



## **The Performance of the Intelligence Community**

### ***Staff Statement No. 11***

Members of the Commission, with your help, your staff has developed initial findings on the performance of the Intelligence Community against the danger of Islamic extremist terrorism before the September 11 attacks on the United States. These findings may help frame some of the issues for this hearing and inform your work.

In Staff Statement No. 7 we discussed our initial findings on the work of the CIA as an instrument of national policy, in the areas of clandestine and covert action. Today we focus on intelligence analysis and warning, the collection of intelligence, and the overall management of the Intelligence Community *before* September 11, 2001.

This report reflects the results of our work on these issues so far. We remain ready to revise our understanding of these topics as our work continues. This staff statement represents the collective efforts of a number of members of our staff. Kevin Scheid, Lorry Fenner, Gordon Lederman, Lloyd Salvetti, and Doug MacEachin did much of the investigative work reflected in this statement.

We built upon the very significant work done on this topic in 2002 by the Congressional Joint Inquiry. All the agencies of the Intelligence Community made the necessary documents and witnesses available to us, often with a considerable investment of time and effort.

### **The Intelligence Community and Terrorism**

Today's Intelligence Community is a collection of agencies which were largely created to help wage the Cold War. The Central Intelligence Agency was created in 1947. The Department of Defense was created in the same legislation. The signals intelligence agencies were in the armed services and were unified under the National Security Agency in 1952, yet stayed in the Defense Department.

The National Security Act forbids the CIA from performing any internal security functions. Internal security is the province of the FBI. In contrast, the CIA collects foreign intelligence focused on human sources outside of the United States. The CIA is also responsible for analyzing information from all sources to provide objective intelligence for the President and policymakers.

The Defense Department (DOD) conducts the vast majority of technical intelligence collection. The National Security Agency, located in that Department, intercepts communications. The recently renamed National Geospatial-Intelligence Agency, also located in DOD, analyzes photographs and other imagery and prepares needed maps. These agencies are supported by the National Reconnaissance Office, which acquires, launches, and manages systems that orbit the earth, and is another DOD agency.

Each of the executive departments involved in national security has its own intelligence agency or bureau. These include the Defense Intelligence Agency, the intelligence branches of the military services, the intelligence divisions of the FBI, and the Bureau of Intelligence and Research within the Department of State.

The United States spends more on intelligence than most nations spend on national security as a whole. Most of this money is spent on intelligence collection, much of it on very expensive hardware, such as systems based in space. Most of the Intelligence Community's budget is spent in the Department of Defense, in part because the collection systems are mainly managed by agencies set up in that Department and in part because of the substantial intelligence organizations created to support the armed forces and the operations of the unified military commands around the world.

The Director of Central Intelligence has two sets of responsibilities. First, he leads a particular agency, the CIA. The CIA has special responsibilities for clandestine intelligence collection and covert action, and for independent analysis of foreign developments. Second, as the DCI he has the responsibility to coordinate the efforts of the entire Intelligence Community, this loose collection of federal agencies and parts of agencies, so that it purposefully and efficiently supports broad national priorities set by the President, the National Security Council, and the Congress. The DCI controls the CIA, but other cabinet secretaries and the FBI Director direct their parts of the Intelligence Community.

One of the Intelligence Community's priorities in the 1970s and 1980s was the danger posed by international terrorism. In that era terrorism was seen as tied to regional conflicts, mainly in the Middle East, and many of the terrorist groups were sponsored by governments. In 1985 President Reagan created a presidential task force to review U.S. efforts to combat terrorism. The task force was chaired by Vice President Bush. One of its recommendations was to establish an "all source intelligence fusion center for international terrorism."

The CIA then created a Counterterrorist Center, or CTC. In 1989, DCI Webster expanded the scope of the CTC beyond CIA to make it a "DCI Center" with responsibilities for overseeing the intelligence effort across all the intelligence agencies. Employees were detailed to the CTC from across the Intelligence Community. DCI Webster created additional mission-oriented Intelligence Community centers such as the Counternarcotics and Counterintelligence Centers. DCI Gates added a Non-Proliferation Center, and other DCIs have devised more Centers to try to cope with transnational challenges.

The CTC was organized to combat mainly regional terrorist organizations and the states that supported them. Therefore its focus tended to be traditional, on collection of intelligence in and

against particular states. That intelligence would then inform the foreign policy choices about engagement or coercion to influence the behavior of countries like Libya, Lebanon, Syria, Iran, and Iraq. As the CIA and the rest of the Community struggled to reorient its priorities during the early 1990s, the CTC began to observe a disturbing new trend of shadowy new groups as illustrated by those involved with Ramzi Yousef in the 1993 attack on the World Trade Center.

### **Analysis of a New Danger**

Information comes to intelligence agencies from many sources. These sources include the reports from other U.S. government agencies such as the State Department, from counterparts in foreign security agencies, from human agents, from signals intelligence such as communications, from imagery, and from open sources like foreign newspapers. The CIA was originally created, in large part, to sort through all such sources and offer unbiased assessments to the nation's leaders. In other words, although the CIA became and remains a principal collector and operator in its own right, its first duty was to provide integrated analysis.

Analysis is more than a news report. Tactical analysis studies a particular case involving an individual or group as a guide to specific operations. Strategic analysis looks beyond the particular in order to see patterns, notice gaps, or assemble a larger picture on a wider timeframe to guide the development of national policy.

Budget cuts in the national foreign intelligence program from fiscal years 1990 to 1996, and essentially flat budgets from fiscal years 1996 to 2000 (except for the so-called "Gingrich Supplemental" of FY 1999) caused significant staffing reductions that constrained the numbers and training of analysts. Analysis was already a relatively minor part of intelligence budgets devoted mainly to collection and operations.

Meanwhile, during the 1990s, the rise of round the clock news shows and the Internet reinforced pressure on the diminishing number of intelligence analysts to pass along fresh reports to policymakers at an ever faster pace, trying to add context or supplement what their policy consumers were receiving from the media. Many officials told us that the demands of providing "current intelligence" and briefings to more and more consumers, both in the executive branch and in Congress, drained scarce resources away from systematic, reflective strategic analysis.

In the late 1990s, weaknesses in all-source and strategic analysis were spotlighted by independent panels critiquing the Intelligence Community's failure to foresee the India-Pakistan nuclear weapons tests in 1998, and its limited ability to assess the ballistic missile threat to the United States in 1999. The first panel was led by Admiral David Jeremiah; the second by Donald Rumsfeld. Both panels called attention to the dispersal of effort on too many priorities, declining attention to the craft of strategic analysis, budget constraints, sophisticated denial and deception efforts by adversaries, and security rules that prevented adequate sharing of information. We found similar shortcomings with the quality of finished intelligence on transnational terrorism prior to 9/11.

While we now know that al Qaeda was formed in 1988, at the end of the Soviet occupation of Afghanistan, the Intelligence Community did not describe this organization, at least in documents we have seen, until 1999. As late as 1997, the CTC characterized Usama Bin Ladin

as a financier of terrorism. This was at a time when the Intelligence Community had recently received a major input of new information revealing that Bin Ladin headed his own terrorist organization, with its own targeting agenda and operational commanders. This new information also revealed the previously unknown involvement of Bin Ladin's organization in the 1992 attack on the Yemen hotel quartering U.S. military personnel and the 1993 shutdown of U.S. Army Blackhawk helicopters in Somalia; and quite possibly in the 1995 Riyadh bombing of the American training mission to the Saudi Arabian National Guard. Nor had analysts worked through answers to questions about links between Bin Ladin and his associates with the bombing of the World Trade Center in 1993 and the Manila airlines plot of 1994.

The most impressive piece of analysis on the emerging transnational terrorist threat was the 1995 National Intelligence Estimate entitled: *The Foreign Terrorist Threat in the United States*. It judged at the time that: "[T]he most likely threat of an attack in the United States would be from transient groupings of individuals similar to those drawn together by Ramzi Yousef. Such groupings lack strong organization but rather are loose affiliations."

The NIE warned of terrorist attacks in the United States over the following two years. It was updated in 1997. As we mentioned in Staff Statement No. 5, by early 1997 the United States had received dramatic new information about the organization of al Qaeda and its efforts to mount catastrophic attacks against the United States. The 1997 update failed to reflect this new information. No comprehensive national estimates were subsequently produced on terrorism prior to the attacks of 9/11.

Thousands of particular reports were circulated. A number of very good analytical papers were distributed on specific topics such as Bin Ladin's political philosophy, his command of a global network, analysis of information from terrorists captured in Jordan in December 1999, al Qaeda's operational style, and on the evolving goals of the international extremist movement. Hundreds of articles for morning briefings were prepared for the highest officials in the government with titles such as "Bin Ladin Threatening to Attack US Aircraft [with anti-aircraft missiles]" (June 1998), "UBL Plans for Reprisals Against U.S. Targets, Possibly in U.S.," (September 1998), "Strains Surface Between Taliban and Bin Ladin" (January 1999), "Terrorist Threat to US Interests in Caucasus" (June 1999), "Bin Ladin to Exploit Looser Security During Holidays" (December 1999), "Bin Ladin Evading Sanctions" (March 2000), "Bin Ladin's Interest in Biological and Radiological Weapons" (February 2001), "Taliban Holding Firm on Bin Ladin for Now" (March 2001), "Terrorist Groups Said Cooperating on US Hostage Plot" (May 2001), and "Bin Ladin Determined to Strike in US" (August 2001).

Despite such reports, and a 1999 paper on Bin Ladin's command structure for al Qaeda, there were no complete authoritative portraits of his strategy and the extent of his organization's involvement in past terrorist attacks. Nor had the community provided an authoritative depiction of his organization's relationships with other governments, or the scale of the threat his organization posed to the United States.

A few analysts within the CTC were dedicated to working on Bin Ladin. One of them had developed a lengthy comprehensive paper on his organization by 1998. Her supervisor did not consider the paper publishable and broke the topic down into four papers assigned to four other available analysts. As an indicator of the scarcity of analysts and the press of current intelligence

reporting work, it took more than two years for two of these papers to be published at all. The other two were not finished until after 9/11.

Some officials, including Deputy DCI John McLaughlin, are skeptical about the importance of comprehensive estimates. McLaughlin has been in charge of the estimate process. He told us such estimates are time-consuming to prepare. Judgments are watered down in negotiations. Conclusions may duplicate those already circulated in more specific papers. He and others said that key policymakers understood the threat.

Other officials, however, stress the importance of such estimates as a process that surfaces and clarifies disagreements. Through coordination and vetting views, the Community comes to a collective understanding of the nature of the threat it faces—what is known, unknown, and a discussion of how to close these gaps.

Most important, our interviews of senior policymakers in both administrations revealed a fundamental uncertainty about how to regard the threat posed by Bin Ladin and al Qaeda. After 9/11, the catastrophic character of the threat seems obvious. It is hard now to recapture the old conventional wisdom before 9/11. For example, a *New York Times* investigation in April 1999 sought to debunk claims that Bin Ladin was a terrorist leader, with the headline: “U.S. Hard Put to Find Proof Bin Ladin Directed Attacks.” The head of analysis at the CTC until 1999 regarded the Bin Ladin danger as still in the realm of past experience, discounting the alarms about a catastrophic threat as relating only to the danger of chemical, biological, or nuclear attack which he downplayed, referring in 2001—before 9/11—to “overheated rhetoric” on the subject.

In other words, before the attack we found uncertainty among senior officials about whether this was just a new and especially venomous version of the ordinary terrorist threat America had lived with for decades, or was radically new, posing a threat beyond any yet experienced. Some pointed out to us that, before 9/11, al Qaeda was considered responsible for the deaths of less than fifty Americans, all of them overseas. Former officials, including an NSC staffer working for Richard Clarke, told us the threat was seen as one that could cause hundreds of casualties, not thousands. Such differences affect calculations about whether or how to go to war. Even officials who acknowledge a vital threat intellectually may not be ready to act upon such beliefs at great cost or at high risk.

Therefore, the government experts who believed there was such a danger needed a process that could win and acknowledge broad support for their views or at least spotlight the areas of dispute. Such a process could also prompt action across the government. The national estimate process has often played this role, and is sometimes controversial for this very reason. It played no role in judging the threat posed by al Qaeda.

In the CTC, priority was given to tactical analysis to support operations. Although the CTC formally reports to the DCI, the Center is effectively embedded in the CIA’s Directorate of Operations. The Center had difficulty attracting talented analysts from their traditional billets in the Agency’s Directorate of Intelligence. The CTC also was especially vulnerable to the pressures that placed reporting ahead of research and analysis. Strategic analysis was a luxury the strained cadres of analysts in the Center could rarely indulge.

In late 2000 DCI Tenet recognized the deficiency of strategic analysis against al Qaeda. He appointed a senior manager to tackle the problem within the CTC. In March 2001 this manager briefed DCI Tenet on “creating a strategic assessment capability.” The CTC established a new strategic assessments branch during July 2001. The decision to add about ten analysts to this effort was seen as a major bureaucratic victory. The CTC labored to find analysts to serve in this office. The new chief of this branch reported for duty on September 10, 2001.

### **Warning and the Case of Aircraft as Weapons**

Since the Pearl Harbor attack of 1941, the Intelligence Community has devoted generations of effort to understanding the problem of warning against surprise attack. Rigorous analytic methods were developed, focused in particular on the Soviet Union. Several leading practitioners within the Intelligence Community discussed them with us. They have been articulated in many ways, but almost all seem to have at least four elements in common: (1) think about how surprise attacks might be launched; (2) identify telltale indicators connected to the most dangerous possibilities; (3) where feasible, collect intelligence against these indicators; and (4) adopt defenses to deflect the most dangerous possibilities or at least get more warning.

Concern about warning issues arising after the end of the Gulf War led to a major study conducted for DCI Robert Gates in 1992 which recommended several measures, including a stronger National Intelligence Officer for Warning. We were told that these measures languished under Gates’s successors. The National Intelligence Officer for Warning yielded responsibility to the CTC in handling warnings related to a terrorist attack. Those responsibilities were passed to an Intelligence Community Counterterrorism Board that would issue periodic threat advisories.

With the important exception of analysis of al Qaeda efforts in chemical, biological, radiological, and nuclear weapons, we did not find evidence that this process regularly applied the methods to avoid surprise attack that had been so laboriously developed over the years. There was, for example, no evident Intelligence Community analysis of the danger of boat bombs before the attack on the *U.S.S. Cole* in October 2000, although expertise about such means of attack existed within the Community, especially at the Office of Naval Intelligence.

Amid the thousands of threat reports, some mentioned aircraft in the years before 9/11. The most prominent hijacking threat report came from a foreign government source in late 1998 and discussed a plan for hijacking a plane in order to gain hostages and bargain for the release of prisoners such as the “Blind Sheikh.” As we mentioned yesterday in Staff Statement No. 10, this 1998 report was the source of the allusion to hijacking in the President’s Daily Brief article provided to President Bush in August 2001.

Other threat reports mentioned the possibility of using an aircraft laden with explosives. Of these the most prominent asserted a possible plot to fly an explosives-laden aircraft into a U.S. city. This report was circulated in September 1998 and originated from a source who walked into an American consulate in East Asia. Neither the source’s reliability nor the information could be corroborated. In addition, an Algerian group hijacked an airliner in 1994 in order to fly it into the Eiffel Tower, but they could not fly the plane. There was also in 1994 the private airplane crashing into the White House south lawn. In early 1995, Abdul Hakim Murad—Ramzi

Yousef's accomplice in the Manila airlines bombing plot—told Philippine authorities that he and Yousef had discussed flying a plane into CIA headquarters. A 1996 report asserted that Iranians were plotting to hijack a Japanese plane and crash it in Tel Aviv.

These past episodes suggest possibilities. Alone, they are not warnings. But, returning to the four elements mentioned above:

- The CTC did not analyze how a hijacked aircraft or other explosives-laden aircraft might be used as a weapon. If it had done so, it could have identified that a critical obstacle would be to find a suicide terrorist able to fly large jet aircraft. This had never happened before 9/11.
- The CTC did not develop a set of tell-tale indicators for this means of attack. For example, one such indicator might be the discovery of terrorists seeking or taking flight training to fly large jet aircraft, or seeking to buy advanced flight simulators.
- The CTC did not propose, and the Intelligence Community collection management process did not set, collection requirements against such telltale indicators. Therefore the warning system was not looking for information such as the July 2001 FBI report of terrorist interest in various kinds of aircraft training in Arizona, or the August 2001 arrest of Zacarias Moussaoui because of his suspicious behavior in a Minnesota flight school. In late August, the Moussaoui arrest was briefed to the DCI and other top CIA officials under the heading, "Islamic Extremist Learns to Fly." The news had no evident effect on warning.
- Neither the Intelligence Community nor the NSC policy process analyzed systemic defenses of aircraft or against suicide aircraft. The many threat reports mentioning aircraft were passed to the FAA. We discussed the problems at that agency in Staff Statements 3 and 4. Richard Clarke told us that he was concerned about this threat in the context of protecting the Atlanta Olympics of 1996, the White House complex, and the 2001 G-8 summit in Genoa. But he attributed his awareness to novels more than any warnings from the Intelligence Community. He did not pursue the systemic issues of defending aircraft from suicide hijackers or bolstering wider air defenses.

## **Intelligence Collection**

The CTC and the larger Intelligence Community tried to understand the emerging terrorist threat with their traditional collection methods of human source collection, or the use of informants; information provided by foreign intelligence services; signals collection, or the intercept of communications; and, open sources, or the systematic collection of print, broadcast, and, in the late 1990s, Internet information. Imagery intelligence was extremely valuable for targeting cruise missiles, interpreting Predator videos, and identifying training camps in Afghanistan. This form of intelligence collection worked well. But its sustained effectiveness depended on cues provided by other sources of intelligence.

Human source intelligence is conducted by both the CIA and the Defense Intelligence Agency (DIA). Gaining access to organizations or individuals who have access to terrorist groups has

proven extremely difficult for both the CIA and the DIA. This has led to a heavy reliance on “walk-ins” and foreign intelligence services.

Often, CIA’s best sources of information on terrorist organizations have been volunteers or “walk-ins,” who approach U.S. personnel at embassies and other places for a variety of reasons. But, evaluating these volunteers and walk-ins is a time consuming and sometimes risky proposition. The ratio of valuable information providers to charlatans, fabricators, or double agents is about 1 to 10. That is, for every ten walk-ins only one produces information of value to the Intelligence Community and U.S. policymakers. Yet some of the best sources on al Qaeda during the 1990s were walk-ins. One of these individuals, Jamal al Fadl, began providing information in 1996 and has testified in open court.

Foreign security services also play a critical role in understanding the terrorist threat. The United States government relied, and relies, heavily on this assistance. A major function of the Intelligence Community is the development and maintenance of these information sharing relationships, which may include expenditures to help the foreign agency improve its own capabilities. Before 9/11 the U.S. government developed especially helpful relationships with several governments in the Middle East and Southeast Asia. Where these relationships work, the local services have an enormous advantage in collecting intelligence. Of course, the quality of these relationships varied.

The German government provided the U.S. government information on an individual named “Marwan” who was acquainted with the target of a German investigation. This common first name and a phone number in the United Arab Emirates were provided as a possible lead in 1999. The CTC pursued this lead for a short time but, with the scant information provided, the CTC found nothing to provoke a special effort on this lead. The CIA did not ask any other agency in the intelligence community for assistance. We now know that “Marwan” was Marwan al Shehhi, who later piloted United Airlines flight 175 into the South Tower of the World Trade Center. He used the UAE telephone number in the period before the 9/11 attacks. We are continuing to investigate this episode.

We also corroborated that some countries did not support U.S. efforts to collect intelligence information on terrorist cells in their countries, or did not share the American assessments of the threat. According to a former Chief of the CTC, before 9/11 many liaison services were “highly skeptical,” and “frankly thought we were crazy.” They saw UBL as more an “oddball” than a real terrorist threat. This was especially true for some of the European services.

Most importantly, from our interviews it is clear that the Community has no comprehensive and integrated foreign liaison strategy. Each agency pursues foreign partnerships unilaterally, and has done so for many years with minimal interagency coordination.

Signals intelligence has been another source of terrorist-related information. The United States spends a great deal on signals intelligence capabilities. Signals intelligence provides global reach through land, air, sea and space-based systems. But U.S. capabilities have been challenged by the use of modern systems and the operational security practiced by the current generation of terrorists. Moreover, serious legal and policy challenges arise for foreign intelligence agencies

when dealing with communications between the U.S. and foreign countries. The NSA is also prohibited from collecting intelligence on people residing in the United States, whether they are U.S. citizens or not, without a warrant under the Foreign Intelligence Surveillance Act.

Signals intelligence is a source of measuring “chatter,” which is an indicator of terrorist activity. Interpreting chatter is difficult. For example, the press reported that the Congressional Joint Inquiry was told about intercepted communications collected on September 10, 2001, saying “tomorrow is zero hour,” and about the imminent beginning of “the match.” Additional information later came to light within the Intelligence Community, however, that suggested this information was connected with the opening of the Taliban and al Qaeda military offensive in Afghanistan against the Northern Alliance, following on the September 9 al Qaeda assassination of the Northern Alliance’s leader rather than the 9/11 attacks.

Finally, open sources—the systematic collection of foreign media—has always been a bedrock source of information for intelligence. Open sources remain important, including among terrorist groups that use the media and the Internet to communicate leadership guidance. This mission was performed by the Foreign Broadcast Information Service. During the early 1990s that service had been “shredded,” as one official put it to us, by budget cuts. But, by 2001, the FBIS had built a significant translation effort for terrorism-related media. The FBIS believes its charter bars open source collection of foreign language media within the United States.

The management of the Intelligence Community’s collection efforts is critical. Beginning in 1999, both Assistant DCI for Collection Charles Allen and CTC Director Cofer Black devoted significant attention to improving the collection of intelligence against the al Qaeda sanctuary in Afghanistan. In Staff Statement No. 7 we mentioned “The Plan” developed to energize the recruitment of human agents. These efforts complemented ingenious efforts already underway to improve the collection of signals intelligence. In these SIGINT efforts the CIA relied heavily on its own efforts, sometimes working well with NSA and sometimes quarreling. But they ultimately failed to achieve an adequate combined effort.

There were some commendable initiatives. Backed by the White House, Assistant DCI Allen worked with military officers in the Joint Staff during the spring and summer of 2000 to come up with innovative collection ideas. One of these was the Predator drone that first flew over Afghanistan in September 2000.

Strategic collection management depends upon strategic analysis to define the baseline of what is known, and what is not known, and to guide the setting of clear, agreed requirements. This process did not occur. Assistant DCI Allen concentrated on day-to-day collection challenges with enormous energy and dedication. However, there was no comprehensive collection strategy to pull together human sources, imagery, signals intelligence, and open sources. Even “The Plan” was essentially a CIA plan, not one for the Intelligence Community as a whole.

Collection was focused in a way that led analysts to look for the next attack to occur overseas. That was where the CIA and the NSA collected. The FBI, on the other hand, acquired little information on U.S. based individuals and groups. What was acquired was often not shared with

other members of the Community, in part because of the reasons discussed in Staff Statement No. 9.

Human intelligence relied heavily on the proxies we discussed in Staff Statement No. 7, on foreign liaison, and on walk-ins. The CIA did not send its own officers into Afghanistan to unilaterally collect intelligence themselves. The CIA's capabilities for such direct action overseas were very limited. The military's special operations capabilities to perform such tasks were more formidable, but were not utilized to collect intelligence in Afghanistan.

Signals intelligence collection against terrorism, while significant, did not have sufficient funding within the NSA. The NSA's slow transformation meant it could not keep pace with advances in telecommunications.

One final point on collection. We have devoted most of our attention to organizations in Washington. Tackling terrorist cells, however, takes place in the field. A few examples illustrate the challenges and dangers of working the terrorist target:

- In 2000 and again in 2001 CIA officers clandestinely flew into Afghanistan's Panjshir Valley on old Soviet helicopters to forge intelligence partnerships with Northern Alliance leaders.
- Also in 2000 and 2001, officers from the FBI and the CIA met repeatedly in a dangerous location overseas with an al Qaeda foot soldier who traveled in and out of the Afghan training camps carrying critical information on al Qaeda personnel, training, and capabilities. The CIA and FBI officers never knew whether the source might lure them into an ambush; they had to come armed, expecting the worst.

Unfortunately, the problems of coordination and sharing we found in Washington are sometimes replicated overseas as well.

### **DCI Tenet's "War"**

On December 4, 1998 DCI Tenet issued a directive to several CIA officials and the DDCI for Community Management stating: "We are at war. I want no resources or people spared in this effort, either inside CIA or the Community." Unfortunately, we found the memorandum had little overall effect on mobilizing the CIA or the Intelligence Community.

The memo was addressed only to CIA officials and the Deputy DCI for Community Management, Joan Dempsey. She faxed the memo to the heads of the major agencies. Almost all our interviewees had never seen the memo or only learned of it after 9/11. The NSA Director at the time, Lieutenant General Kenneth Minihan, told us he believed the memo applied only to CIA and not NSA since no one had informed him of any NSA shortcomings. On the other hand, CIA officials thought the memorandum was intended for the rest of the Community given the fact that they were already doing all they could and they thought that the Community needed to pull its weight.

The episode indicates some of the limitations of the DCI's authority over the direction and priorities of the Intelligence Community. Congress attempted to strengthen his authority in 1996 by creating the positions of Deputy DCI for Community Management and Assistant DCI's for Collection, Analysis and Production, and Administration. Perhaps their authority is not great enough. Perhaps it is not used enough. The vision of central coordination has not been realized.

The DCI did not develop a management strategy for a war against terrorism before 9/11. Such a management strategy would define the capabilities the Intelligence Community must acquire for such a war—from language training to collection systems to analysts. Such a management strategy would necessarily extend beyond the CTC to the components that feed its expertise and support its operations, linked transparently to counterterrorism objectives. It would then detail the proposed expenditures and organizational changes required to acquire and implement these capabilities.

DCI Tenet and the CIA's Deputy Director for Operations told us they did have a management strategy for war on terrorism. It was called: Rebuilding the CIA. They said the CIA as a whole had been badly damaged by prior budget constraints and that capability needed to be restored across the board. Indeed, the CTC had survived the budget cuts with less damage than many other components within the Agency. By restoring funding across the CIA, a rising tide would lift all boats. They also stressed the synergy between improvements of every part of the Agency and the capabilities that the CTC or stations overseas could draw upon in the war on terror.

As some officials pointed out to us, the tradeoff of this management approach is that by attempting to rebuild everything, the highest priority efforts might get only an average share, not maximum support. Further, this approach tended to take relatively strong outside support for combating terrorism and tried to channel this support into backing for across the board funding increases. Proponents of the counterterrorism agenda might be less inclined to loosen the purse strings than they would have been if offered a convincing counterterrorism budget strategy. The DCI's management strategy was also primarily focused on the CIA.

DCI Tenet and his predecessors had not developed the management and administrative tools to run the Intelligence Community that most federal departments use to monitor and rationalize their resources against priorities. The Intelligence Community did not have a financial accounting system, a chief financial officer, or a comptroller. The CIA had these tools for its own operations; the Intelligence Community did not. Instead, to manage the Community as a whole, the DCI relied on a variety of financial systems maintained by different agencies and without standardized definitions for expenditures.

Lacking a management strategy for the war on terrorism or ways to see how funds were being spent across the Community, it was difficult for DCI Tenet and his aides to develop an overall Intelligence Community budget for a war on terrorism.

The Administration and the Congress relied on supplemental appropriations to increase counterterrorism funding. While supplementals were a useful one-time plus-up, the DCI was not able to build long-term capabilities.

The Community lacked a common information architecture that would help to ensure the integration of counterterrorism data across CIA, NSA, DIA, the FBI, and other agencies. In 1998, DCI Tenet called for such integration in his *Strategic Intent for the Intelligence Community* with a vision of greater unity and horizontal integration across the Community, but the Intelligence Community did not develop a plan to achieve it before 9/11.

Finally, the Community had not institutionalized a process for learning from its successes and failures. We did not find any after-action reviews sponsored by the Intelligence Community after surprise terrorist attacks such as the Embassy bombings of August 1998 or the *U.S.S. Cole* attack of October 2000. The Community participated in Inspector General inquiries conducted by individual agencies, but these reviews were perceived as fault-finding, without enough constructive emphasis on learning lessons and discovering best practices. What we did not find was anything between the extremes of no investigation at all, and an adversarial inquiry triggered by a public outcry. We did not find an institution or culture that provided a safe outlet for admitting errors and improving procedures.

## **Conclusion**

Our investigation so far has found the Intelligence Community struggling to collect on and analyze the phenomena of transnational terrorism through the mid- to late 1990s. While many dedicated officers worked day and night for years to piece together the growing body of evidence on al Qaeda and to understand the threats, in the end it was not enough to gain the advantage before the 9/11 attacks.

- While there were many reports on Bin Ladin and his growing al Qaeda organization, there was no comprehensive estimate of the enemy, either to build consensus or clarify differences.
- With the important exception of attacks with chemical, biological, radiological, or nuclear weapons, the methods developed for decades to warn of surprise attacks were not applied to the problem of warning against terrorist attacks.
- In intelligence collection, despite many excellent efforts, there was not a comprehensive review of what the Community knew, what it did not know, followed by the development of a community-wide plan to close those gaps.
- The DCI labored within—and was accountable for—a Community of loosely associated agencies and departmental offices that lacked the incentives to cooperate, collaborate, and share information. Like his predecessors, he focused his energies on where he could add the greatest value—the CIA, which is a fraction of the nation’s overall intelligence capability. As a result, a question remains: Who is in charge of intelligence?