



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.

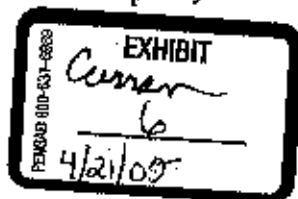
This report reflects the results of our work on these issues so far. We remain ready to revise our understanding of these topics as our work continues. This staff statement represents the collective efforts of a number of members of our staff. Kevin Scheid, Lorry Fenner, Gordon Lederman, Lloyd Salvetti,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



Staff Statement No. 9: management priorities and strategy; intelligence collection and processing; strategic analysis; and knowledge management.

Management Priorities and Strategy

After 9/11, the FBI abandoned its former opaque structure of "tiered" priorities in favor of a short, clear list of priorities. It made "protecting the United States from terrorist attack" the number one priority. It downgraded the priority attached to once sacrosanct parts of the Bureau's mission, including general crimes and narcotics enforcement, which are being left more to state and local agencies or the Drug Enforcement Administration.

FBI leadership also moved quickly to centralize the management of the counterterrorism program. This centralization represents a shift away from the pre-9/11 "Office of Origin" model in which the field office that initiated a case maintained control over it. All significant international terrorism cases and operations are directed from FBI headquarters. Director Mueller explained that "counterterrorism has national and international dimensions that transcend field office territorial borders and require centralized coordination to ensure that the individual pieces of an investigation can be assembled into a coherent picture."

Director Mueller has also endeavored to transform the reactive, law enforcement culture of the FBI. In the course of announcing reforms in May 2002, Director Mueller said, "What we need to do better is be predictive. We have to be proactive."

Along with these changes, the FBI has received large increases in funding since 2001. Appropriations to the FBI's National Security program have nearly doubled between September 11 and today. The FBI reports that the number of counterterrorism agents has increased from about 1350 on 9/11 to nearly 2400 today. It has also increased the number of analysts and language translators supporting the counterterrorism mission. The FBI has also created a number of specialized counterterrorism units at its headquarters. These include a unit to analyze electronic and telephone communications, a unit to exploit intelligence gleaned from documents or computers seized overseas by intelligence agencies, a surge capacity to augment local field investigative capabilities with specialized personnel, and a section to focus on the financial aspects of terrorism investigations.

Because of Director Mueller's efforts, there is widespread understanding that counterterrorism is the FBI's number one priority. However, many agents in the field were offended by the Director's statements that the FBI needs a new, proactive culture. Some agents who had worked counterterrorism cases before 9/11 felt prevention had always been part of their mission. We also found resistance to running counterterrorism cases out of FBI headquarters. Many field agents felt the supervisory agents in the Counterterrorism Division at headquarters lacked the necessary experience in counterterrorism to guide their work. In addition, because the organizational chart for the Counterterrorism Division has changed many times since 9/11, some field office personnel told us that they no longer have any idea who is their primary point of contact at headquarters.