

MUELLER: Yes.

SENSENBRENNER: OK.

MUELLER: Yes.

SENSENBRENNER: And how often do you personally review whether things are on track?

MUELLER: Every week, generally. Now, I'll miss a week or two, but I generally meet on Sentinel with all of the players once a week.

SENSENBRENNER: OK. That sounds good, and I wish you good luck. And I hope that we don't see you back here with a report like the Virtual Case File reports that we got during my chairmanship.

I thank the chairman.

CONYERS: The chair recognizes the distinguished gentleman from North Carolina, Mel Watt.

WATT: Thank you, Mr. Chairman.

Mr. Director, would you agree that it is a violation of international law to render any person to a secret detention without a trial?

MUELLER: I would have to -- I have not looked at international law and have not had an opportunity to apply the law to any particular set of facts.

WATT: Well, I'm not asking you to apply it to any set of facts. I'm just asking you to acknowledge that the rendition of a person to secret detention without a trial is a violation of the United Nations Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment, the Universal Declaration of Human Rights, the International Convention of Civil and Political Rights, the Geneva Convention?

So I mean, that's not a trick question. I'm just asking...

MUELLER: Well, I am not familiar with...

WATT: ... do you acknowledge that that is a violation of international law?

MUELLER: It may well be.

WATT: OK. Do you acknowledge that if the captives were tortured that it would be a violation of federal law, 18 USC section 2340?

MUELLER: It may well be.

WATT: And if you had a contractor in North Carolina, for example, assisting with transporting people, rendering people, out of the country, what would the FBI be doing about that if they knew about it?

MUELLER: Sir, if there were an allegation of a violation of the federal law, we presumably would be participating in that investigation.

WATT: Are you aware that the North Carolina attorney general has referred such a matter to you about a company called Aero Contractors in North Carolina?

MUELLER: I'm not. I'd have to get back to you about that investigation.

WATT: OK. Well, what I'd like to know is what you all know about -- what the FBI's involvement with this investigation is. The attorney general of North Carolina has notified 22 state legislators that the matter was referred to the FBI.

And apparently a public prosecutor in Munich, Germany has issued arrest warrants for three of the company's employees, all of whom are residents of North Carolina. I'd like to know what the FBI is doing in this investigation, whether it's doing anything, and I'd be happy to have it in writing.

In fact, it would be better to have it in writing. We maybe don't need to discuss it in a public venue. But I'd like to know what's going on with that investigation, if there is an investigation, what the status of it is, whatever you can legitimately tell me without violating whatever constraints you have.

MUELLER: I'm not personally familiar with the investigation. I will have to get back to you on the...

WATT: OK. Will you do that?

MUELLER: We'll do so, yes, sir.

WATT: OK. Aero, A-E-R-O, Contractors, Johnston County, operating out of the Johnston County Airport near Smithfield, North Carolina.

MUELLER: OK.

WATT: OK. Now, there was an allegation that -- actually, I guess you all have acknowledged that a national security letter was inappropriately issued with reference to a North Carolina state university student. Are you familiar with that?

MUELLER: Yes. It was inappropriately issued.

WATT: Tell me what happened and why it happened.

MUELLER: What I understand is that an agent believed that NSL was the appropriate vehicle and served an NSL on the particular university. I can't remember which one it was.

The counsel for the university indicated that it was inappropriately issued, and I believe a grand jury subpoena followed up.

WATT: So that was one of how many cases where NSLs were inappropriately issued?

MUELLER: I'm not certain. I'd have to get back to you on that.

WATT: OK. Can you specifically get back to us on that, too?

MUELLER: Yes. We did a 10 percent audit of our offices. Ten percent of the NSLs had been issued during a period of time after this came to light, and I can, I believe, get you the facts on how many NSLs may have been inappropriately issued in that same category.

WATT: How soon do you think we might expect the specific responses to both of those issues, the Aero...

MUELLER: Within a week.

WATT: OK, thank you. I appreciate it.

Mr. Chairman, I yield back.

CONYERS: Thank you.

The distinguished ranking member of the Intellectual Property Committee, the gentleman from North Carolina, Howard Coble?

COBLE: Thank you, Mr. Chairman.

Director Mueller, good to have you on the Hill today, and thank you for your service. I'd like to talk to you, Director, about mortgage fraud and intellectual property.

I feel strongly that the growing crisis in subprime mortgages is a result of a predatory lending epidemic which seems to have reached about every portion of the country.

What is the FBI's role in investigating mortgage fraud? And do you all have the resources and support from other law enforcement agencies to effectively pursue these cases as they continue to emerge?

MUELLER: As I indicated in my remarks, we have more than 1,300 cases that have grown substantially over the last couple of years involving mortgages. We have 246 agents that are working on this.

Approximately 160 are looking at brokers, appraisers, buyers, lenders and the like. We have another almost 90 that are looking at larger corporations, the possibility of misstatements and the like. We have 19 relatively large cases in this category.

We're participating in 33 task forces. And last year, we had over 370 indictments in this class of white-collar crime.

But it's fair to say that as these mortgage cases grow, as the investigations proceed, that we are going to need additional resources to address this problem and to bring to justice those who are responsible for fraudulent activities in the subprime mortgage arena.

COBLE: And you know, Director, lenders and borrowers, probably both, are at fault in this case. If a