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## FBI assesses 'grave' damage from latest spy scandal

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WASHINGTON (CNN) -- U.S. officials said their intelligence agencies took an "exceptionally grave" hit as the latest spy scandal unraveled Tuesday.

FBI Director Louis Freeh said Tuesday that Robert Hanssen -- a 27-year veteran FBI agent -- had been a spy for the Soviet-era KGB and its successor, the SVR, since 1985. President Bush called the allegations against Hanssen, who was arrested Sunday at a park near his home outside Washington, "extremely serious and deeply disturbing."

Freeh said the losses that Hanssen inflicted on U.S. intelligence were "exceptionally grave." But the FBI is still trying to assess the extent of the secrets lost in the case -- something that could not be done while Hanssen was under investigation. And a blue-ribbon panel led by William Webster, a former director of both the FBI and the CIA, will review the FBI's internal security procedures.

"Judge Webster and anyone he selects to assist him will have complete access and whatever resources are necessary to complete the task," Freeh said. "He will report directly to the attorney general and I, and we will share his report with the National Security Council and the Congress. I intend to act swiftly on any of his recommendations."

A former law enforcement official told CNN on Tuesday that the damage to U.S. national security could rival the case of Aldrich Ames, the former CIA officer unmasked as a Russian spy in 1994.

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spy in 1994.



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"This ranks with some of our worst intelligence losses in our history," he said "Rick Ames is still No. 1, probably, but this guy is a not-far-off No. 2.



Hanssen spent most of his FBI career in counterintelligence, helping U.S. authorities find other countries' spies. David Isby, a writer for Jane's Intelligence Review, said having a spy in that position was "one of the crown jewels of human intelligence."

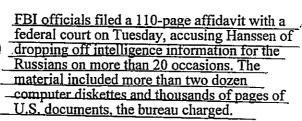


"Because he's in counterintelligence, he had access to the information we were getting from 🖪 😘 🖫 our agents inside first the Soviet intelligence -later Russian intelligence -- telling us who their agents were in the United States," Isby



Freeh said Hanssen, 56, of Vienna, Virginia, passed "substantial volumes of highly classified information" to Moscow. Hanssen had been "trusted with some of this country's most sensitive information and has betrayed

### FBI says spy betrayed Russian agents



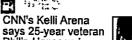


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He also is accused of giving Moscow the names of three Soviet intelligence officers who were themselves spying for the United States. Two of the three were executed. In return for his service, Freeh said, Hanssen was paid more than \$1.4 million in cash and diamonds during his 15 years as a spy.

Freeh said that Hanssen used the skills he learned as an FBI agent to cover his tracks and that even his Russian controllers did not know the identity of the spy who called himself "Ramon."

Russian officials have made no comment on the charges against Hanssen.



Only-two other FBI agents have faced spy charges, and Ron Kessler, author of a history of the FBI, said Hanssen was much more highly placed.

"The other two previous FBI agents who've been charged with espionage just don't compare in terms of the access that this person had," Kessler said, calling Hanssen a "craftsman."

"To outsmart the FBI in this way for 15 years, to not even let the Russians know who he was, is an incredible feat."

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Hanssen spent his last five years serving with the Foreign Missions Office at the State Department, but he has not been charged with passing any documents from that agency to the Russians.

Freeh said documents obtained from Russian intelligence tipped them off to the presence of a spy within the bureau. That disclosure, Isby said, has probably triggered a similar spy hunt halfway across the globe.

"You can bet right now in Moscow, someone is now accounting for which documents had the code name Ramon in it, who had access to them ... because we're going to find out where the leak came," he said. "So it's volley and serve."

And if U.S. courts require more disclosures, Isby added, "There is the potential for letting our methods if not our sources get out there."

Hanssen's arrest, like that of Ames, is a reminder that both nations have continued to spy on each other well beyond the end of the Cold War -- "and for very good reasons," Kessler said.

"We don't know if Russia's government is going to change. They may be plotting something secretly. They have the same fear about us, and that's why we spy on them and they spy on us," he said.

CNN National Security Correspondent David Ensor, White House Correspondent Major Garrett and CNN.com writers David Williams and Matt Smith contributed to this report.

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