like capitalism, they don't like democracy, and they wanna defeat it.

The Chinese need democracy for them to succeed. They need the U.S. to have a solid capitalist organized process here so they can compete and they could facilitate their financial aspects. Russians don't need any of that, they're not competitors with us or anyone else economically; they're more (UNINTEL) mindset. So, I would say they're more tactical (UNINTEL) more military-based-- but their efforts and interests are to strictly demoralize democracy and defeat the capitalist mindset.

MICHAEL MORELL:

So, the Chinese-- two questions: who brings more resources to it; and then who brings more sophistication to it? And is any of that starting to change?

WILLIAM EVANINA:

Both China answers. They bring ungodly resources that we can't handle right now because they have-- for instance, just in the student population, there's 350,000 students that come to the U.S. every year to study. Majority of those are legitimate, but a lot of them aren't, right?

They have significant number of Ph.D.-plus students that are here working our most sensitive technologies. So, they have the numbers, the resources, they have the will and the intent, the capabilities are out of this world with respect to cyber, and they're-- and they're intent to have a holistic mindset, whole-government mindset how to take from us what they need. The Russians, very more tactical, very more-- interested (?), but noisier, louder, and they get caught more frequently.

MICHAEL MORELL:

So, what about the Iranians?

WILLIAM EVANINA:

So, the Iranians have been and continue to be a threat with respect to (UNINTEL) technology. They will always look to find avenues to obtain legally here in the U.S. resources, whether it be Nano technology or any kind of technology that could be used as a (UNINTEL) technology to weaponize their systems in the military in Iran. From a cyber perspective, they're very capable, they have a lot of intent, but we don't see them as often in anything other than critical infrastructure here in the U.S.

MICHAEL MORELL:

And have you seen any change in their intelligence behavior since we walked away from the nuclear deal?

WILLIAM EVANINA:

Well, not since that-- it's been-- not that-- long ago, but no. And I don't see expect we see that. I-- although the-- we haven't had an official assessment yet, but we do believe-- that that's a tool they can use to maybe push the envelope with this decision to get out of that deal, but we'll wait and see how that happens. The Iranians are very, very sophisticated, and the utilization of Lebanese Hezbollah helps them along the globe. So, they have just as many tools and techniques as the Chinese and Russians, but just with different intent.

MICHAEL MORELL:

Yeah. What about the North Koreans?

WILLIAM EVANINA:

North Koreans are very sophisticated with their cyber capabilities, that's it. From the human perspective, they're not on par with anybody else. But as we saw with the Sony hack, they're capable of doing significant destruction if they wanted to go there. They both the intent and capability to do what they wanna do, but on a much smaller scale.

MICHAEL MORELL:

So, would you put anybody else on your worry list besides those four?

WILLIAM EVANINA:

Interestingly, I would put two areas on that list. Number one would be Cuba, and I would say the island of Cuba because the capabilities as you know, Mike, with the Cuban Intelligence Service for decades are silent but deadly. But when you add the amount of Russian intelligence services now and Chinese intelligence services on the island of Cuba, it becomes a very problematic geographic area for us. And as you know, to get our analytic capabilities and our offensive capabilities together, look at three different countries on a very small island is problematic.

MICHAEL MORELL:

Do we have any idea yet what was making American diplomats ill in Havana and then in China now?

WILLIAM EVANINA:

So, we're still working on it. And there's been some other locations we've had similar situations. The F.B.I., C.I.A., N.S.A, State Department have had a joint investigation on that, which is not yet concluded, and we're still looking towards that. And I think the folks in our business, Mike, are pretty confident what we're gonna find at the end of that if we can find the evidence to that. But I think if it was an intelligence-based operation, it'll be hard to attribute.

MICHAEL MORELL:

Right, right. So--

WILLIAM EVANINA:

But I will say, Mike, if-- let's think about your
--who benefits for the U.S. not being in Cuba?

MICHAEL MORELL:

Right.

WILLIAM EVANINA:

Plenty of countries.

MICHAEL MORELL:

Right, right. And the Cubans would let them operate.

WILLIAM EVANINA:

That's correct.

MICHAEL MORELL:

Right. So, anybody else besides Cuba to the list?

WILLIAM EVANINA:

(UNINTEL) Africa.

MICHAEL MORELL:

Africa.

WILLIAM EVANINA:

And then I would say Mexico is right below that, the country of Mexico. And again--

MICHAEL MORELL:

(UNINTEL) people operating there?

WILLIAM EVANINA:

Op-- yes, the Chinese and Russians operating in the country of Mexico and Cuba as well as in Africa.

MICHAEL MORELL:

Okay. So, on the question then, and we've touched a little bit on this, but we can go deeper, is in conducting all these intelligence activities against us-- talk a little bit about objectives. So, you talked about China wanting to make themselves stronger largely through economic theft, and Russian trying to weaken us in a variety of different ways. Are there other objectives besides those that we need to think about?

WILLIAM EVANINA:

Well, yes. And I think if you look at China holistically, you know, and you parse the mosaic into not only the economic mindset, but what they're doing strategically from a military perspective in the South China Sea, I look at that as all part of the whole strategic plan of the country of China.

And when we look at it from the U.S. perspective and in no-- you'll appreciate this from your previous position, Mike, we look at it in the U.S. as we're really bifurcated between the government, private sector, and the criminal element; that's not the case in China or Russia.

00:14:18;13 So, we are really competing against a unified entity in Russia and China that poses a threat to us that we're not familiar with. But with the military-- usefulness in not only on land and sea, but in space right now, the competition with China is extremely vigorous right now. So, you look at the counterintelligence apparatus that supports those when we are fighting for area in supremacy in space as well as on land and sea and with the South China Sea, the intelligence game with China is very sophisticated right now. The Russian side of it-- again, I think Vladimir Putin has not been shy about his dislike for our country and what the democracy brings to the world and what NATO also does for us--

MICHAEL MORELL:

00:15:02;25 And threat to him at home--

WILLIAM EVANINA:

00:15:03;15 The threat to him--at home, right, and his ability to mind meld his own people are all about getting to the root-- of the destruction of our democratic values and ways and means as we saw in the election as well as our capitalist society.

MICHAEL MORELL:

So, what do you think, Bill, what do you think is the most important lesson from what the Russians did in 2016?

WILLIAM EVANINA:

That they're willing to do it again. And I think-- I think there was an eye awake-- eye-awakening process for our country. You know, if you take the politics out of it, what they did was fascinating, right? And I think analytically, Mike, when we look back it, did we think they would be as sophisticated as they were with the Facebook, the ability, the mindset to pose battles on both sides of an issue in a small town? I don't think we could've predicted that.

MICHAEL MORELL:

Right.

WILLIAM EVANINA:

So, the challenge now is into midterm elections and to 2020 doing a, you know, really a predictive analysis what are they not only capable of, but what's in the realm of possibility for them and taking the Twitter and Facebook mentality and making it-- two years from now; it's

really problematic analytically to think of what can be when they had the intent and the experience of success.

And what I tell people all the time is if-- at the end of the day, people can argue all day long whether or not it had an impact on the election. My answer is it's-- they've already won because we have this conversation every day, it's on cable news every night and in the paper every day: Putin as accomplished his mission. And I think that's the message I like to get out, but it's really difficult, as you know, to put why that's a winning factor for him.

MICHAEL MORELL:

Right. You know, it's the only time that I can remember when we've been attacked as a nation and it's torn us apart, right, which is exactly what he wanted, exactly--

WILLIAM EVANINA:

And he knew--

MICHAEL MORELL:

--what he wanted.

WILLIAM EVANINA:

--that would happen, yep.

MICHAEL MORELL:

Yeah. So they're playing in the midterms right now? Or not?

WILLIAM EVANINA:

We expect them to play. I think we publicly said as a united government that we have not found the evidence yet of actually-- what they have done and what they have not. We're concerned just as much with China as we are with Russia. We're looking for that proverbial-- smoking gun, but we don't know when that's gonna happen.

And as my boss Dan Coats said, it could just take one switch, right? It'd be one thing that we find whether it's a voting machine in Alabama or whether it's-- a blackout in one city. But I look at this as think bigger, you know? What at the end of the day are they gonna do? And I-- we talked a lot the cyber threat, but what happens if there are Russian nationals or intelligence officers at a polling place?

MICHAEL MORELL:

Right. So one of the things that just-- you said that resonated with me was there's a bit of a similarity here with 9/11-- which I lived through-- and I know you did, too. You know, we didn't see what the terrorists did on that day as a possibility, right; taking over aircraft, not hijacking them, but using the aircraft as weapons, right, we didn't see that. And immediately post-9/11, we kept on asking ourselves, well, what is else is possible, right? What else could they think of that we haven't thought of? So, it sounds a bit eerily similar.

WILLIAM EVANINA:

Mike, we are on the same page. And I can tell you looking back to 2001 and when I was in New Jersey-- comin' back from the World Trade Center site and we-- we had the Flight 93, which took off out of Newark and crashed in Pittsburgh, we began not only the investigation of the hijackers that lived in New Jersey, but the-- what's next.

So, we looked at hazmat trucks, right, hazmat truck drivers, we looked at Iraqi citizens who were driving hazardous material in the U.S., and we thought about all these grave things, well, if they would do this, what else can they do? We looked at mass transit, I'm not sure we're doing that right now effectively.

MICHAEL MORELL:

So, I'm not suggesting this, but one of the things we did in C.I.A. post-9/11 is we brought screenwriters in from Hollywood and said, "Help us think about all the possibilities," right? "You guys are-- you guys have that ability, help us think about the possibilities."

WILLIAM EVANINA:

Yes. And we have done that across-- I can tell you the four or five big agencies have done that-- to think about not only the possibilities, what-- what's the realm of that hypothetical look like, and then, again, juxtapose that against the intelligence we're collecting around the globe.

We've sent out some really aggressive collection emphasis messages globally the last year to really get to those case officers and analysts around the globe that maybe aren't in Moscow, but maybe they're in New Delhi or they're in South Asia. But they could ask those informants and those assets, "Hey, what are you hearing in your (UNINTEL)?" So, I think we have to have a whole of government approach to not only identifying that hypotheticals, but getting intelligence in different areas we have not got it before.

MICHAEL MORELL:

Yeah. And one of the Russian patterns, right is to undertake these kind of activities in their near or aboard, in their periphery, and then export them further. So, we should be watching very close what they're doing in places like Ukraine and Georgia and other places, right--

WILLIAM EVANINA:

Absolutely. Especially--

MICHAEL MORELL:

--because they could be coming here.

WILLIAM EVANINA:

When it comes to, Mike, the critical infrastructure, we look now hard, and we work with the private sector and show them what happened in Ukraine and what happened in Georgia, and then how their scanning capabilities and their successes here in U.S. already can lead to that, right? And I think-- to your point, they tried it on their own citizens, they've moved to near or aboard, and they exported overseas.

MICHAEL MORELL:

So, you said something interesting earlier, Bill, when we were talking about threat to elections, U.S. elections, you mentioned China as something we need to worry about. Can you talk a bit more about that?

WILLIAM EVANINA:

Yeah. So, I think when you boil down, you know, the Russian threat to our elections and electoral process and-- what we have as a democratic value, it's an influence campaign, right? Well, the Chinese have doing that for decades, right? So, we cannot look at the shiny object, Russia, and totally forget about what China has done for decades.

So, when we see the Russians now using legitimate businesses in Russia to do their-- a bidding here in the U.S., that's the China model that they'd used for 20 years, right? So, I think at the end of the day-- the Chinese are probably a little more strategic how they would influence elections, but they're just as much-- interested in doing that for different reasons that we spoke of: maybe to influence a particular political party or individual they want in that might have a kinder, gentler feel towards a trade with China versus the whole we need to demoralize democracy.

MICHAEL MORELL:

Right.

WILLIAM EVANINA:

But China is in the game, for sure.

MICHAEL MORELL:

Right. And something they've done at home for--

WILLIAM EVANINA:

Yes.

MICHAEL MORELL:

--ever. We see them doing it in Taiwan now, and they've had some experience not with social media in Australia, but kind of direct political influence in Australia as well.

WILLIAM EVANINA:

Right. And what the Russians do not have is unlimited resources. So, they have unlimited resources. And you look at the the indictment of the F.B.I. and DOJ handed out on the GRU a few months back, well, they were spending 1.2 million a month on that campaign; well, that's nothing for the Chinese. And the Chinese could put thousands of those resources towards any strategic plan they had to defeat a particular candidate or encourage another one.

MICHAEL MORELL:

Yeah. So, when you think about what industries are at risk here of intellectual property theft or of potential damage, right, from a cyber attack-- talk a little bit about which industries might be most vulnerable, most at risk.

WILLIAM EVANINA:

Sure. For us in leading the charge with the NSC and Congress, there's three particular sectors, Mike, that we're concerned mostly about: number one is the energy sector, number two is the telecommunication sector, and three is the financial sector.

Those three sectors we believe that our country must have resiliency, redundancy times ten in able to maintain our capabilities not only as a vital country, but a democratic and capitalist society. When we look at what we see for our adversaries, the Russians, the Chinese and the Iranians, what they're doing here scanning our systems and ICS systems are primarily in those three sectors. So, I think both Russia and China are looking at our energy sector, our financial sector (UNINTEL) and the Chinese are very interested in our telecommunication sectors as we move forward to 5G.

MICHAEL MORELL:

Last question before we move on to the third broad issue is-- President Xi made a commitment to President Obama that he was gonna stop this economic espionage. That hasn't happened.

WILLIAM EVANINA:

No. And we said this a few weeks ago as we rolled out our economic espionage-- and cyber space report-- we saw a very slow dip, a lull in that activity-- subsequent to 2015, but then it just kept on moving. It's too successful for the Chinese to stop their theft.

MICHAEL MORELL:

Yeah. And then the third board issue is, you know, given the countries that are playing and giving what they're trying to accomplish, what are the methods that they're using that you're most concerned about?

WILLIAM EVANINA:

I think when you talk about the non-traditional collector-- I think we've not done a great job in the intel community explaining what that is to the non-intel community folks.

MICHAEL MORELL:

What's the traditional collector?

WILLIAM EVANINA:

So, a traditional collector is that-- Chinese spy who's here on diplomatic cover from MMS or the PLA who's doing spy work undercover as one of their state department officials. What the Chinese have gotten really good at is the non-traditional, which is not those out-of-embassy jobs where they send over-- engineers, businessmen, students to do the same type of collection, recruitment, co-opting of-- information gathers that-- at mass scale, right, at mass scale, whether it be the student population engineers, the doctors, the scientists.

I saw some-- reporting recently about-- you know, the Thousand Talents program, (UNINTEL) big intel collection, the Confucius Institutes, all of these issues-- and programs they have to help facilitate and supplement their intelligence apparatus is very difficult to deal with because when you lead the intelligence community and you go into the (UNINTEL) world or you go in the private sector to try to explain how these individuals that they hire are a danger to national security, it's a very, very difficult conversation.

MICHAEL MORELL:

Well, and these non-traditional collectors, do they-- do they acquire that information subtly? Or do they take a-- do they develop a relationship like a traditional operations officer, intelligence officer, and actually make a pitch at some point, "We want you to work for us"? Or is it more subtle than that?

WILLIAM EVANINA:

More subtle than that. And we had seen the actual pitch. The Chinese-- I'm gonna say the last probably eight to ten years have been really good at not letting that happen outside of their

soil, right? So, it's more subtle, it's more a gradual spotting, assessing. "Hey, we have a business opportunity for you over in Beijing. Why don't you fly over there and (UNINTEL) take care of that?" After a year of recruitment, that's how-- how they work. But they're very comfortable using co-optees and non-traditional collectors to be able to facilitate those relationships.

MICHAEL MORELL:

I'm also struck by the openness with which some of this stuff happens, right? So, I know you can't talk about specific cases-- but if you read the Maria Butina indictment, right, the fact that it was so open, right, the fact that she would walk in, right, as a Russian and try to influence somebody as opposed to recruiting an American to do that for you, which would be the traditional approach. The openness of this is interesting to me.

WILLIAM EVANINA:

It is. And I will say that-- it's important for all Americans, Mike, to read that indictment. I think the complexity of that indictment and how open it is and how strategic it was, we have to, as a society, understand this happens. But I'll go back to the start of the conversation on the Russian illegals case, Mike.

Out of those individuals that we arrested and sent back to Moscow, majority of them were, quote, unquote, "Russian illegals," you know? But two of them were special agent operators. You know, if you look at, you know, some of them that were actually went through the academy, they came there, and they were in true name, right?

So, I think that success of those two individuals, I think you'll see the progress now with Maria here, that they realize that opportunity hiding in plain sight is the ability to work here in the U.S. with open society, and it's proved itself that case. So, Anna Chapman was not an illegal, she was a special agent.

MICHAEL MORELL:

Bill, one of the things you've been talking about publicly a lot-- that I want you to get to talk about again 'cause I think it's really important is-- supply chain, the risk associated with supply chains when it comes to foreign intelligence services.

WILLIAM EVANINA:

So, I believe, Mike, it's one of the core things that we have to do better at not only in the government, but as a whole country. And I think the threat supply chain we've hidden in the intelligence community for too many years, right? It's not just an intelligence community threat, it's more importantly outside the intelligence community.

So, our ability to buy and procure and acquire the equipment that makes our businesses run, our weapon systems deliver, and our weapons work, there's supply chain there that we have

not have fundamentally protected over time. And I think we're really having a lot of success making that conversation known.

But how we get to a point, and you look at what happened last year with Kaspersky and DHS getting to a point, working with the inter-government agencies to do a binding directive was a big step in the direction that we need to take as a government and then as a whole society saying, "Your product is no longer viable in this country because of the treat that it poses."

MICHAEL MORELL:

And we had the same issue with many Chinese companies--

WILLIAM EVANINA:

That's correct.

MICHAEL MORELL:

The other thing that you talk about a lot is the insider threat.

WILLIAM EVANINA:

To me the number one priority we have is the insider threat. And I'll say that, Mike, not only in the government insider threat from our world that we've had in our agencies over time, but in private sector, right? So, again, General Electric just had the F.B.I. arrest one of their employees for-- as an insider threat weeks ago, right?

It continues every day. It's vicious, it's pervasive, and the efforts are catastrophic. If you wanna (UNINTEL) about Snowden, you can talk about him being a leaker or whatever; he was an insider threat, right? So, the-- our ability to identify individuals who can cause us harm on any given day is our utmost importance. And it's not just individuals who will hurt us from an espionage perspective, it's those--

MICHAEL MORELL:

So, they've actually been recruited by a foreign intelligence--

WILLIAM EVANINA:

Right.

MICHAEL MORELL:

--or used to work for them.

WILLIAM EVANINA:

Or they're not though, because we have now-- I find it much easier, Mike, to be that person when you don't have to throw your documents over the transom to the Russian Embassy, right? You have WikiLeaks and all these leaktivist organizations out here, hacktivist organizations who will broker that data for you. And then you could say-- "I'm angry, I gave this information to WikiLeaks, but I'm not a spy." Well, the damage is just as catastrophic because the Russian and Chinese get that data.

MICHAEL MORELL:

So, what motivates these folks to do what they do?

WILLIAM EVANINA:

That's a great question. And I say that as we go through now, Mike-- when we are trying to reform the way we do security clearance processes and we're helping vet individuals, the first thing we're looking at is risk. What is the risk we're trying to prevent? And we've identified is we'll get all these cases over the last 20 years, and we look-- could we've identified that the individual will have gone bad before we hired them? The answer is no.

So, something happens when we're on the job. And as continuous evaluation as you know how that works-- really has an impact of how we monitor folks. But until we get it-- the mind from the behavioral perspective of what the catalyst is that endangers us and it makes the individual go bad, we're never gonna be able to solve the insider threat.

And I think the insider threat will have to be in a global perspective, it's not only the Snowdens and the Hanssens and Ames and the seven people arrested this past year, but it's also that individual who wakes up tomorrow with a weapon who wants to come to work and do violence, right; the Navy yard shooting. Those are also insider threats. So, to get to left of the event is where we're willing (UNINTEL) to be. We do a great job, we spend a lot of money doing auditing and monitoring of our employees; that's great. That'll prevent the bleeding afterwards, but we need to stop the cut. And I think we have to get there with more of a behavioral mindset of how we prevent insider threats.

MICHAEL MORELL:

And are there generational issues here?

WILLIAM EVANINA:

Great question. So, we looked at this the last year. We looked at it hard. We found over the last ten years or so no generational issues, no gen- Xer's, no Y chromosome, X chromosome, no male, female, no age issue, no agency issue. If you look at just the last two years, the 15 or so people who have been arrested, all over the map, right?

And I think-- and those are just the folks that we went through legal process on with an arrest or indictment. Look at all the cases that are going on now historically; we go from the

Myers family all the way down to (UNINTEL PHRASE). So, you have broad spectrum, which makes it more difficult to help identify what the rationale is someone to go bad.

MICHAEL MORELL:

Bill, you run the National Insider Threat Taskforce. What is that? What does it do?

WILLIAM EVANINA:

So, the Insider Threat Taskforce is co-chaired by us and by Department of Justice. So, in reality, the DNI is a co-chair and the attorney general is a co-chair. It was set up after 2010 after Manning, the leaks with WikiLeaks. And-- so the taskforce sits in my shop.

It's a conglomeration of not only experts from multiple agencies, but contractors to help drive national policy on insider threat programs, what the minimum requirements are, what is a maturity model look like for your agency, as well as what are the best practices for private sector. It's a great model based off the joint terrorism taskforce.

MICHAEL MORELL:

Bill, you've been very generous with your time. I just have three more questions. And I get this asked this first question, so I'm gonna pitch it to you. If you look at what foreign intelligence services do to us, how do you compare and contrast that with what we do to them, right? We're in in the same business, but at the end of the day, there's some key differences.

WILLIAM EVANINA:

There's some key differences, and I think this is the whole-- glass houses aspects. And I could see-- first of all, I'm gonna start this question off, Mike, with saying when I get to see what we do offensively as a country, it's amazing, right? I say offensively we're as good as we've always been in the world, but we do it for the specific reasons we do our counterintelligence, counter espionage in that espionage spy world.

We don't move it or enable that window to economic espionage or destructive capabilities in someone else's infrastructure, which is the difference between us as a civilized society with-- and the other side of it is we don't we need anything economically from our adversaries; so, we just don't. So, I think the ability for us to play fair is not only our best-postured venue, but it also hurts us the most.

MICHAEL MORELL:

Second question, Bill, is what is the role of your center vis-a-vis what C.I.A. does on the counterintelligence side and then what the bureau does on the counterintelligence side?

WILLIAM EVANINA:

Great question. So, the bureau, obviously we'll say for this audience is domestic here, to protect the national security of the U.S., the C.I.A. is foreign and collects intelligences around the world-- and identifying the plans and intentions of foreign leaders in governments, right?

What we do for the community and the government, Mike, is set national policy and strategy for which we want them to do things, right? So, "We would like you from a national perspective intelligence community to collect as many soda cans and glass bottles as you can." But we don't tell 'em how to do it, right?

And so you go do your mission, but we wanna-- and then once a year we'll bring you back in to say, "How are you measuring up to the money that you get from the ODNI as well as the national priorities we set with you own core mission?" So, I would say from that perspective, we're more a policy and strategy organization, (UNINTEL), and we don't get into the implementation or the practice of how agencies do their business.

MICHAEL MORELL:

Big part of your mission seems to be to get out, talk about the threats the country's facing from foreign intelligence services, particularly the private sector.

WILLIAM EVANINA:

That's correct. So, I think the unique authorities I have vested in me by Congress is that, you know, there's three big constituents: the intelligence community; the NT-50, the federal government; and the private sector. And I look at my role personally as the conduit for the F.B.I., C.I.A., N.S.A. to be that vocal point out the private sector and drive some of the issues and constructs that they can't because of operational issues.

MICHAEL MORELL:

And then, Bill, the third and perhaps the most important final question here, I think, is if you were in a room with the nation's top CEOs and you walked through threats and they said to you, "Okay, Bill, we got it, we understand. What can we do about it," what would you tell them?

WILLIAM EVANINA:

And I-- and it's funny, I get to do this, right. And the answer is have a holistic security posture, include the folks that you would not think of in your (UNINTEL), CSO-- your CIO, include your acquisition-procurement folks because I tell them, "This is how we do things around the world." And we look at China and Russian getting into our acquisition programs, they're not usually part of the enterprise security apparatus in the CI--

MICHAEL MORELL:

The supply chains.

WILLIAM EVANINA:

The supply chain issue, right. Understand that you have an obligation to not only your company, your board of directors, your stockholders to protect that brand. And then as well as protect the people who buy your brand, you have an obligation to them. And you can't fulfill that obligation unless you have a holistic mindset to how you're going to protect that proprietary data or trade secret that you make.

MICHAEL MORELL:

I've also seen you talk about-- you can have the best cyber security, a defense on the planet, but if you haven't brought your chief of HR in because of the insider threat problem, you're not protecting your company.

WILLIAM EVANINA:

It's not even close. And I'll say the three areas that I think, to answer your question on the CEO aspect, Human Resources procurement acquisition: you have to pay attention to those. And then tangent to that, your security cannot be a lost leader. Security must be part of your mission now. When that is whether or not you're the intelligence community, but you're making something your Fortune 100 company, security has to be part of your mission otherwise you won't have a mission.

MICHAEL MORELL:

So, we in the government-- I still consider myself in the government -- I shouldn't, but I do -- so, we do this thing called continuous monitoring, which you mentioned before? Do you see that taking root in the private sector? Or is that a step too far?

WILLIAM EVANINA:

I do see it, and I see it often. I think in a defense industrial base, it happens quite often. There's currently over 400,000 Americans who are clear to the top secret level that don't work for the government; one third of a population in the cleared community. They are most likely going through that same auditing, monitoring right now.

I think as we get outside of that defense industrial base, it gets harder for the attorneys to rationalize why we don't want to monitor our employees. So, I do think there's an artificial wall between the government and defense industrial base and the rest of the United States.

So, I think that a hard challenge to get that out there. But I do see an incredible proliferation of insider threat programs outside of our community, across America, understanding that the insider threat program is critical. Now, that comes with different aspects, Human Resources being number one, but the monitoring of their emails and capabilities is probably a bridge too far. But at least they're now understanding they have to a fundamental understanding of the people the employee.

MICHAEL MORELL:

Just one final question because I just thought of it. You're a big advocate for reforming the way people get clearances in the U.S. government. Can you talk about that a bit?

WILLIAM EVANINA:

Yeah. So, we've-- started the process-- two things, Mike, one is reducing the extensive-- the backlog of inventory. We put a new--

MICHAEL MORELL:

Which is huge, right--

WILLIAM EVANINA:

Huge. It was over 750,000. We put a new memo out with some radical change of how we actually implement these for the practitioners. I think we're down about 10% already, so I think we're in the high 600s. So, that we're making progress there. The second part of the issue what we call Trust the Workforce 2.0 is re-looking a blank slate of how we're going to vet folks moving forward.

And we're going to look to have a rocket clearance, you know, get somebody cleared in a couple days. There's no rationale in my mind we can't have somebody cleared at a secret level in a couple weeks, at a top secret level in less than 60 days, there's no rationale. I think we can get there.

We've had a number of executive student groups. We're well on our way to understanding-- we have to minimize all those crazy tiers and what we have at top secret versus secret. We should have trusted, secret, and top secret, right? And then the differences are just a couple more checks.

And I think-- and once we get the inventory down to a more workable level, we'll be able to facilitate that. My argument is-- so, we have 4 million folks in the U.S. who were clearance holders, Mike. 3.5 million are in DOD, right? So, when we look at the numbers-- and I would say for every single serviceman who comes on board and works in the Marine Corps and under our (UNINTEL), they're getting a secret clearance. So, we need to either not do that in the future, right, and only clear them when they need to have that clearance, or we need to have the ability to do that in 48 hours, right, because that takes the inventory someplace else.

MICHAEL MORELL:

Well, this would be the music to the ears of all those recent college graduates who are waiting for jobs in the intelligence community.

WILLIAM EVANINA:

And let me add, if I might-- I think we're also looking at-- I'll call it the 2020 factor. So, why can't the C.I.A. hire a rockstar woman from a college at 25 years old, have her work in the DO or intel for five, six years, let her go out to Google and Microsoft for four or five years, and then come back? We need to do more of that. We made-- no longer can we ask folks to think about a 30-year career; but at the same time, we have to find a way to get that 25-year-old to come to work every day without their cell phone. That's our big challenge.

MICHAEL MORELL:

Yeah, yeah. Bill, thank you so much for joining us. It's been great to have you.

WILLIAM EVANINA:

You're welcome, Mike. My pleasure. Thanks for having me.

* * *END OF TRANSCRIPT* *