



Former Agents of the FBI Foundation Oral History Heritage Project

Subject: Attacks of September 11, 2001 -15th Anniversary Interview

Interviewee: Dennis Lormel Oral History Interview on February 4, 2016 by telephone in Edmonton, Canada. Special Agent Service Dates: 1976-2003

Assigned Locations: FBIHQ

Interviewer: Rosanne Russo, Special Agent Service Dates: 1979-2007

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Summary:

At the FBI Headquarters, on the morning of September 11th, 2001, Dennis Lormel, the Chief of the Financial Crimes Section, was hosting a meeting with regards to a case in Kansas City concerning shortchanging cancer patients. This meeting was quickly interrupted with news of a plane crashing into the World Trade Center and events at the Capitol. Mr. Lormel was rushed to a briefing with the other executives at the time. From a financial perspective, Lormel believed that they needed a comprehensive and focused approach into the investigations of the attacks. That night, he wrote an in-depth financial investigation plan. Through this plan, and a little convincing, Mr. Lormel was able to bring his financial investigators back to the Financial Crimes Section and begin their comprehensive investigation. This is how the Terrorist Financial Operation Section within the FBI came to be.

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Federal Bureau of Investigation
Interview of Former Special Agent,
Dennis Lormel
Rosanne Russo, Interviewer
February 4, 2016

Rosanne Russo

(R): My name is Rosanne Russo. I'm a retired Special Agent of the FBI. I'm talking by telephone to Dennis Lormel. He is on a business trip in Edmonton, Canada.

This conversation is being recorded for the Society of Former Special Agents of the FBI for the Oral History Project commemorating the fifteenth anniversary of the attacks on the World Trade Center and the Pentagon on September 11, 2001. Per our conversation on February 4, 2016.

Again, Dennis I thank you for your having volunteered to be interviewed for the Oral History Project and for having signed and returned the waiver form. Your time is certainly appreciated.

After this interview is completed it will be transcribed by a former Bureau typist. You will be sent a draft for your review and corrections or changes if needed. Following your review you will receive a copy of your transcript and a disk containing the transcript.

As a caution I remind you not to disclose the identities of any informants. Sensitive material could be redacted by the Bureau to preserve security.

So Dennis, I'm going to start with the first question which is where and what were you doing when the Nine-Eleven attacks occurred?

Dennis Lormel

(L): Rosanne I was at FBI Headquarters and we were actually, on the morning of Nine-Eleven, I was the Chief of the Financial Crime Section and I was hosting a meeting with the SAC from Kansas City. The Deputy Director was supposed to be involved in the meeting and it was about the informant in Kansas City who had shorted cancer patients and there was a lot of sensitivity to the investigation. We had just started the meeting when we were interrupted and told about the bombing or the plane crashes into the World Trade Center and the event at the Capitol and I was told I had to go to a briefing right away as were the other executives that were there.

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- L: In fact Tom Pickard who was the Deputy Director never made it to the meeting. He got cut off before he got there because of the events.
- R: So your FBI position, again? You were Section Chief of the Financial Crimes?
- L: Yeah on Nine-Eleven I was just the Chief of the Financial Crime Section at FBI Headquarters.
- R: Okay and how were you brought into the response?
- L: Well, what happened as everybody else I was shocked and a lot of grief over what was going on and it was surreal that the United States had been attacked like that.

So all day on the eleventh I followed was going on and you know we had the active response in SIOC where they basically had the entire Bureau working the response to Nine-Eleven. So most of the agents in my section had to go down to SIOC and they were supposed to be doing financial leads.

I started thinking about that and I was very concerned that because of the chaotic situation that from a financial perspective that the response and the investigative response was going to be very fragmented and I believed wholeheartedly that they needed to have a more comprehensive and focused approach.

So actually between the eleventh and twelfth I went home the night of the twelfth and stayed up all night writing an investigative plan on how a financial investigation should be conducted.

So when I went in on the morning of the thirteenth; and at that point too, as a Section Chief I was involved in all the daily meetings that were going on because the Director and Deputy Director had the phone calls three times a day with the SACs in the field offices to gauge what was going on and collateral to what my initial concern was, was that every office was conducting an investigation almost unilaterally and Tom Pickard was trying to bring that all in and centralize it at Headquarters.

L: I was consequently getting calls from an incredible number of banks as to (a). What they could do to help us and (b). Some of them were calling complaining that they had gotten multiple subpoenas from different field offices. You know...what are we doing? And can't we get ahead of ourselves?

So it started to hit home to me that that chaotic response that we had wasn't focused, again from a financial standpoint. So my secretary came in and said, "Dennis they have another lead for a financial investigator down in SIOC." So I said to her, "Give me the lead," and she gave me the lead and she said, "You're the section chief. You shouldn't be going and doing that." So I said, "No, no I'm gonna go down there" and I went downstairs and I went to the supervisor who generated the lead and I asked him, "What was the purpose to the lead? Who was collecting the information? Where were they going to put that information? And who was overseeing the financial aspect of the investigation?" He looked back at me with a very blank look and said, "I don't know. I can't answer that."

I turned around and I had my deputy with me, Frank Waikert and I said to Frank, "Let's go around to all of our people and if they're working on a financial lead, tell them to go back up to the Financial Crime Section and with that Director Mueller and the Deputy Director Tom Pickard was standing there and I told them that we needed to have a comprehensive financial investigation and I asked if I could take over financial investigator's back up to the Financial Crime Section so that we could start to comprehensively put something together and I also said that we needed to have better organization in terms of our contacts outside with the banks and also with other agencies because there were other agencies had a financial investigative response.

Director Mueller pointedly asked me, "Why would I let you do that?" I said to him, "I believe that if we conducted a comprehensive financial investigation of the financial piece, we would be able to say more definitively than anybody and sooner than anybody who was responsible for the attack" and at the time we were concerned about a second wave of attacks. And I said, "If there was a second wave of attacks it would most likely financially be tied to the first wave and so if we knew that then we would be able to determine what was coming in front of us from the financial perspective." The Director said, "Go ahead."

- L: So that was basically the origin of the Terrorist Financing Operation Section because then when I took our people back upstairs I had already drafted a plan and Joe Ford was one of my Unit Chiefs and Joe put a more comprehensive plan together and we went to the Director with an outline of how they needed to have a formal section within the Terror Division:
- (a). we wanted to look at the short term tent bomb investigation and support that investigation
 - (b). and going forward to have an investigative entity that just focused on terrorist finance and supported the Terror Division with that.

We started out as the Financial Review Group and within a few months we actually became, I guess a few months, the Terrorist Financing Operation Section and we were formally moved over to the Terror Division and the Financial Crime Section kind of got backfilled with other agents from the field.

- R: Oh wow. That's an excellent progression. What challenges did you have? I mean that is like daunting.

- L: Yeah. There were a number of challenges. Obviously we were standing up a new operation that had never been done before. So starting something new and as you well know, in your career, we kind of stayed within the box. We weren't as progressive thinking outside the box and with Nine-Eleven we had to do that. So, the fact that I believed that TFOS needed to be operational we needed field agents in a centralized location who could actually be operational and Headquarters is not an operational function traditionally.

Headquarters is for program management and direction that so was a huge challenge and then getting all the other agencies involved and getting them access to the building; I literally had to take over space in the building that was under construction and we wound up setting up like a boiler room operation, like a telemarketing boiler room for a while.

So we had all of those challenges because we had to set up the data base that was joint and could be shared with other agencies so the leverage that we had getting other agencies involved was to say, "We're gonna have a shared data base and we want you as a full partner."

So all of those things, and certainly the time constraints that we were dealing with and a lot of the other impediments were also a challenge.

L Then the fact, as we started to collect information the concern was over “were we collecting information that could lead us to something that we weren’t aware exactly what we had.”

So trying to get our arms around everything and then initially when, to digress a little bit, when Director Mueller and Deputy Director Pickard gave me the go ahead that I could go ahead and start the financial investigation I asked Tom Pickard, because he was basically running the meetings when we were having the all SAC meetings I said to him, “Can you tell everybody in the field, every SAC that all financial leads had to be run through me? So that we had a centralized repository and then I could keep track also of Grand Jury subpoenas.” I asked him to make the announcement that nobody could get a Grand Jury subpoena without coordinating it to what I was doing.

I think that met some resistance with some SACs and it was also challenging for us to get kind of an organization and operating procedures in place as we had to.

Within days we were lucky because it was at NDIC, the National Drug Intelligence Center came forward and they heard about what we were doing and they basically offered to give us a server, all the computers we needed and training and set up that data base for us. The nice thing was that the data base that NDIC had was compatible to the type of data that was shared by the other agencies. So it was easily exported to those agencies.

You know just getting an organization set up and getting it kind of operational overnight was daunting and that goes to the credit of the people working for me because we had a lot of people do an awful lot of great things to make that happen. I can’t speak enough about those people who were in those positions.

R: Dennis, about how many people, sort of a two part question. How many people were working for you at that point because it’s a whole new operation and I know resources were thin and what were some of the other agencies that were working with you as well, that you brought in?

L: Well what we had initially; I'll start with the manpower. I had most of the agents from the Financial Crime Section and analysts that we had and other analysts in the building, some counter-terrorism analysts were detailed to us. So initially we started out, I'd say with around a hundred people and then NDIC came in and they brought in data loaders and they brought in agents and analysts to help train us and so that had to be at least another fifty people.

The first Saturday after Nine-Eleven I had an inter-agency meeting and I had every federal agency who had a nexus to financial investigations including the criminal agencies and any intelligence communities, FINCEN and other components of the Treasury Department.

I asked them all to send resources to us and our thing was-we needed to have a joint task force or working group and so I was sensitive not to call us not to call us a task force because I didn't want anybody to think we were making a power play that's why we called it the Financial Review Group and that's why we were lucky enough to have NDIC come in and provide us with the data base that they could and so our leverage was that this is going to be shared information. But we needed everybody else's expertise.

We were great at doing financial investigations but you had Customs who were good at money-laundering, you had Secret Service with the credit card aspect. There were a lot of things we could do.

We had different Treasury entities in there, Secret Service, Customs, IRS were all involved. The IRS played a big role. FINCEN, they were fabulous because we were able to get direct access to FINCEN data and they had people assigned to us. SEC, the Federal Reserve, let's see who else. The Federal Reserve, the SEC, CIA, NSA, Department of Defense and then over time we also had CSIS, the Canadian Security Intelligence Service and Scotland Yard. We had the New York P.D. and we had a bunch of agents from New York who were working the PENTTBOM investigation who were given the financial responsibilities and so we worked through them to provide the support to PENTTBOM.

So at the end of the day, Rosanne I think we had to have over two hundred fifty people in the weeks directly after Nine-Eleven that were working directly with us. Plus I leveraged every field office and had them have somebody, either from the JTTF or from a financial crime squad kind of liaison with us. So we had the leverage of each field office.

Note: *After review of the transcript, Dennis requested that the following paragraph be added at this point of the transcript: The Justice Department played a pivotal role. They were an important partner in providing legal guidance and facilitating our ability to be proactive. Attorneys like Jeff Breinholt and Jeff Ross worked with us on a daily basis and ensured we had constant access to legal process, such as Grand Jury subpoenas, to conduct time sensitive investigations .*

R: Wow that is quite the achievement. My next question is what were you able to achieve in just organizing, putting this together and bringing together all of these different entities and we're talking about data bases to me is like your number one massive achievement. But go ahead and tell me some other achievements that you felt good about.

L: I think that the fact we evolved into a formal section in the counter-terrorism division and there's a legacy to what I did plus the agents who worked directly with me and believed in what I was doing and took a major role in that like Frank Waikert and Joe Ford for instance because they were two of the principle architects of what we did and their belief in that.

Today for instance I spoke at an international law enforcement conference and in part I was asked to speak about my experience in setting up TFOS and a supervisor currently from the International Terrorist Section, ITOS was here and her name was Monica Cardenas and she talked about how TFOS today is still playing an integral part with the Terrorism Division.

So from the standpoint of accomplishments, I'm overwhelmed by that. When I hear that type of compliment that we're still doing that much stuff and quite frankly we developed a lot of new investigative techniques.

So from the standpoint of accomplishments, not only did we set up an operation like we had, but other countries after Nine-Eleven in the year after Nine-Eleven, after we started up TFOS, came to TFOS to see how we did it and what we did. For instance the Brits and other countries set up like operations within their organizations to do financial investigations the way we were doing them.

Just one quick story on that; we had a lot of great and I need to take a step back because one of the important building blocks was going to the financial services industry, going to the banks, going to credit card processors, going to the credit card companies. They played an incredibly important role in providing us with the financial intelligence that we

needed and we obtained all that information through legal process mostly Grand Jury subpoenas.

- L: They were fabulous in being available to us and we set up a twenty-four/seven, three-hundred and sixty-five day mechanism where we had direct contacts with over four hundred financial institutions. We had a mechanism in place with a number of those that gave us almost real time access to transactional information which prior to that was unheard of.

The processors and some of the institutions were able to give us basically real time information which was certainly critical when we were dealing in kind of time sensitive situations. An example of that, we had Western Union and Western Union was a valuable partner to us and we were working with another country and that country knew that Western Union telegrams were coming in or Western Union money transfers were coming in and being picked up in the country and their challenge was; they didn't know where the money would be picked up and the money was going directly to support a terrorist group in that country.

So we put a mechanism in place with Western Union where on the back end we were able to delay the delivery and identify the locations and we would pass that information along to the other intelligence service and at the end of that project, so to speak, that country told us that we helped them prevent six attacks.

Note: *After review of the transcript, Dennis advised that Western Union's cooperation was reported in the public domain years ago and asked that this note be added at this point in the transcript.*

That to me was really remarkable and we had other real time things like with the Treasury Department and intelligence community, the Terrorist Financing Tracking Program and that was a very successful and highly compartmentalized program at the time.

Unfortunately that was compromised by the New York Times down the road but we had, before it was compromised, we got tremendous financial intelligence out of that that we leveraged in financial investigations.

- R: Oh god, that is so unfortunate. Wow, Dennis that is just amazing, absolutely amazing. What were some of the most touching moments of your experience?

L: I think some of the most touching moments were us setting up. Initially everybody's emotions about how shocked everybody was that the United States could be attacked and the response of everybody wanting to be involved, and this goes to the private sector too, who were calling and they wanted to know what they could do to help us and our section. People came in and I brought in a bunch of people TEI.

L: We were working in less than desirable conditions because of a situation and nobody complained and everybody worked a ton of hours. There were very few days off for quite a while and everybody accepted that. Everybody was mission oriented. So I think, to me that was very touching to see the dedication and the commitment of people in the face of such adversity.

From the standpoint seeing basically a formal section stood up because of the work we were doing. I felt that was very rewarding and then for me personally, when I retired the CIA gave me the George H.W. Bush award for excellence in counter-terrorism and at the time I was only the second non-Bureau person to be awarded that honor and so I have to share that with the people who worked for me because they did so much to bring us that type of recognition.

So those are things and clearly I think in the defense of brotherhood I had more so and you know full well one of the great things about the FBI is the tremendous sense of family that we have and that never manifested itself to me as much as it did during the days after Nine-Eleven and in the coming year about how much closer we all seem to come with each other.

R: Yeah that is so true, that is so true. You've kind of evolved into a couple of questions. I think that also can be applied to the question of what feelings did you experience and I think you've covered that pretty much in describing the moments.

L: I think I can describe too, in the sense that there was certainly stress. There was certainly a sense of exhilaration. There was certainly a sense of accomplishment. So you know all of those different emotions and a great sense of satisfaction. I think that more than anything, was knowing that what we were doing really was contributing to what had happened at Nine-Eleven.

Like a lot of folks, I came from New York. I knew people who died in the World Trade Center. I remember from my days you and I both worked in New York.

R: Right.

L: I can vividly remember some people in a certain brokerage house I worked with who were all in the World Trade Center and a few of them perished as did John O'Neill. John was a friend of mine. All of those things, and to know that we were able to contribute in some sense, to bring some kind of accomplishments and not that we brought resolution, but that we were able to contribute really that brought that sense of accomplishment and satisfaction out that much more.

R: And what a contribution it was. I mean we're talking about a legacy, a whole program and something that's just totally invaluable to what we're doing even today.

L: Yes.

R: Also, and again you kind of lead into this too just talking about the people there. What heroic efforts did you observe?

L: Well let me start with Director Mueller. I think, just from the standpoint of him knowing that we had to do things differently than we did before and transition more into an intelligence organization and he knew full well the challenge we had because Congress was nipping at our heels to take away the Domestic Intelligence.

Mueller saw that and he stood up to that and when you're in a certain culture like we had and I love the Bureau but we were at a point in time where our culture had to change and that was difficult and people had difficulty accepting that.

First and foremost I look at Director Mueller as a hero for what he did in that regard. And going back as you said I've kind of talked to this, the people that worked for me. I looked at them as heroes because of the conditions and the commitment and the hours and the sacrifice.

I was the section chief when things went really well I was getting the accolades and certainly when things went bad I got the accolades. A lot of people didn't get the recognition they deserved and I always found bothersome.

L: To their credit, outside the Bureau, our families; my wife deserves an incredible amount of recognition and she was great because I said to her, "I'm going to work and I'm not sure when I'm coming back." And not only from the physical standpoint but from a mental standpoint I was distracted. I was totally preoccupied.

So I think all of the families of the agents and analysts and support folks that worked with me, they deserve a lot of credit and I always said that at events that we owed our families a heck of a lot because they, as much as anybody else were heroes.

R: Oh gosh absolutely. I love that as a closing, but I wondered if there was anything else you'd like to add or if there's an interesting story you want to share?

L: Oh dear.

R: So many.

L: There were so many stories. There were just so many great things and there were a lot of great anecdotes and stories. I don't know if you want to get into those.

Again, just having the experience and doing what we did and the team work that went into that and just everybody's tireless efforts to me, that's story enough.

R: Right, I agree. Dennis, I'm going to turn the tape off unless you have any other final thoughts.

L: Oh no, that's great. Thank you.