



## **Law Enforcement, Counterterrorism, and Intelligence Collection in the United States Prior to 9/11**

### ***Staff Statement No. 9***

Members of the Commission, with your help, your staff has developed initial findings regarding law enforcement and intelligence collection in the United States prior to the 9/11 attacks. These findings may help frame some of the issues to be discussed during this hearing and inform the development of your judgments and recommendations.

This statement reflects the results of our work so far. We remain ready to revise our understanding of this topic as our investigation progresses. This staff statement represents the collective efforts of a number of members of our staff. Caroline Barnes, Christine Healey, Lance Cole, Michael Jacobson, Peter Rundlet, and Doug Greenburg did most of the investigative work reflected in this statement.

We were fortunate in being able to build upon strong investigative work done by the Congressional Joint Inquiry and by the Department of Justice's Office of the Inspector General. We have obtained excellent cooperation from the FBI and the Department of Justice, both in Washington and in six FBI field offices across the United States.

### **The Role of the FBI**

The FBI played the lead role in the government's domestic counterterrorism strategy before September 11. In the 1990s, the FBI's counterterrorism efforts against international terrorist organizations included both intelligence and criminal investigations. Consistent with its traditional law enforcement approach, most of the FBI's energy during this period was devoted to after-the-fact investigations of major terrorist attacks in order to develop criminal cases.

Investigating these attacks always required an enormous amount of resources. As most of these attacks occurred overseas, many of the FBI's top terrorism investigators were deployed abroad for long periods of time. New York was the "Office of Origin" for the al Qaeda program and consequently where most of the FBI's institutional knowledge on al Qaeda resided. Working closely with the Office of the U.S. Attorney for the Southern District of New York, the Department of Justice, and the U.S. Intelligence Community, the FBI's New York field office was often successful in these investigations, and many of the perpetrators of these plots were identified, arrested, prosecuted, and convicted. We will summarize a few of the major episodes.

***World Trade Center Bombing.*** On February 26, 1993, six people were killed and over a thousand injured when a truck bomb exploded in the basement of the World Trade Center. The FBI was able to identify the perpetrators of the attack as radical Islamists who were followers of the “Blind Sheikh,” Omar Abdel Rahman. Through an international effort, the attack’s mastermind, Abdul Basit Mahmoud Abdul Karim (better known by his alias, Ramzi Yousef), was brought back to the United States to stand trial, and he, like some of his co-conspirators, was convicted.

***Landmarks Plot.*** Later in 1993, the FBI disrupted the “Day of Terror” plot which followers of Sheikh Rahman were in the midst of planning. Their plan was to blow up landmarks in the New York City area, including the Lincoln and Holland Tunnels, the George Washington Bridge, the United Nations, and the New York FBI Office. The FBI was able to prevent this attack by reactivating a source who had previously infiltrated this particular cell.

***Manila Airlines Plot.*** In January 1995, the Philippine police uncovered the plot to blow up 12 airplanes bound for the United States. Two of the perpetrators had also discussed the possibility of flying a small plane into the headquarters of the CIA. The FBI, working with the Philippine government, was able to determine that Ramzi Yousef was involved in this attack, as was Khalid Sheikh Mohammed, the eventual mastermind of the September 11, 2001 attacks.

***Khobar Towers Bombing.*** On June 25, 1996, terrorists attacked Khobar Towers in Saudi Arabia, killing 19 U.S. military personnel and wounding hundreds more. The FBI mounted a full-scale criminal investigation, deploying several hundred FBI personnel to Saudi Arabia to investigate the attack. The investigation resulted in the indictment of 13 individuals in June 2001.

***East Africa Embassy Bombings.*** On August 7, 1998, al Qaeda operatives bombed the U.S. Embassies in Kenya and Tanzania, in nearly simultaneous attacks. Twelve Americans and more than 200 Kenyans and Tanzanians were killed, and over 4,000 were injured. The FBI deployed hundreds of agents and other personnel to Africa to investigate the attacks. Usama Bin Ladin and 22 other individuals were indicted for their role in these attacks. Four of these individuals were caught and convicted.

***Millennium Plot.*** On December 13, 1999, Ahmed Ressay was detained by an alert U.S. Customs agent as he attempted to cross the border from Canada into the United States. During interviews later with the FBI, Ressay acknowledged that he was planning to conduct an attack at the Los Angeles International Airport. Based on information derived from both Ressay’s arrest and the arrests in Jordan associated with a planned attack on an American-owned hotel, the CIA and FBI were mobilized to prevent a terrorist attack within the United States.

***U.S.S. Cole Bombing.*** On October 12, 2000, terrorists conducted a suicide attack against the *U.S.S. Cole*, a U.S. naval warship stationed in the port of Aden, Yemen. Seventeen sailors were killed, and 39 were injured. The FBI deployed scores of agents and other personnel to Yemen, and determined that al Qaeda operatives were behind the attacks.

## **Approach to Counterterrorism**

The FBI took a traditional law enforcement approach to counterterrorism. Its agents were trained to build cases. Its management was deliberately decentralized to empower the individual field offices and agents on the street.

The Bureau rewarded agents based on statistics reflecting arrests, indictments, and prosecutions. As a result, fields such as counterterrorism and counterintelligence, where investigations generally result in fewer prosecutions, were viewed as backwaters.

Agents developed information in support of their own cases, not as part of a broader, more strategic effort. Given the poor state of the FBI's information systems, field agents usually did not know what investigations agents in their own office, let alone in other field offices, were working on. Nor did analysts have easy access to this information. As a result, it was almost impossible to develop an understanding of the threat from a particular international terrorist group.

Agents investigated their individual cases with the knowledge that any case information recorded on paper and stored in case files was potentially discoverable in court. Thus, there was a disincentive to share information, even with other FBI agents and analysts. Analysts were discouraged from producing written assessments which could be discoverable and used to attack the prosecution's case at trial.

In the investigative arena, the field office had primacy. Counterterrorism investigations were run by the field, not headquarters. Moreover, the field office that initiated a case maintained control over it, an approach the FBI called the "Office of Origin" model. This decentralized management structure allowed field offices to set their own priorities with little direction from headquarters.

## **Management Priorities and Challenges**

The FBI determined early in the 1990s that a preventive posture was a better way to counter the growing threat from international terrorism. In its first budget request to Congress after the 1993 World Trade Center bombing, the FBI stated that, "merely solving this type of crime is not enough; it is equally important that the FBI thwart terrorism before such acts can be perpetrated."

The FBI made several organizational changes at headquarters during the 1990s, including the creation of a Counterterrorism Center, the exchange of senior FBI and CIA counterterrorism officials, and the creation of a unit focused exclusively on Usama Bin Ladin. The FBI also expanded its overseas Legal Attache program during this period, largely to improve its liaison with foreign governments on terrorism.

By the late 1990s, the FBI recognized that certain limitations undermined a preventive counterterrorism strategy, and it initiated several significant reforms to address them. These broad efforts were focused on intelligence collection and analysis,

counterterrorism expertise and training, information technology, and the counterterrorism capacity of field offices.

Yet the FBI's leadership confronted two fundamental challenges in countering terrorism. First, the FBI had to reconcile this new priority with its existing agenda. This immediately required choices about whether to divert experienced agents or scarce resources from criminal or other intelligence work to terrorism. As the terrorism danger grew, Director Freeh faced the choice of whether to lower the priority the FBI attached to work on general crime, including the war on drugs, and allocate these resources to terrorism.

The Department of Justice Inspector General found that when the FBI designated "national and economic security" as its top priority in 1998, it did not shift its human resources accordingly. Although the FBI's counterterrorism budget tripled during the mid-1990s, FBI counterterrorism spending remained fairly constant between fiscal years 1998 and 2001. The Inspector General's 2003 report stated that prior to 9/11, "the Bureau devoted significantly more special agent resources to traditional law enforcement activities such as white collar crime, organized crime, drug, and violent crime investigations than to domestic and international terrorism issues." According to another external review of the FBI, by 2000 there were twice as many agents devoted to drug enforcement matters as to counterterrorism. On September 11, 2001, only about 1,300 agents, or six percent of the FBI's total personnel, worked on counterterrorism.

Former FBI officials told us that prior to 9/11, there was not sufficient national commitment or political will to dedicate the necessary resources to counterterrorism. Specifically, they believed that neither Congress nor the Office of Management and Budget fully understood the FBI's counterterrorism resource needs. Nor did the FBI receive all it requested from the Department of Justice, under Attorney General Janet Reno.

Reno told us that the Bureau never seemed to have sufficient resources given the broad scope of its responsibilities. She said in light of the appropriations FBI received, it needed to prioritize and put counterterrorism first. She also said that Director Freeh seemed unwilling to shift resources to terrorism from other areas such as violent crime. Freeh said that it was difficult to tell field executives that they needed to do additional counterterrorism work without additional resources.

Finally, even though the number of agents devoted to counterterrorism was limited, they were not always fully utilized in the field offices. We learned through our interviews that prior to 9/11, field agents often were diverted from counterterrorism or other intelligence work in order to cover major criminal cases.

The second core challenge was a legal issue that became a management challenge as well. Certain provisions of federal law had been interpreted to limit communication between agents conducting intelligence investigations and the criminal prosecution units of the Department of Justice. This was done so that the broad powers for gathering intelligence would not be seized upon by prosecutors trying to make a criminal case. The

separation of intelligence from criminal investigations became known as the “wall.” New procedures issued by Attorney General Reno in 1995 required the FBI to notify prosecutors when “facts and circumstances are developed” in a foreign intelligence or foreign counterintelligence investigation that “reasonably indicate a significant federal crime has been, is being, or may be committed.” The procedures, however, prohibited the prosecutors from “directing or controlling” the intelligence investigation.

Over time, the wall requirement came to be interpreted by the Justice Department, and particularly the Foreign Intelligence Surveillance Court, as imposing an increasingly stringent barrier to communications between FBI intelligence agents and criminal prosecutors. Despite additional guidance on information sharing issued by Attorney General Reno in February 2000 and by Deputy Attorney General Larry Thompson in August 2001, the wall remained a source of considerable frustration and concern within the Justice Department. Justice Department prosecutors and FBI criminal agents were responsible for large criminal cases, like the Embassy bombings. The intelligence side of the FBI, though, had the legal tools that were essential for domestic intelligence work, such as FISA surveillance. In this environment, domestic counterterrorism efforts were impaired.

### **Attempts at Reform**

***The 1998 Strategic Plan.*** The FBI issued a five-year strategic plan in May 1998 that was spearheaded by Deputy Director Robert Bryant. With this plan, the FBI designated national and economic security, including counterterrorism, as its top priority for the first time in the Bureau’s history. The plan emphasized that the FBI’s goal in the counterterrorism arena was “to prevent horrific acts” such as the 1993 World Trade Center and 1995 Oklahoma City bombings. The plan recognized that the Bureau needed to substantially enhance its collection, analysis, and dissemination of intelligence in order to understand the terrorist threat, and thus become more proactive on national security issues.

The plan mandated development of a strong intelligence base, including human sources, intelligence collection, and reporting requirements. It called for implementation of a nationwide automated system to facilitate intelligence collection, analysis and dissemination. It envisioned creation of a professional intelligence cadre of experienced and trained agents and analysts. It hoped for partnerships with intelligence community and national and local law enforcement agencies to leverage their expertise. As a result of the Strategic Plan, the FBI created an Office of Intelligence that was superseded by a new Investigative Services Division created in 1999.

***The Investigative Services Division.*** That Division was intended to strengthen the FBI’s strategic analysis capability across the spectrum of traditional criminal, counterintelligence, and counterterrorism cases. Thus, for the first time, the strategic analysis function was made independent of the operational divisions.

The Investigative Services Division also was intended to increase the professional stature of analysts. An internal review of the FBI’s intelligence analysis function at this time

found that 66 percent of the Bureau's analysts were not qualified to perform analytical duties. The review made recommendations for improvements. It appears that these recommendations were either not implemented or not enforced.

The new Division did not succeed. FBI officials told us that it did not receive sufficient resources, and there was ongoing resistance to its creation from the senior managers in the FBI's operational divisions. Those managers feared losing control. They feared losing resources. They feared they would be unable to get the assistance they wanted from the new Division's analysts.

Director Robert Mueller dismantled the Division soon after the 9/11 attacks. We will discuss his changes in Staff Statement No. 12.

***The Counterterrorism Division and MAXCAP 05.*** In 1999, the FBI also created separate Counterterrorism and Counterintelligence Divisions intended to ensure sufficient focus on these two national security missions. By late 1999 Dale Watson, the first head of the new Counterterrorism Division, recognized the urgent need to elevate the counterterrorism capacity of the FBI organization-wide.

Watson developed a strategy he called MAXCAP 05. His goal was that the Bureau reach its "maximum feasible capacity" in counterterrorism by 2005 through a strategy focused on "intelligence gathering, valid and straightforward reporting and tracking mechanisms, effective interagency liaison and cooperation, and accountable program management."

During July and August of 2000 at four regional conferences, Counterterrorism Division leadership presented the new strategy to all of the FBI's Assistant Directors and Special Agents in Charge of the 56 FBI field offices. Field executives told Watson that they did not have the analysts, linguists, or technically trained experts to carry out the strategy. Watson asked for help from the Training Division and the new Investigative Services Division.

Dale Watson told us that trying to implement this strategy was the hardest thing he had ever done in his life. One year after the regional conferences, almost every FBI field office's counterterrorism program was assessed to be operating at far below "maximum capacity." Watson thought the FBI had to step up to a major choice of mission, perhaps turning over a significant share of narcotics enforcement to the DEA in order to free up resources for countering terrorism. Although he thought FBI Director Freeh was sympathetic, most FBI managers opposed such a fundamental change before 9/11 and none of the pre-9/11 budgets made that choice.

The FBI's new counterterrorism strategy was not a focus of the Justice Department in 2001. Attorney General Ashcroft told us that upon his arrival at the Department, he faced a number of challenges that signaled the need for reform at the FBI. He mentioned the Ruby Ridge and Waco incidents, the Wen Ho Lee investigation, FBI agent Robert Hanssen's espionage, the late discovery of FBI documents related to the Timothy McVeigh case, and public disclosures about lost laptops and firearms.

The new Bush administration proposed an 8 percent increase in overall FBI funding for fiscal year 2002. This included the largest proposed percentage increase in the FBI's counterterrorism program since fiscal year 1997. On May 9, 2001, Attorney General John Ashcroft testified at a hearing on U.S. federal efforts to combat terrorism. He testified that the Justice Department had no higher priority than to protect citizens from terrorist attacks.

On May 10, 2001, the Department issued guidance for developing the fiscal year 2003 budget that made reducing the incidence of gun violence and reducing the trafficking of illegal drugs priority objectives. Watson told us that he almost fell out of his chair when he saw the memo, because it made no mention of counterterrorism. The Department prepared a budget for fiscal year 2003 that did not increase counterterrorism funding over its pending proposal for fiscal year 2002. It did include an enhancement for the FBI's information technology program intended to support the collection, analysis, and rapid dissemination of information pertinent to FBI investigations. Acting FBI Director Thomas Pickard told us he made an appeal to Attorney General Ashcroft for further counterterrorism enhancements not included in this budget proposal. On September 10, the Attorney General rejected that appeal.

Despite recognition by the FBI of the growing terrorist threat, it was still hobbled by significant deficiencies.

### **Intelligence Collection**

Intelligence collection efforts should begin with a strategy to comprehend what is being collected, identify the gaps, and push efforts toward meeting requirements identified by strategic analysis. Prior to 9/11 the FBI did not have a process in place to effectively manage its intelligence collection efforts. It did not identify intelligence gaps.

Collection of useful intelligence from human sources was limited. By the mid-1990s senior FBI managers became concerned that the Bureau's statistically-driven performance system had resulted in a roster of mediocre sources. The FBI did not have a formal mechanism for validating source reporting, nor did it have a system for adequately tracking and sharing such reporting, either internally or externally.

The "wall" between criminal and intelligence investigations apparently caused agents to be less aggressive than they might otherwise have been in pursuing Foreign Intelligence Surveillance Act (FISA) surveillance powers in counterterrorism investigations. Moreover, the FISA approval process involved multiple levels of review, which also discouraged agents from using such surveillance. Many agents also told us that the process for getting FISA packages approved at FBI Headquarters and the Department of Justice was incredibly lengthy and inefficient. Several FBI agents added that, prior to 9/11, FISA-derived intelligence information was not fully exploited but was collected primarily to justify continuing the surveillance.

The FBI did not dedicate sufficient resources to the surveillance or translation needs of counterterrorism agents. The FBI's surveillance personnel were more focused on

counterintelligence and drug cases. In fact, many field offices did not have surveillance squads prior to 9/11. Similarly, the FBI did not have a sufficient number of translators proficient in Arabic and other languages useful in counterterrorism investigations, resulting in a significant backlog of untranslated FISA intercepts by early 2001.

FBI agents received very little formalized training in the counterterrorism discipline. Only three days of the 16-week new agents course were devoted to national security matters, including counterterrorism and counterintelligence, and most subsequent counterterrorism training was received on an ad hoc basis or “on the job.”

Additionally, the career path for agents necessitated rotations between headquarters and the field in a variety of work areas, making it difficult for agents to develop expertise in any particular area, especially counterterrorism and counterintelligence. We were told that very few FBI field managers had any counterterrorism experience, and thus either were not focused on the issue or did not have the expertise to run an effective program.

Finally, agents’ investigative activities were governed by Attorney General Guidelines, first put in place in 1976 and revised in 1995, to guard against misuse of government power. The Guidelines limited the investigative methods and techniques available to agents conducting preliminary investigations of potential terrorist activities or connections. They prohibited the use of publicly available source information, such as that found on the Internet, unless specified criteria were present. These restrictions may have had the unintended consequence of causing agents to avoid legitimate investigative activity that might conceivably be viewed as infringing on religious liberties or lawful political protest. Agents we interviewed believed these limitations were too restrictive and adversely affected their counterterrorism intelligence investigations.

### **Strategic Analysis**

It is the role of the strategic analyst to look across individual operations and cases to identify trends in terrorist activity and develop broad assessments of the terrorist threat to U.S. interests. The goal is not abstract. Such analysis drives collection efforts. It is the only way to evaluate what the institution does not know. The FBI had little understanding of, or appreciation for, the role of strategic analysis in driving investigations or allocating resources.

The role of the tactical analyst, on the other hand, is geared toward providing direct support to investigations. Agents viewed tactical analysts as performing duties that advanced their cases. They failed to see the value of strategic analysis, finding it too academic and therefore irrelevant. Creation of the ill-fated Investigative Services Division may have worsened this attitude by distancing strategic analysts from agents in the operational divisions.

Moreover, strategic analysts had difficulty getting access to the FBI and Intelligence Community information they were expected to analyze. The poor state of the FBI’s information systems meant that analysts’ access to information depended in large part on their personal relationships with individuals in the operational units or squads where the

information resided. In short, analysts didn't know what they didn't know. As a result, prior to 9/11 relatively few strategic counterterrorism analytical products had been completed. Indeed, the FBI had never completed an assessment of the overall terrorist threat to the U.S. homeland. According to the Department of Justice Inspector General, FBI officials were comfortable relying on their individual professional judgment regarding the terrorist threat and "did not value a formal written assessment that uses a structured methodology."

Compounding this situation was the FBI's tradition of hiring analysts from within the agency rather than recruiting individuals with the relevant educational background and expertise. In our field visits, we encountered several situations in which poorly qualified administrative personnel were promoted to analyst positions, in part as a reward for good performance in other positions. When the FBI hired or promoted people with appropriate analytical skills and experience, the Bureau's lack of a long-term career path and a professional training program caused many capable individuals to leave the Bureau or move internally to other positions. In addition, managers often did not use qualified analysts effectively, especially in the field. Some field analysts we interviewed told us they were viewed as "über-secretaries," expected to perform any duty that was deemed non-investigative, including data entry and answering phones. Headquarters managers often did not have sufficient staff support, so they, too, turned to analysts to perform policy-oriented and programmatic duties that were not analytic in nature.

### **Knowledge Management**

Prior to 9/11, the FBI did not have an adequate ability to know what it knew. In other words, the FBI did not have an effective mechanism for capturing or sharing its institutional knowledge. FBI agents did create records of interviews and other investigative efforts, but there were no reports officers to condense the information into meaningful intelligence that could be retrieved and disseminated.

The FBI's primary information management system, designed using 1980s technology already obsolete when installed in 1995, limited the Bureau's ability to share its information internally and externally. The FBI did not have an effective system for storing, searching, or retrieving information of intelligence value contained in its investigative files.

Director Freeh told us that he went before congressional staff and members twice a year "begging and screaming" for funds to improve the FBI's information technology infrastructure. Former Department of Justice and FBI officials told us that the FBI lacked personnel with the necessary expertise leading its information technology improvement efforts, increasing Congress's reluctance to support funding proposals in this area.

Once Freeh brought former 30-year IBM executive Robert Dies on board in 2000, the Bureau developed a comprehensive information technology plan that Congress supported. The FBI received congressional approval in late 2000 for the "Trilogy" project, a 36-month plan for improving its networks, systems, and software. Dies told us that given the enormity of the task at hand, his goal was merely to "get the car out of the

ditch.” As of September 2001, the project was underway but by no means fully implemented.

The FBI’s Joint Terrorism Task Forces (JTTFs) were the primary mechanism for sharing counterterrorism information with other law enforcement agencies in the field. The FBI expanded the number of JTTFs throughout the 1990s, and by 9/11 there were 35.

The JTTFs, while useful, had limitations. The JTTFs set their own priorities in accordance solely with regional and field office concerns, and most were not fully staffed. Many state and local entities believed they would gain little from having a representative on a JTTF. Most detailees performed primarily a liaison function rather than serving as full working members of the JTTFs, and many did not have access to either FBI information systems or their own home agency systems while in the FBI workspace. Moreover, the supervisors in their home agency chains of command often did not have security clearances, making it difficult to share important intelligence information.

We were told that at headquarters, information sharing between the FBI and CIA improved greatly when the agencies began exchanging senior counterterrorism officials in 1996. After serving on rotation, senior officials better understood the other agency’s mission and capabilities. As will be discussed in the next staff statement, however, there were other problems with information sharing between the FBI and the CIA.

The FBI’s inability or unwillingness to share information reportedly frustrated White House national security officials. According to former National Counterterrorism Coordinator Richard Clarke, the National Security Council never received anything in writing from the FBI whatsoever. Former Deputy National Security Adviser James Steinberg stated that the only time that the FBI provided the National Security Council with relevant information was during the Millennium crisis. Clarke told us that Attorney General Reno was notified that the National Security Council could not run an effective counterterrorism program without access to FBI information.

The Justice Department representative on Clarke’s interagency group, the Counterterrorism and Security Group, has told us, however, that—to his knowledge—neither Clarke nor anyone else at the NSC raised any systemic issue of FBI information sharing as a policy issue or a matter to be considered by the Attorney General. Reno, in any case, initiated biweekly briefings of National Security Adviser Samuel Berger with FBI Director Freeh.

Reno told us that she was very concerned about the Bureau’s information sharing and intelligence capabilities. In 2000, Reno sent several memoranda to Director Freeh expressing these concerns. One memo stated that “it is imperative that the FBI immediately develop the capacity to fully assimilate and utilize intelligence information currently collected and contained in FBI files and use that knowledge to work proactively to identify and protect against emerging national security threats.” Reno’s requirements involved improved information sharing, improved counterterrorism training, a threat assessment, and a strategy to counter that threat. It is not clear what actions the FBI took in response to these directives from the Attorney General.

## **Terrorist Financing**

The FBI worked hard on terrorist financing investigations. The Bureau primarily utilized an intelligence approach to these investigations. Agents in a number of field offices gathered intelligence on a significant number of suspected terrorist financing organizations. Prior to September 11, these FBI offices had been able to gain a basic understanding of some of the largest and most problematic terrorist financing conspiracies that have since been identified. The agents understood that there was a network of extremist organizations operating within the United States supporting a global Islamic jihad movement. They did not know the degree to which these extremist groups were associated with al Qaeda. It was also unclear whether any of these groups were sending money to al Qaeda. The FBI operated a web of informants, conducted electronic surveillance, and had opened investigations in a number of field offices. Numerous field offices, including New York, Chicago, Detroit, San Diego, and Minneapolis, had significant intelligence investigations into groups that appeared to be raising money for Islamic extremist groups. Many of these groups appeared to the FBI to have some connection to either al Qaeda or Usama Bin Ladin.

The problems in the FBI's counterterrorism program affected these fundraising investigations as well. The FBI was hampered by an inability to develop an endgame. Its agents continued to gather intelligence with little hope that they would be able to make a criminal case or otherwise disrupt the operation. Agents were stymied by rules regarding the distinction between intelligence and criminal cases, in part due to the "wall" then in place between criminal and intelligence investigations, described above.

Making a terrorist financing case was at least as difficult, and perhaps more so, than other similarly complex international financial criminal investigations. The money inevitably moved overseas. Once that occurred, the money was much harder to track, and the agents were at a dead end. In addition, due to the FBI's inadequate information management systems, strategic analysis, and information sharing capabilities prior to 9/11, the FBI lacked a fundamental strategic understanding of the nature and extent of the al Qaeda fundraising problem within the United States. As a result, the FBI could not fulfill its responsibility to provide intelligence on domestic terrorist financing to government policymakers, and did not contribute to national policy coordination on this issue. Instead, FBI agents simply kept tabs on these fundraisers, even as millions of dollars flowed to foreign Islamic extremists.

## **Conclusion**

- From the first World Trade Center attack in 1993, FBI and Department of Justice leadership in Washington and New York became increasingly concerned about the terrorist threat from Islamic extremists to U.S. interests both at home and abroad.
- Throughout the 1990s, the FBI's counterterrorism efforts against international terrorist organizations included both intelligence and criminal investigations. The FBI's approach to investigations was case-specific, decentralized and geared

toward prosecution. Significant FBI resources were devoted to after-the-fact investigations of major terrorist attacks, resulting in several prosecutions.

- The FBI attempted several reform efforts aimed at strengthening its ability to prevent such attacks, but these reform efforts failed to effect change organization-wide.
- On September 11, 2001, the FBI was limited in several areas critical to an effective, preventive counterterrorism strategy. Those working counterterrorism matters did so despite limited intelligence collection and strategic analysis capabilities, a limited capacity to share information both internally and externally, insufficient training, an overly complex legal regime, and inadequate resources.