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Office of Inspector General

Inspection Report

**THE AGENCY'S
COUNTERTERRORISM
EFFORT**

Directorate of Operations

OCTOBER 1994

C01252044

REPORT BY
THE OFFICE OF INSPECTOR GENERAL
ON
THE AGENCY'S COUNTERTERRORISM EFFORT

OCTOBER 1994

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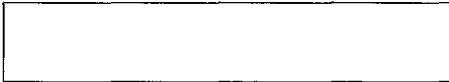
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EXECUTIVE SUMMARY

Our inspection, which was conducted from 1 March 1994 to 30 June 1994, found that CIA and the Counterterrorist Center (CTC) have had significant counterterrorist mission successes. The counterterrorist program has been most effective when the collection target was well defined--an organized group, a specific event, or an individual terrorist. The most significant weakness of the program was an extremely limited ability to provide timely warning of impending terrorist attack. The difficulty in penetrating terrorist groups is the principal cause of this weakness.

CTC is an effectively managed, mature Center performing its mission as intended. Customers give CTC high marks for expertise and responsiveness.

Relationships with some key FBI field offices and legal attaches are negatively affected by poor professional relationships between CIA and FBI field officials stemming from personal and professional experiences. These relationships hamper the counterterrorist efforts of both agencies. **Page 8 includes an advisory regarding this issue.**

CIA officers working in the counterterrorist program do not receive systematic training in the range of skills required to provide effective support to law enforcement agencies. Our recommendation for required training is intended to reinforce the Joint Intelligence Community Law Enforcement Task Force recommendations.

The main challenge for the Agency is to adapt its strategy, resources, and organization to new trends in terrorism--a rising threat from radical religious or ethnic nongovernmental groups and an increased presence of terrorist organizations in the United States. On the basis of our research, we believe CTC and the DO are currently engaged in addressing that challenge.

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Trends

This inspection of the CIA's counterterrorist program comes at a time of significant transitions in worldwide terrorist groups. The threats posed by some state-sponsored terrorists and some leftwing terrorist groups have declined. At the same time, threats from radical religious, ethnic, and nongovernmental terrorist groups have increased. These latter groups, often very small, close knit, and deadly are extremely difficult to penetrate.

The fact that terrorists have struck in the United States and have the potential to strike here again profoundly affects intelligence priorities and objectives. The World Trade Center bombing and the alleged plot to blow up other facilities in the New York City area brought terrorism home to the United States and to the CIA. Those events, and subsequent discovery of the extent of terrorist elements resident in the United States, reemphasized the priority of the CIA counterterrorist mission--and complicated it.

The trends also require Agency and Center management to simultaneously shift target priorities, increase penetrations of terrorist organizations, enhance and improve support to law enforcement agencies, change Counterterrorist Center (CTC) organization to reflect the new priorities, improve the use of information management technologies, and accomplish all of these changes within the context of severe budget and personnel constraints.

CTC management is currently engaged with the Intelligence Community in adjusting target priorities and changing CTC organization to reflect those new priorities. the Congress is considering

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[ ] providing resources to go with the additional tasks.

Agency Resources

The Counterterrorist Center (CTC) is the main counterterrorist element for the Agency and for the Intelligence Community. [ ]

[ ] The Chief of CTC serves as DCI Center Manager, Community Issue Coordinator in his role in the Needs Process, National Intelligence Officer, and, in most cases, crisis manager.

CTC is a worldwide, multifaceted operational and analytical unit. [ ]

Although CTC is central, other CIA elements are actively involved in counterterrorist programs. The DO area divisions [ ] DS&T, [ ] open-source, imagery, and signals intelligence.

Program Effectiveness

We measured the effectiveness of the Agency's counterterrorist program against four criteria:

- Mission objective achievements.

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- Customer evaluations.
- Support to law enforcement agencies.
- Quality of program management.

Mission Objectives. CIA has had notable successes measured against its mission objectives. Terrorist capabilities have been minimized [   ] Planned terrorist operations were preempted directly [   ] and, indirectly, by helping law enforcement agencies bring terrorists to justice--a World Trade Center bomber and [   ] hijacker.

Customer Evaluations. During this inspection we discussed the effectiveness of CIA support with a wide range of external customers in the policy [   ] and law enforcement communities. CTC was the key element to which most of the customers related [   ] as playing a significant role. We also discussed CTC's support with customers within CIA.

External Customers. Generally, external customers were extremely pleased with Agency support. Praise for the program covered many different services from White House-level policy support, to effective Intelligence Community leadership on resource and collection issues, to tactical support to law enforcement agencies [   ] Most of the praise was directed at CTC and, particularly, at its senior managers for their responsiveness to customers, for their expertise on terrorist issues, and for their Community leadership. [   ] also received praise and, in several

cases, awards from the FBI for their counterterrorism support.
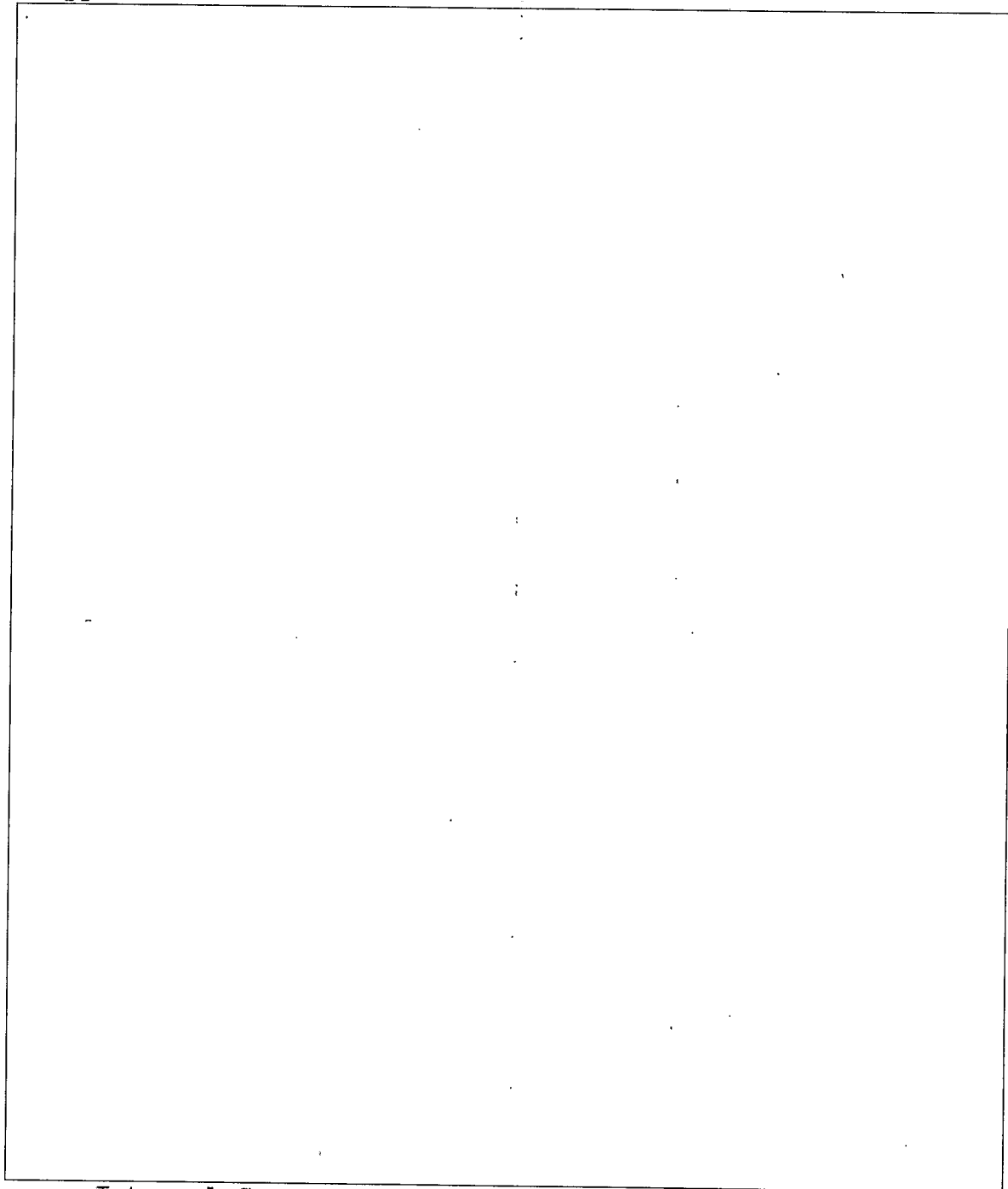
Internal Customers. Internal customers--particularly stations and bases abroad--reported excellent support from CTC. Interviews with case officers serving in field stations indicated that CTC answers its mail promptly. It

provides sound operational support and initiatives, in most cases. [ ] highly valued by stations for their contributions to maintaining critical liaison relationships.

A few internal customers, particularly station officers, expressed reservations about the effectiveness of some CTC operational recommendations. They said that CTC desk officers do not have a sufficient grasp of local operational realities and that their recommendations reflected that fact. A few station officers also indicated that, in their view, CTC was sometimes too aggressive [ ]

We did not evaluate the specific cases about which internal customers expressed concern. We did discuss both criticisms with senior CTC managers. They told us that, in their judgment, the quality of CTC operational recommendations is sometimes adversely affected by the Center's having too few [ ] officers. With regard to CTC pressing stations [ ] senior CTC officials commented that aggressiveness is appropriate to the Center's mission and what is expected of CTC by policymakers.

Support to Law Enforcement Agencies. Agency components support the Secret Service, FBI, Department of Justice, and other law enforcement and regulatory agencies. The main efforts involve support to the Secret Service and the FBI. During the inspection, both the Secret Service and the FBI had officers assigned to CTC.

CTC supports the Secret Service in both its protective responsibilities and in its special investigation [ ] Several Agency elements--CTC [ ] and many stations-- support FBI counterterrorist efforts.

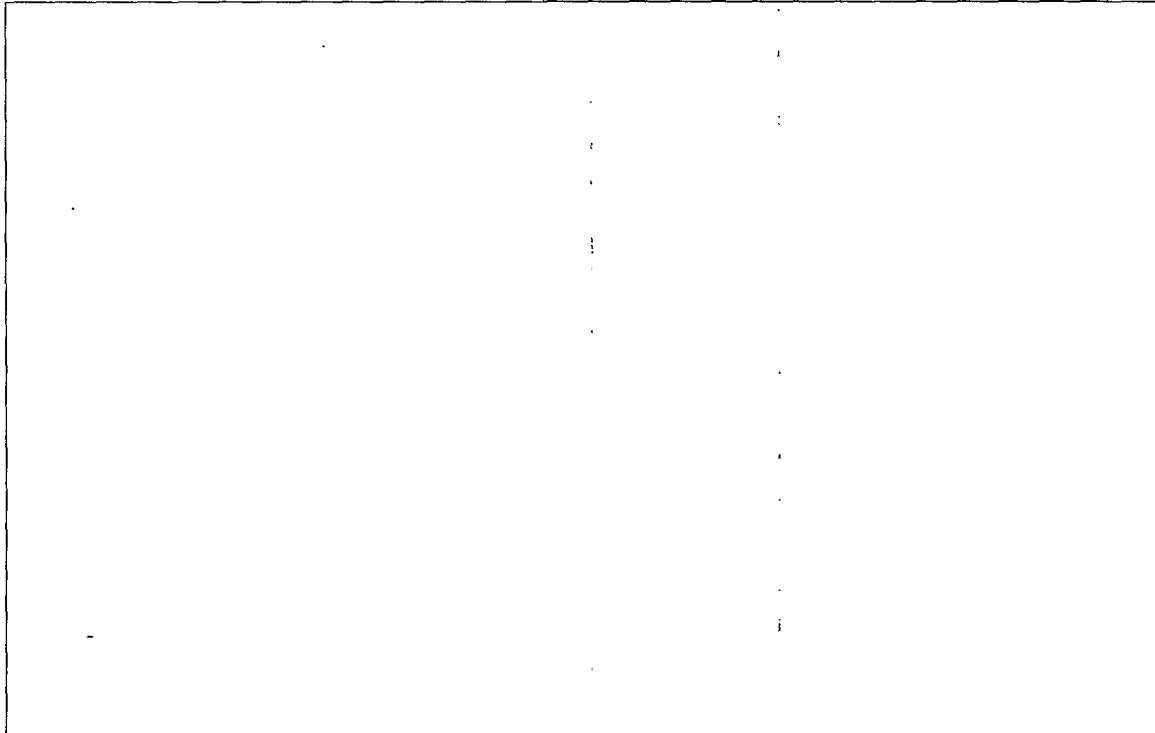Secret Service. The Secret Service (USSS) reports excellent Agency support for both its protective

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responsibilities and ⬚

According to senior Secret Service managers, CIA reporting was essential in 15 of the Secret Service's major protective cases in the past two years. ⬚

Department of Justice. Senior Department of Justice officials also report good support from the Agency on counterterrorism issues and an excellent, but limited, personal involvement with CTC. They have concerns about counterterrorism support from CIA that parallel issues considered in the draft report of the Joint Intelligence Community Law Enforcement Task Force.

Senior Justice Department officials indicate that, in their view, CIA needs to improve its handling of criminal information. While they did not cite cases involving terrorism, they did refer to ⬚ as examples of problems that could have been avoided with appropriate training and foresight by Agency officers.
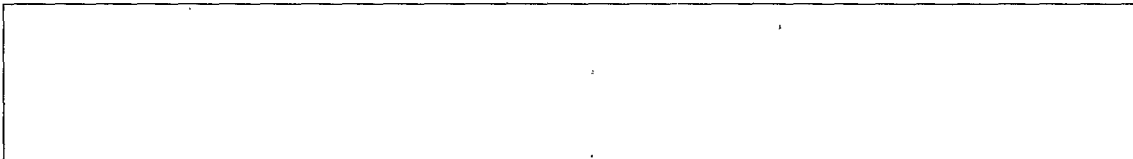
They also expressed a generalized concern about the Agency's slipping into law enforcement activities in its close support to law enforcement agencies

FBI. Relationships with the FBI are a more complex matter. We interviewed [   ] officers and conducted interviews [   ] relating to CIA-FBI relationships [   ] The data from our interviews indicate that, generally, CIA support to the FBI was effective on counterterrorist matters. In the case of the World Trade Center bombing, CIA support was particularly helpful.

At the same time, data from the inspection, including interviews with senior officials in FBI and CIA field elements, indicate that the effectiveness of support to FBI counterterrorist programs is overly dependent on the status of personal relationships. Some relationships are excellent; others are not. In addition, our interviews indicated that the prevailing view among FBI field officers and some Department of Justice officials working on counterterrorism is that the CIA witholds information that the FBI needs for its counterterrorist efforts.

In one [   ] interviews with CIA officers revealed that the FBI would not tell the CIA station what terrorist groups it was concerned about. In another [   ]

indicate that mistrust adversely affects information sharing and cooperation on counterterrorist programs. If poor cooperation leads to a failure to provide information that

could have been used to preempt a terrorist incident in the United States, the results could be tragic.

RELATIONSHIP BETWEEN CIA AND FBI--AN ADVISORY:

- *Poor professional relationships between CIA and FBI personnel serving at some key US and foreign posts adversely affect the counterterrorist programs of both agencies and require the attention of the top managers of both agencies.*

- *The perception among FBI and Department of Justice personnel that CIA is withholding information the FBI needs to fulfill its counterterrorist mission also affects critical relationships between the Agency and the FBI.*

- *Similarly, some CIA field personnel perceive that they are not receiving information from FBI field offices required to fulfill their counterterrorist mission.*

Noted_____James Woolsey_____   Date_14 Dec 94_____

Training. Interviews of CTC officers and their managers demonstrate that CIA employees are not provided the systematic training they require for effective support to law enforcement agencies. Some officers are experienced and have absorbed on-the-job training. Others are neither experienced nor trained. As the Joint Task Force concluded, compromising a source or damaging the prosecution of an alleged terrorist because a CIA officer was not aware of the requirements for supporting law enforcement agencies are real and serious risks. Interviews with officials in the law enforcement community indicate that they see evidence of inadequate training of CIA officers in their work with CIA on counterterrorist matters.

To ensure effective support to law enforcement agencies, all Agency officers working on terrorism need

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legal awareness training. The recent addition

has helped make some
additional time available for training, which is now
provided

We suggest these current efforts be strengthened by the
systematic, formal training the Joint Intelligence Community
Law Enforcement Task Force proposes in its draft report.
The costs of this training would depend mainly on the time
CIA and other officers would devote to taking or teaching
the course(s).

**TRAINING FOR SUPPORTING LAW ENFORCEMENT AGENCIES--AN
OPERATIONAL RECOMMENDATION**

Findings

- *Agency officers are not systematically receiving training
  in supporting counterterrorist efforts of law enforcement
  agencies.*

- *Our interviews with CIA officers and with knowledgeable
  officials in the law enforcement community provide clear
  evidence that, as a result of insufficient training, many
  Agency officers at Headquarters and in field stations do
  not fully understand the legal impact their activities
  may have on the subsequent conviction of a terrorist and
  are unclear about law enforcement's legitimate role
  abroad.*

**Operational Recommendation: That all appropriate
Agency personnel engaged in supporting law enforcement
agencies' counterterrorism efforts receive legal awareness
training as proposed in the draft report of the Joint
Intelligence Community Law Enforcement Task Force.**

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Approve //James Woolsey   Date 14 Dec 94

Disapprove_____   Date_____

CTC--Elements of Success

CTC is recognized within the Agency, the Intelligence Community, and the Policy Community as an effective DCI Center. In interviews, focus groups, surveys, and briefings, CTC employees and customers told the team of their high regard for the Center, its product, and its management. We found no significant substantive issues relating to the management of CT programs at the Agency level. DO Area Divisions and field stations accept and by all evidence work effectively with CTC. Within the Community, CTC has provided effective leadership for both budget and collection resources. We believe, on the basis of our research and information from interviews, that this record is a reflection of the leadership that a well-run, firmly established, widely accepted DCI Center can provide for an Agency program and for the Intelligence Community. Our data also suggest that this record is a reflection of the quality and skills of current senior CTC managers.

The elements of CTC's mission and management success can be identified and should be remembered as positive lessons learned for other DCI centers.

Mission Clarity. We found clarity concerning CTC's mission in the Center, the Agency, and in the Community. In the management survey, 99 percent of the CTC staff agree that they understand the Center's missions and functions. Our data also indicate that CTC management has kept CTC

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employees and CTC customers well informed about mission and functions.

In the DO. The Center is administered within the Directorate of Operations where the operational mission is paramount and the Directorate is designed to support the mission. CTC supports DO area division efforts effectively and, in turn, draws on them for support.

DI-DO Integration. In CTC we found operational and analytic activity effectively integrated. Our interview data indicate that the work of DI analysts is highly valued by the operations officers in the Center, especially those analysts involved in operations support. _____

The analysts and operations officers both report that the analysts have adequate access to DO operations traffic to allow them to work effectively, and conversely operations officers have access to DI data bases

Community Center. Judging from our interviews with CT Community participants, we believe CTC has effectively projected its role as an Intelligence Community center. Officials with whom we met in the Intelligence and Policy Communities acknowledged CTC's central and coordinating role on counterterrorism issues including budget, crisis management, analytical work, and some operational efforts. Comments from a focus group composed of officers working in CTC on rotation from other counterterrorism community agencies underlined the fact that they were well integrated into the operations of the center. This group also agreed that CTC provides "value added" in terms of expertise and the synergistic effects of an integrated center.

Responsive. The Inspection Team found that policy customers, operational elements of other agencies, and CIA operations officers in the field regard the Center as responsive to their needs. Focus groups and interviews with

CTC officers reveal that prompt response is considered to be important and a source of some pride in CTC.

...With a Few Problems

Against this background of strong leadership and engaged program management, our individual interviews, focus groups, and survey data brought a few problems to our attention.

Resources. Some Directorate CT efforts do not appear to be in concert with current Agency priorities.

threat to US interests, the size of the Agency's effort appears disproportionate to the current threat.

Reorganization. In interviews and focus groups, a significant number of CTC employees complained that they had to rely on five months of rumors for information about the reorganization of the   They also lamented that CTC management did not seek out the views of the working-level officers, as had been done in a recent reorganization of

Gender. Responses to the management survey revealed a perception among about 25 percent of female officers in CTC that their professional opportunities were limited by their gender. Female officers pointed to the all-male management structure of the   and the fact that all senior managers in the Center are male. They also said that they did not have an opportunity to apply for management jobs in   -the process of selecting officers was not open. The concerns of female officers appear to warrant CTC management attention, particularly in the process used to select CTC managers. Interviews with managers indicated that the selection process was not open, and a review of the current management structure of the

center confirms that all managers in [ ]
are male.

Career Issues. The management survey, focus groups,
and interviews with managers and staff officers indicated a
widespread concern about the adverse impact of service in
CTC on the careers of its officers. [ ]

In the opinion survey and personal interviews, the
overwhelming majority of CTC employees told us that they
found working in CTC to be challenging and personally
rewarding. However, in the opinion survey, only 35 percent
of employees agreed that their home office or career service
recognized the value of their work in CTC and rewarded it.

Furthermore, we were told by both managers and
employees that perceptions about the impact of service in
CTC on employees' careers discouraged some well-qualified
employees from serving in CTC. In the course of interviews,
managers, operations officers, and analysts had told us of
persons who had turned down offers of positions in CTC
because of concerns about adverse effects on their careers.

The causes of this concern appear to vary by
directorate. Some CTC managers and staff officers point to
specific cases of deserving DI officers on rotation to CTC
who were not promoted because they had not done traditional
DI long-term research papers. Senior CTC managers, however,
do not believe that long papers were the issue in those
cases.

In the DO, the concern has two origins. First, among
DO [ ] officers, service in CTC may delay opportunities to
serve abroad because many area divisions require a
headquarters tour before assignment overseas. [ ]

officers assigned to CTC, most of whom are engaged in
training, are disadvantaged by precepts designed for

officers assigned

engaged primarily

In order to understand the facts underlying the perception that service in CTC may hinder an officer's career progression, we interviewed senior DI managers and reviewed promotion data.

Senior DI managers we interviewed believe that the DI officers are being evaluated fairly and promoted equitably. They indicated that the rotational panel chaired by the A/DDI is specifically charged with resolving disputes between home and rotational offices.

data on DI and DO promotion rates for officers serving in CTC. With regard to DI officers, the data   indicate that promotion rates for DI officers serving in CTC are essentially the same as for DI officers serving in their home DI offices.

We also interviewed senior DO managers and developed data concerning promotion rates. The Deputy Director for Operations recently determined that, despite his earlier efforts to secure additional   officers for the Center, none were provided. Therefore, he recently directed assignment of   officers   to the Center in the coming months. The need for repeated direct action by the DDO is one of the best indicators of the strength of perceptions and the depth of the problem.

The data   indicate that   officers are disadvantaged by service in CTC.   officers do not receive promotions at a rate comparable to their   colleagues in the DO as a whole. In order to be receiving promotions at the same rate as other   officers,   should have received   promotions during the last four years. Instead, they received

The data do not provide information about the reasons
for the shortfall in promotions. However, our interviews
indicate that limited opportunity for service overseas and
☐ The
individual competitiveness of the ☐ officers serving in
CTC is also a plausible contributing factor.

The perception that ☐ officers are disadvantaged by
service in CTC is supported by the promotions data ☐
☐ Compared with ☐ promotion rates
across the DO, promotion parity for CTC ☐ officers would
have been ☐ promotions during the last four years, while
☐ were granted. The deviation from parity in CTC
☐ promotion rates compared with DO ☐ promotion rates
is likely to be accounted for by the fact that ☐
precepts do not adequately cover the activities of ☐
officers serving in CTC.

We discussed the issue of ☐ promotions with CTC
management. They indicated that the A/DDO has recently
become aware of the disparity of ☐ precepts affecting
CTC ☐ officers. He has directed a group to review ☐
precepts and to make necessary changes.

The data ☐ however, indicate that
☐ officers received a somewhat higher rate of
promotions than their counterparts in other DO offices.
Promotion parity for ☐ officers would have been ☐
promotions during the last four years. In fact, ☐
☐ officers were promoted. During the same period,
promotion parity for ☐ officers would have been ☐
while ☐ promotions were granted.

Information Systems

CTC responsibility for information management systems
includes several internal systems and the Community
☐ On the basis
of briefings we received and our interviews with CTC
officers, we believe the internal information systems are

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well focused and now meet the requirements of CTC.

. In contrast with the internal systems, [   ]
program has been affected by both management and funding
problems. As a result, senior CTC managers responsible for
the program acknowledge that the Intelligence Community has

underperforming Community [   ]
[   ] system.

Interviews with present and past program managers
suggest that the origins of the [   ] problem lie, in the
first instance, in grudging acceptance of responsibility for
developing the system by the DO and CTC. The program
concept originated with the Intelligence Community Staff
several years ago. The staff decided that CIA should
develop and manage the system. Senior CTC managers accept
responsibility and are working to provide the resources for
an effective program, however, they indicate that they would
just as soon not have responsibility [   ]

Compounding CTC's initial reluctant acceptance of
responsibility [   ] was the fact that, according to
our interviews, the DO and NSA insisted on pursuing the
development of a compartmented workstation in order to
accommodate and control ORCON documents. OIT warned about
the perils of developing a compartmented workstation. When
its warnings were not heeded, OIT provided minimal support
to the project.

Management of resources also contributed [   ]
problems. Projected cost [   ] CIA
reduced that [   ] In what appears to be a
fundamental error, the project scope was increased not
decreased [   ] Experienced
project managers indicated that the decision to expand
rather than reduce scope probably was one key reason for the

funding shortfall the program encountered

Another underlying problem flowed from the initial system requirements. The Agency's request for proposal (RFP) did not require the contractor to review, in detail, the project requirements. This oversight permitted the contractor to develop [   ] from an ambiguous set of requirements. Given the complexity of developing a state-of-the-art compartmented workstation, experienced project managers indicate that a detailed review should have been required. On the basis of our interviews, it appears that, during the actual development of the system, certain basic program management controls were not established. For example, the impact assessment and requirements management processes were not well controlled. The technical complexity of the compartmented workstation and the lack of requirements analysis made oversight of the technical process both difficult and ineffective.

In December 1992, C/CTC informed the Community that it would have a shortfall in [   ] Program. That meeting was followed by a February 1993 memorandum informing the Acting DCI of a shortfall.

CIA management failed to come up with additional funds until after the program manager issued a stop-work order for the program. Only after the program stopped and the contractor team dispersed did CIA find money to continue the program. This inability to decide whether to terminate or continue the program has cost a substantial amount of money and impacted on delivery of services to the counterterrorist community.

[   ] was stopped for six weeks while funds were redirected to cover the funding shortfall. CTC now has two additional funding requirements [   ] (1) the contractor stop-work costs as described by the contract and (2) the new startup costs to continue the

contract. Before [   ] funding interruptions, the developmental activities were performed with a team [   ] contractors. Current plans indicate a development staff of [   ] This level of support will impact on what the staff can develop and when the staff can deliver the system.

To improve the management of the project, OIT and CTC changed the project manager during the summer of 1993 and colocated the entire development team during the spring of 1994. The changes were intended to address many of the concerns that [   ] had surfaced over the many months of development. The project manager change appears to have been beneficial and helped resolve many of the existing problems. While the management of the program has improved, continued attention from CTC and OIT senior management will be required to ensure that [   ] is a success.

Directorate of Operations

The Directorate of Operations has had an active counterterrorist effort [   ] establishment of CTC in 1986 consolidated the program. The high priority accorded the counterterrorist effort was reflected [   ]

The DO's field stations combined with CTC to form the Agency's counterterrorism action arm. [   ]
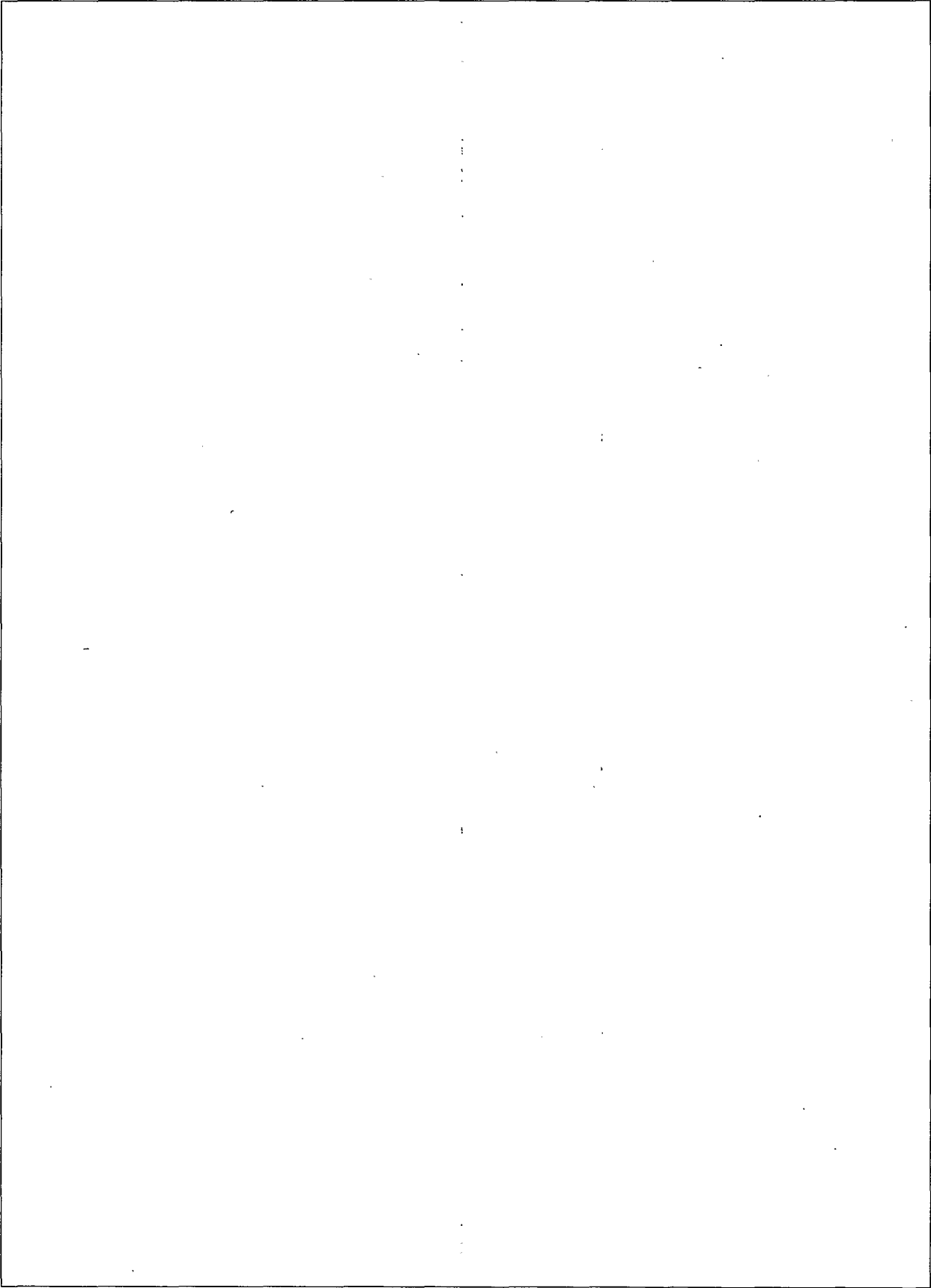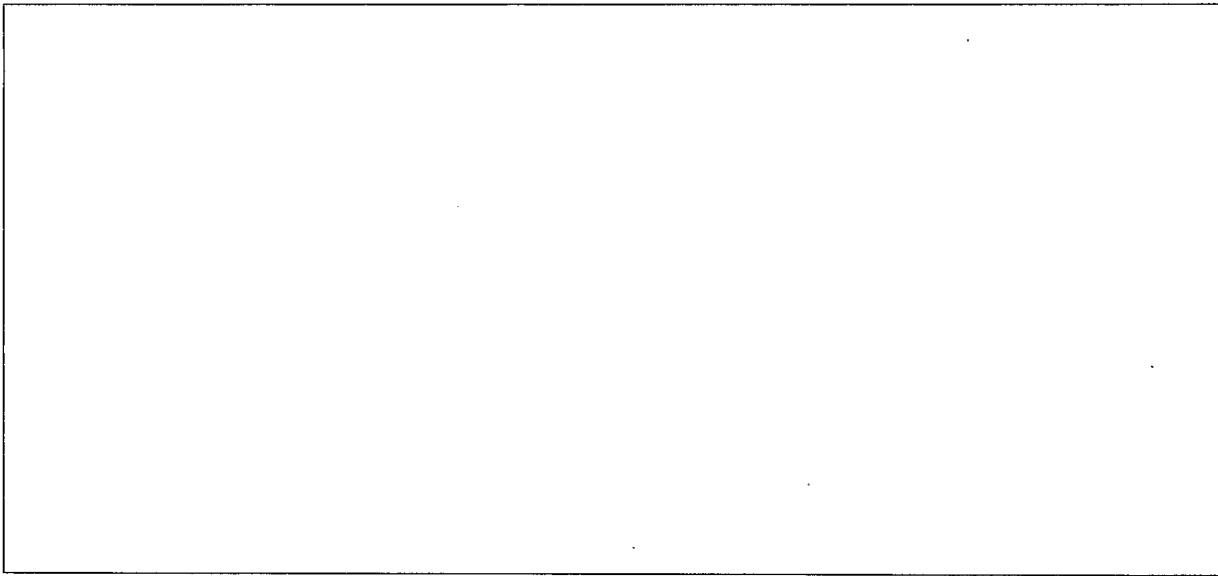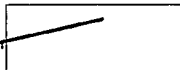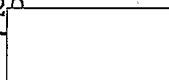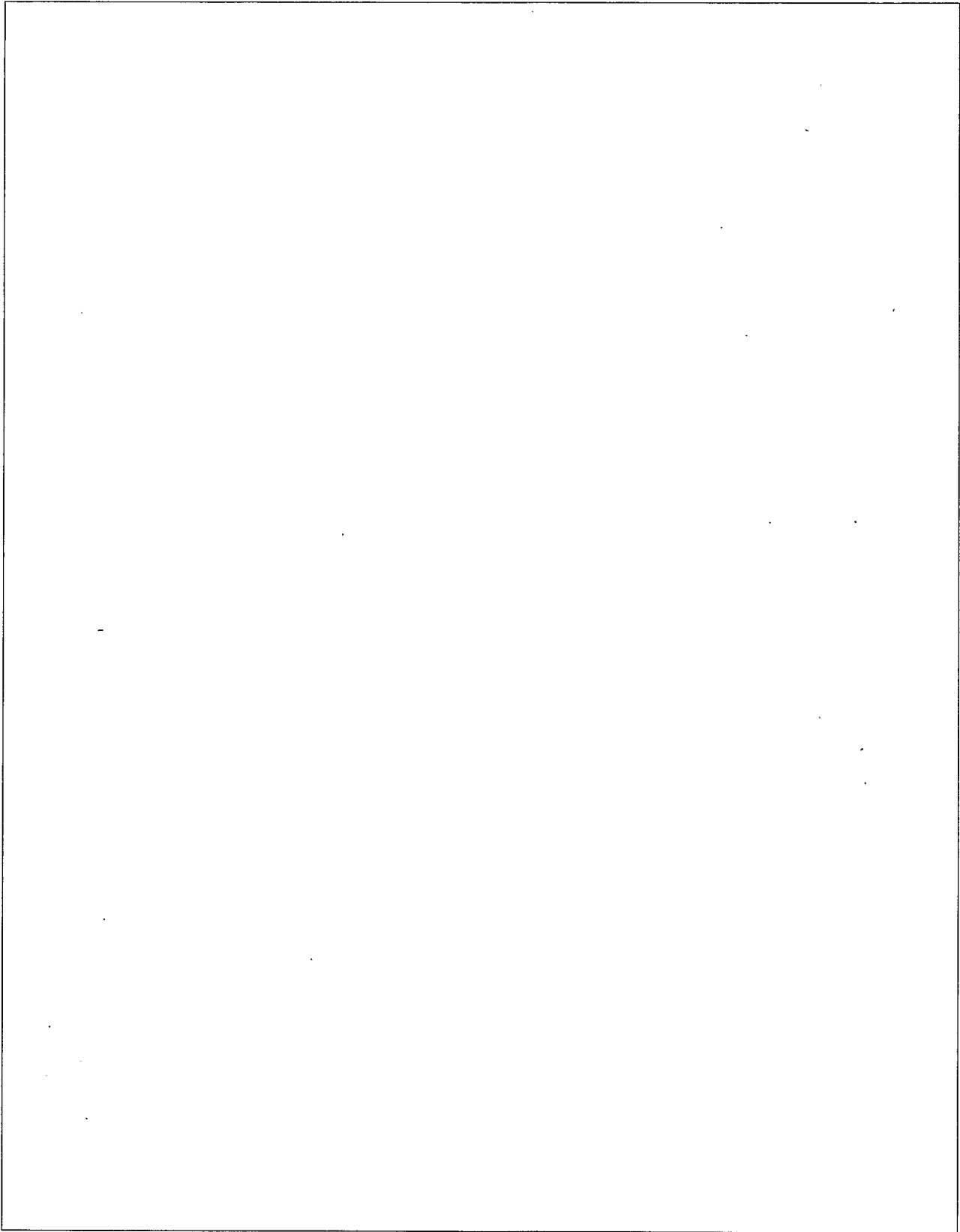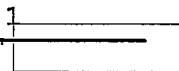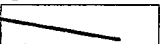
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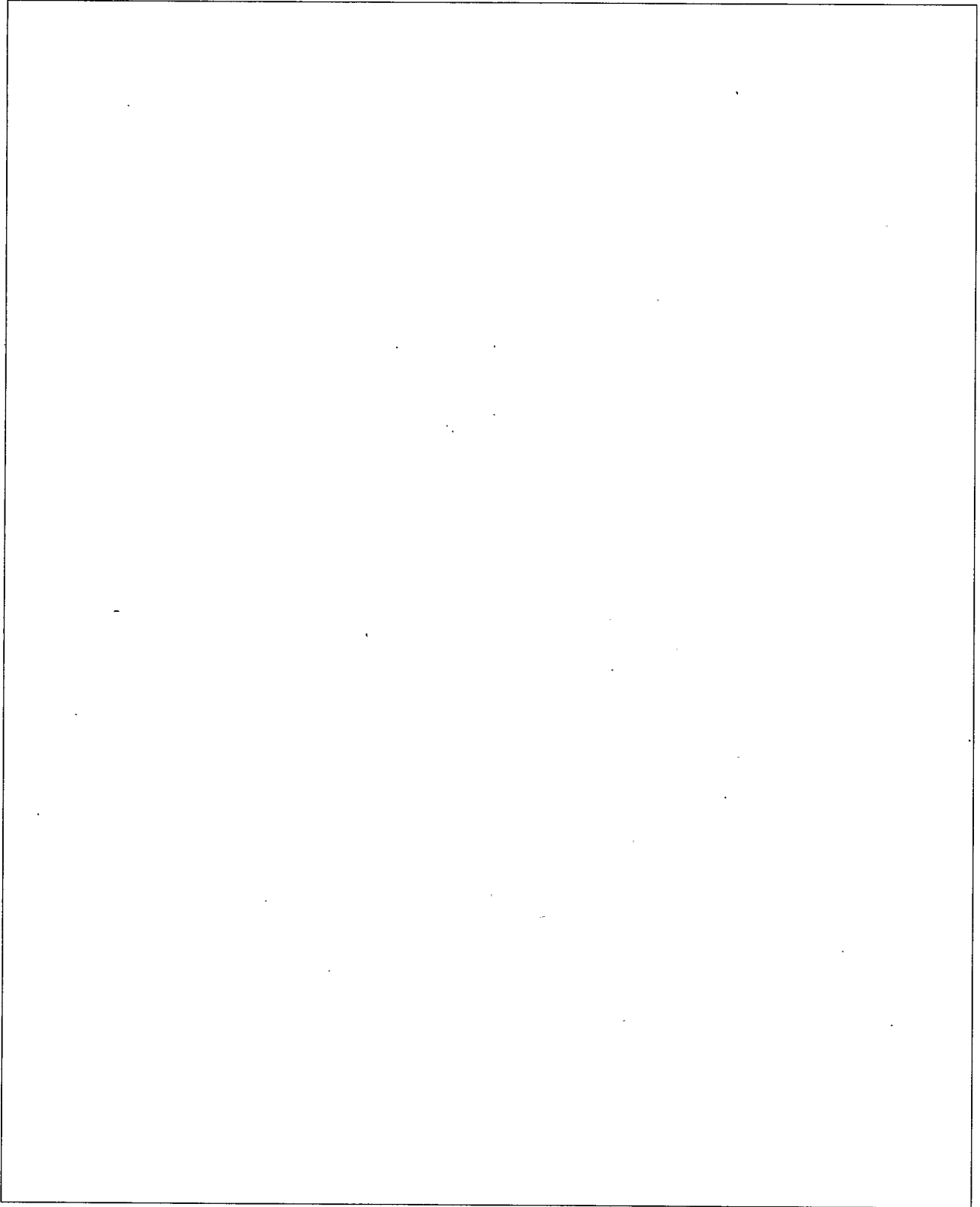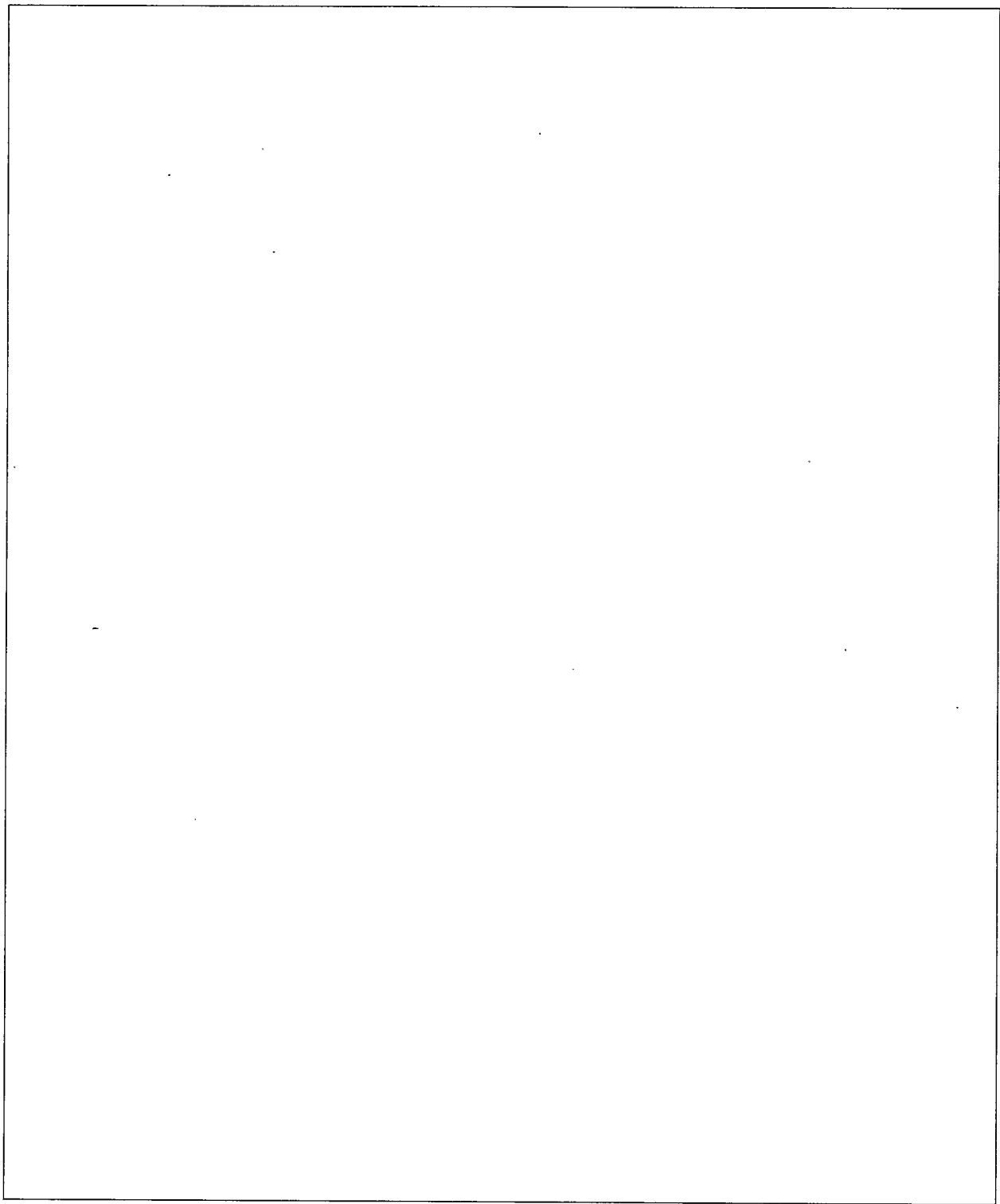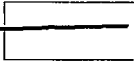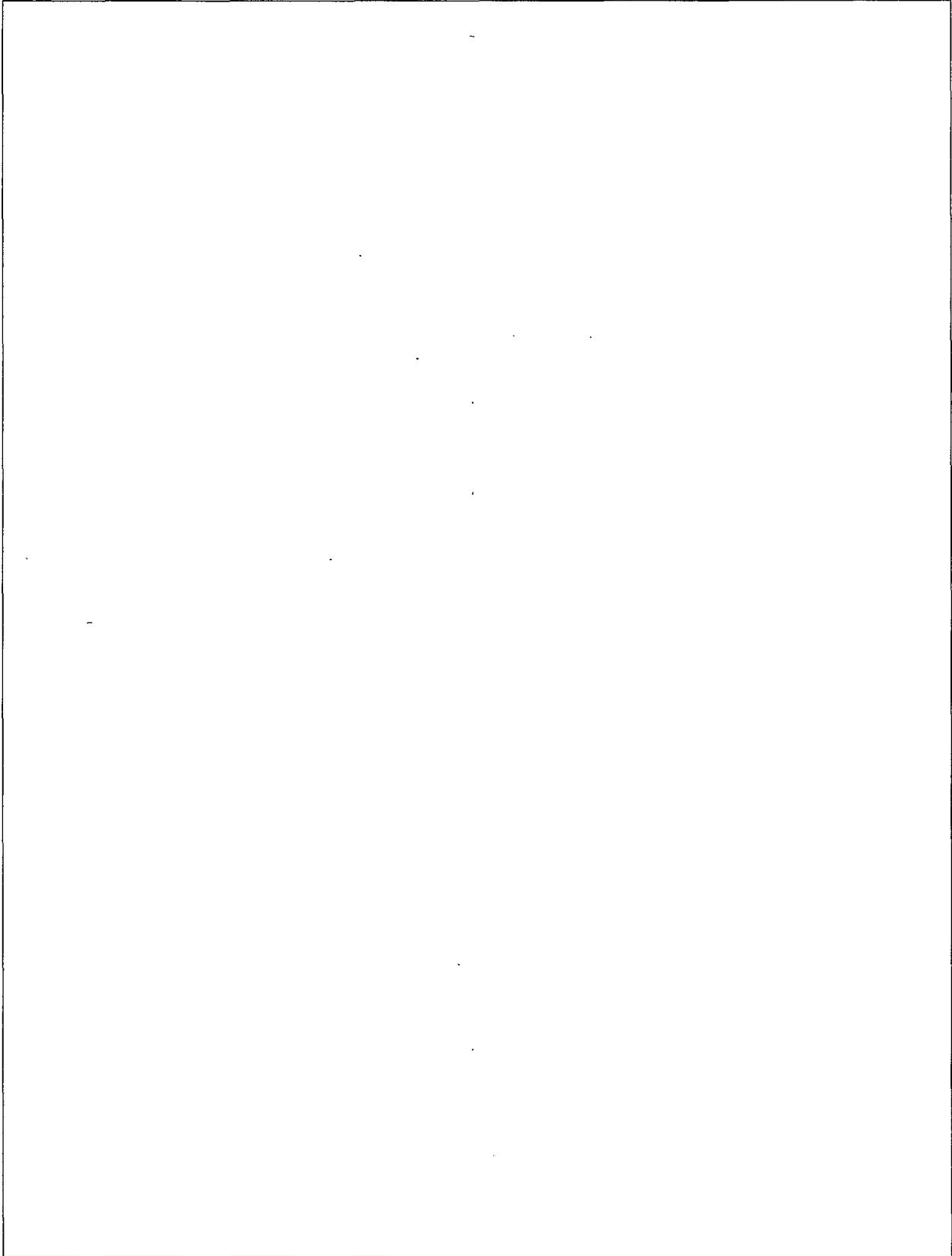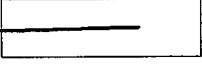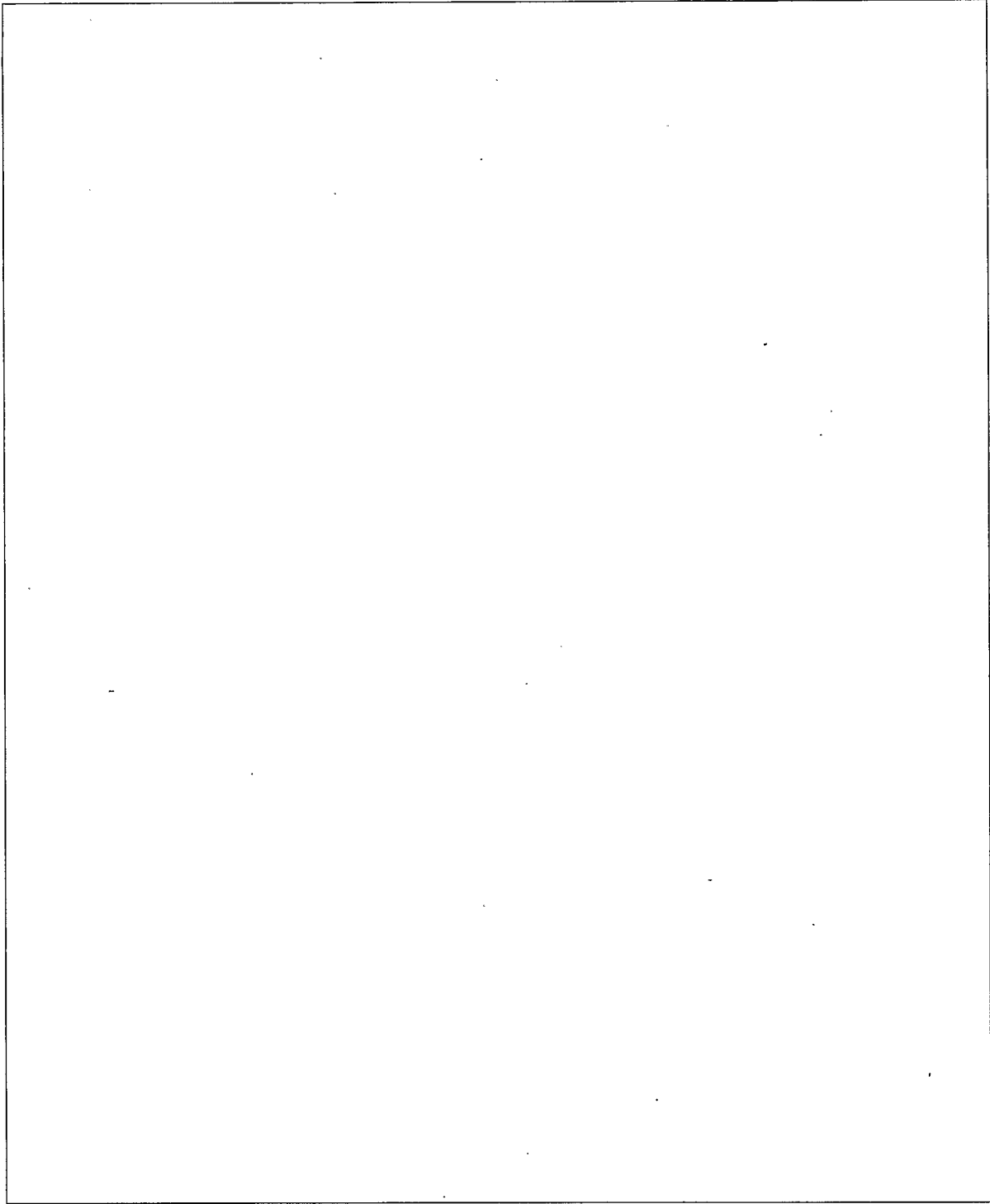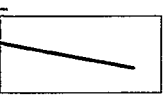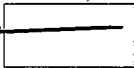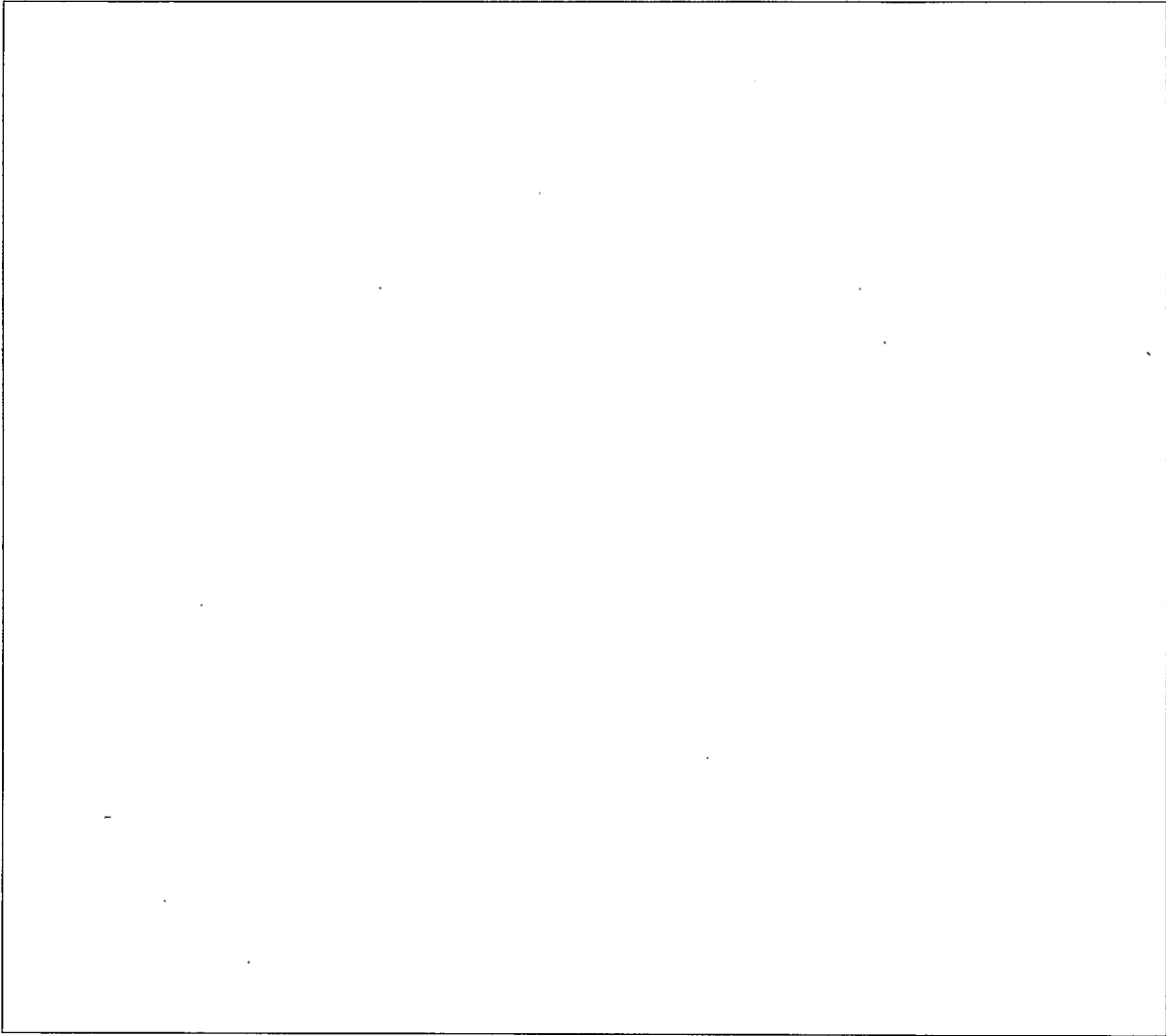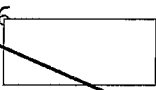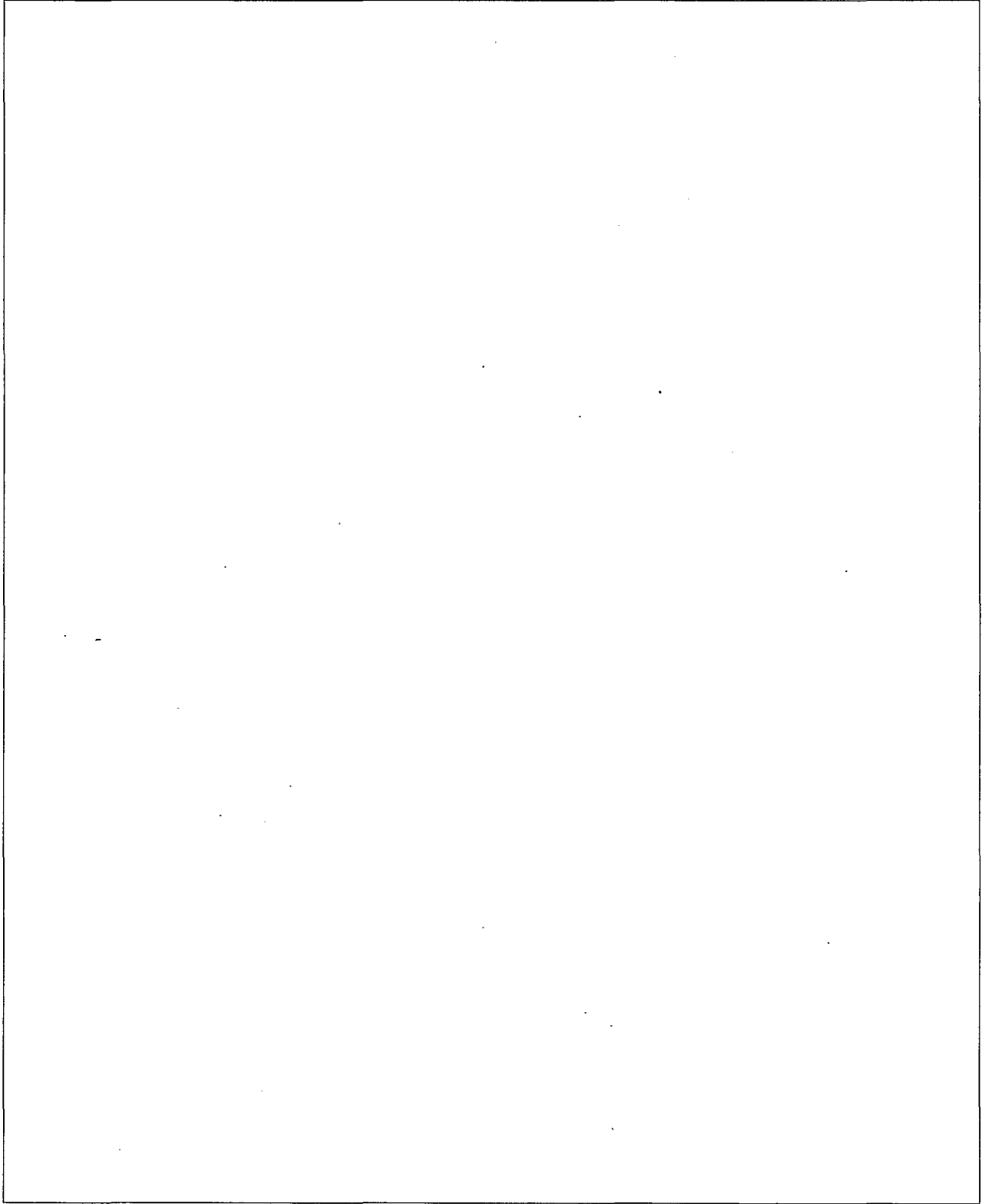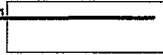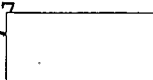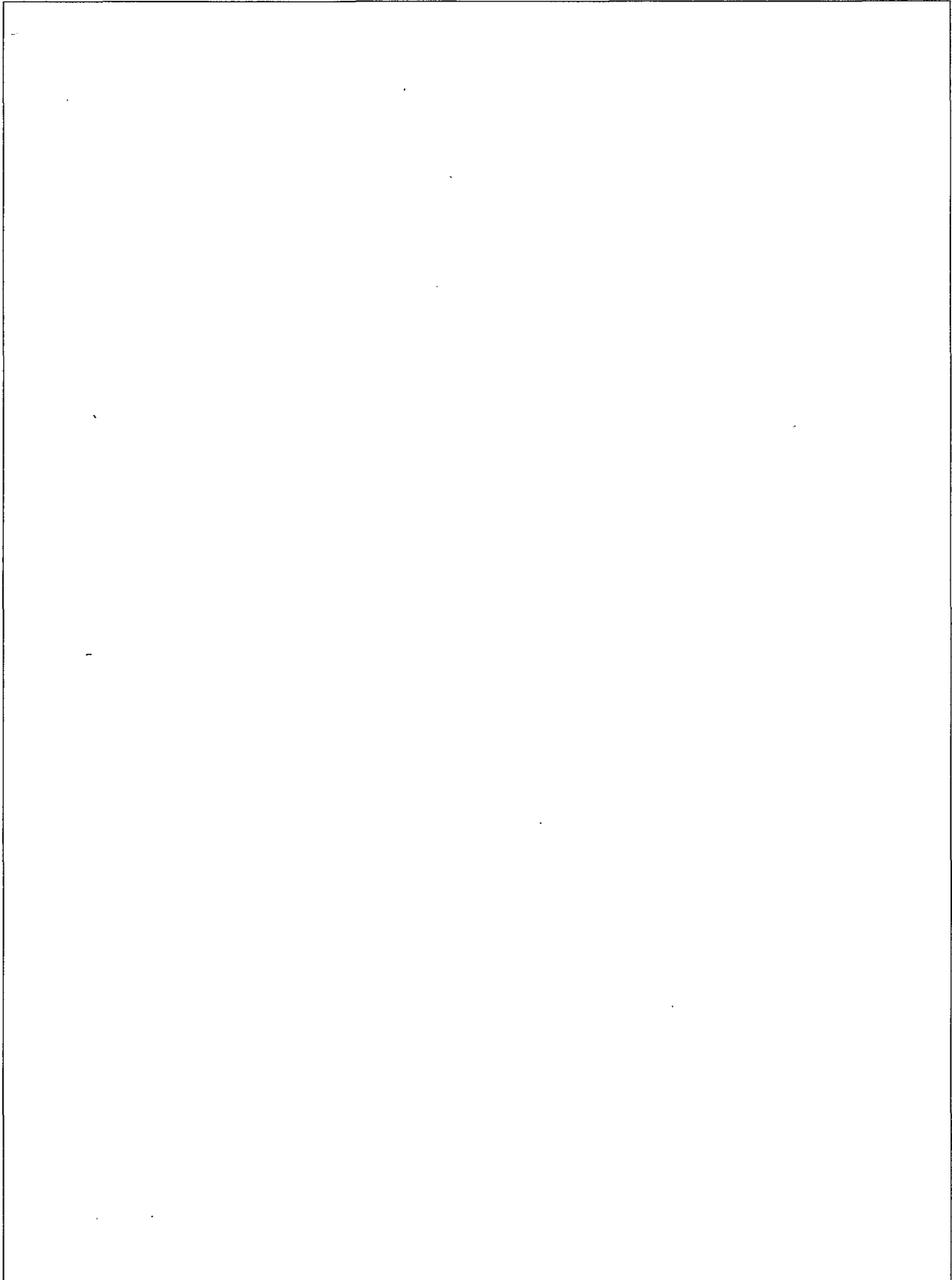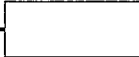
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The Counterterrorist Community

Department of the Air Force
Department of the Army
Bureau of Tobacco & Firearms
Capitol Police
Central Intelligence Agency
Coast Guard
Department of Commerce
Customs Service
Drug Enforcement Administration
Defense Intelligence Agency
Department of Energy
Federal Aviation Administration
Federal Bureau of Investigation
Immigration & Naturalization Service

Department of Justice
Marine Corps
National Security Agency
National Security Council
Department of the Navy
Nuclear Regulatory Commission
Department of Defense
Postal Service
Secret Service
Special Operations Command
Department of State
Department of Transportation
Department of Treasury
US Information Agency
White House Communications Office
White House Military Office

ANNEX II: SCOPE AND METHODOLOGY

The inspection of the Agency's counterterrorist program focused on:
- Overall program effectiveness of the effort as reflected in managerial, operational, and analytical efforts.
- Effectiveness of the management of CTC.
- Status of interrelationships among Agency elements responsible for counterterrorist efforts.
- Status of interrelationships between the Agency and the intelligence and policy communities related to counterterrorist efforts.

The Inspection team [   ] began the inspection on 1 March 1994. The final draft was completed in June 1994. The inspection was based on a Terms of Reference reviewed by the Agency's Executive Director, four Deputy Directors, and the Executive Director for Intelligence Community Affairs. The Chief of the Counterterrorist Center reviewed and agreed to the Terms of Reference. C/CTC also agreed that CTC officers would have access to both the Employee Opinion Survey and the Inspection Report.

The information upon which the inspection report and its recommendations are based includes:
- The Employee Opinion Survey [   ]
- Interviews [   ] That total includes [   ] interviews with CTC staff officers [   ] Community detailees, operations officers, analysts, secretaries, support officers, and [   ] contractors.
- Interviews with 87 consumers of CTC products and services within the intelligence and policy communities--including senior NSC staff and officials from State, the FBI, DOD, [   ] DOJ, and USSS.

- Visits _____ abroad during which _____ interviews were conducted and visits to _____ _____ FBI field offices during which _____ were interviewed.

- Review of a substantial amount of documentary material

The Inspection Team

Members of the inspection team were: