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DOMESTIC THREAT INTELLIGENCE

UNITED STATES HOUSE OF REPRESENTATIVES, PERMANENT SELECT
COMMITTEE ON INTELLIGENCE

ONE HUNDRED AND TWELFTH CONGRESS, FIRST SESSION

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Ranking Member (D-MD)

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Director
Federal Bureau of Investigation

Matthew G. Olsen [[View PDF](#)]
Director
National Counterterrorism Center

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House Permanent Select Committee on Intelligence
Opening Statement
October 6, 2011
Domestic Threat Intelligence Hearing

Chairman Mike Rogers

Statement Submitted For the Record

The Committee will come to order.

Today the Committee welcomes FBI Director Robert Mueller and National Counterterrorism Center Director Matt Olsen to discuss the state of the terrorism threat against the United States and how the Intelligence Community has changed in the decade since 9/11 to address this threat. In the wake of the takedown of al-Qa'ida in the Arabian Peninsula leader Anwar al-Aulaqi, who former NCTC Director Mike Leiter called the single greatest terrorism threat to the homeland, we convene to discuss the future of the al-Qa'ida threat against the United States.

But first, I would like to congratulate you, Director Olsen, on your recent confirmation as NCTC Director and although we've spoken privately, I'd also like to take the opportunity to congratulate you publicly, Director Mueller, on your two-year term extension. I look forward to continuing this committee's productive relationships with both of your organizations.

This is an unusual week for the House Intelligence Committee, as this is the second of two open hearings by this committee. While we normally conduct committee business behind closed doors in order to protect classified information, I feel that it is important to hold hearings that are open to the public when possible so that the American people are exposed to the issues that affect their national security. Perhaps no topic more directly addresses the security of the country than that of this hearing.

Today's hearing continues our public series marking the 10th anniversary of the September 11, 2001 attacks with a focus on the terrorism threat to the homeland, the FBI's efforts to investigate and disrupt these threats, and NCTC's work in pulling together and making sense of disparate pieces of terrorism information to support those FBI investigations, among other things. A crucial element of this discussion is the change that has occurred in the Intelligence Community since 9/11 to better enable the United States to protect itself from terrorism—namely the creation of NCTC within the Office of the Director of National Intelligence and the creation of the intelligence-focused National Security Branch in the FBI.

Al-Qa'ida has effectively decentralized its operations since 9/11 to various affiliates throughout the world. Many of these affiliates, in turn, have advocated individual acts of terrorism against the United States, particularly by those already in the country. This evolution has made the detection and prevention of terrorist attacks exponentially more challenging.

Gone are the days of plots involving dozens of foreign terrorists, planned by al-Qa'ida central leadership over the course of several years. What has taken their place are plots like that of Rezwan Ferdaus, who was arrested by the FBI in Boston last week for planning to attack the Pentagon and U.S.

Capitol Building using remote controlled aircraft filled with explosives. Ferdaus acted alone. He was self radicalized. He is a U.S. citizen with a physics degree from Northeastern University. This is a far cry from the 19 hijackers who boarded planes the morning of September 11, 2001. This contrast highlights the need for the Intelligence Community to stay ahead of the evolving terrorist threat to the homeland.

While the Bureau has undoubtedly made tremendous strides since 2001 in improving its intelligence capabilities, the report released earlier this year by the Senate Homeland Security and Governmental Affairs Committee on the Fort Hood attack makes clear that the FBI still has work to do to complete its transformation into an intelligence-driven organization. It is worth noting that the FBI has the challenging task of balancing prosecutorial equities with intelligence considerations, but when there is friction between these two objectives, intelligence must always win out. Preventing a future attack is more important than securing a prison sentence.

I would like to hear how the FBI plans to complete its intelligence transformation and what, from your perspective Director Mueller, the end-state of this transformation looks like. Specifically, how does the Bureau plan to more fully incorporate analysts into the operations of field offices? We have seen inconsistent results as the Members and staff of this Committee have visited field offices throughout the country. Also, has the FBI clarified the division of labor and hierarchy of command-and-control authorities among its headquarters units, field offices, and Joint Terrorism Task Forces? This is another issue that, at times, has hindered terrorism investigations.

Improved interaction between the Intelligence Community and state and local authorities has been key to improving the information flow critical to detecting and preventing terrorist attacks. The FBI, with its 56 field offices and 104 JTTFs throughout the country, plays a lead role in this effort. With the evolution and expansion of the Intelligence Community post-9/11, other organizations within the community also interact with state and local authorities, namely NCTC and the Department of Homeland Security. It is important that all organizations who take part in this particular mission understand their roles in order to avoid creating redundancy and confusion. I would like to hear your views on each of your organizations' roles in this regard.

NCTC has come a long way since its founding in 2004 in its mission to integrate and analyze terrorism information. With staff from 16 organizations and access to counterterrorism databases throughout the community, NCTC truly is an integrated center that has the ability to tap resources and expertise from across the Intelligence Community. Most importantly, it has the buy-in from the rest of the community.

That said, we all know that there have been instances in recent years when we've avoided attack because of luck—or more accurately terrorist incompetence—rather than our ability to detect and prevent a plot. The so-called Christmas Day bomber Umar Farouk Abdulmuttallab, whose jury selection began earlier this week, and Times Square bomber Faisal Shahzad are two examples that come to mind. In each of these cases, the Intelligence Community had information that was not tied together to allow it to detect these plots before they were executed.

This points to the need for NCTC to continue to improve its operations so that future plots do not slip through our fingers. I know that in the wake of the Christmas Day attempt NCTC did make some changes in the form of Pursuit Teams, with the sole purpose of developing tactical leads and pursuing

terrorism threats, and enhancements to the watchlisting process. I would like to hear from you, Director Olsen, how well these initiatives are working and what other initiatives you plan to implement to address the ever-evolving terrorist threat to the homeland.

I thank you both again for being here, and I'd now like to invite Mr. Ruppertsburger to make an opening statement.



For Immediate Release:
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The Evolution of the Terrorism Threat Against the United States
Ranking Member C.A. Dutch Ruppertsberger
October 6, 2011

Good Morning.

I would like to welcome FBI Director Robert Mueller to the hearing today. I am glad you signed on for two more years. I respect your expertise and commitment to protecting this country and thank you for your service. I also like the fact that you are a former prosecutor.

I am a former prosecutor, as well. I always remind the Chairman who is a former FBI agent to listen to his prosecutor.

I would also like to welcome Director Matt Olsen of the National Counterterrorism Center. Congratulations on your recent confirmation. I admired your work with the National Security Agency and look forward to working closely with you as you lead the NCTC.

We are here today to review the evolving threat against the United States posed by Al-Qaeda and other terrorist groups.

We will evaluate how far we have come protecting our country since the September 11th attacks and where we still need to go.

We learned with 9-11 that we may have had the information, but we were unable to “connect the dots” that might have prevented the attack.

The Intelligence Community was not set up to share that information across different agencies.

There were stovepipes and turf wars.

We have worked hard over the past ten years to knock them down.

We’ve made substantial progress.

We made major changes to the intelligence community, especially when it came to domestic intelligence gathering and information sharing.

The FBI has come a long way since 9-11.

The National Security Branch was created within the FBI and a new culture was ushered in.

The FBI stepped outside of its traditional law enforcement role of arresting, prosecuting and convicting criminals and expanded its mission to collecting, analyzing and disseminating intelligence about terrorists who want to harm us here at home.

Remember – good intelligence is the best defense against terrorism.

It is critical that this information is shared across different agencies to keep our country safe.

We have moved from a “need to know” culture... to a responsibility to share.

The National Counterterrorism Center was also created to bring together the CIA, the FBI, NSA, DOD and other intelligence agencies, to work side-by-side to track down terrorists.

Creating this fusion center was a key recommendation of the 9-11 Commission.

At N-C-T-C, intelligence professionals take the intelligence information that is being collected and analyze it to try to determine the enemy's next move.

They ensure the information lands in the hands of the people who need it.

Since 9-11, one of the most effective tools to combat terrorism here in the US has been the Joint Terrorism Task Force, known as the J-T-T-F.

These strike forces, led by the FBI, are located in big cities all across the country.

They bring together highly trained, locally based investigators, analysts, linguists, and other specialists from dozens of U.S. law enforcement and intelligence agencies – some 40 groups are represented.

The J-T-T-F together with state and local government fusion centers ensure this critical threat information is passed down to the local, state and tribal authorities who are on the ground in our neighborhoods and communities.

We have had some great successes over the past ten years where we have stopped terrorists in their tracks... and we've had some challenges where we need to learn what we can do better in the future.

Just last week, a Massachusetts man was arrested and charged with plotting to attack the Capitol and the Pentagon with remote controlled aircraft filled with C-4 explosives and planning to fire automatic weapons at employees as they fled the buildings.

So far it appears the man acted alone.

Thanks to the outstanding work of the FBI's Joint Terrorism Task Force and its law enforcement partners this attack was stopped before the plans ever got off the ground.

The system worked and I applaud everyone in the intelligence community who had a hand in keeping our country and her citizens safe.

But we have also had situations where the system didn't work and we weren't able to stop the attacks... and terrorists were able to do their damage – sometimes with deadly consequences and other times, thankfully, the attack fell apart before anyone was hurt.

In 2010, Faisal Shazad attempted to blow up a car in Times Square in New York City but some quick thinking bystanders saw the smoke and alerted authorities.

Shazad pled guilty and was sentenced to life in prison.

In 2009, Umar Farouk Abdulmutallab, the so-called "Underwear Bomber", allegedly tried to blow up a Detroit-bound plane but his explosives didn't ignite and no-one was hurt.

He is currently on trial.

The Intelligence Community believes Al-Qaeda leader Anwar al-Awlaki helped plan and organize this attack.

Awlaki was killed last week in Yemen.

One of the biggest challenges we face today is stopping Americans directly recruited by Al-Qaeda or self-radicalized on the internet from plotting to kill Americans.

These attacks are incredibly hard to track, especially if this person acts alone, because they can fly under the radar since they are not intensely linked to Al-Qaeda.

The Intelligence Community has been able to stop large-scale sophisticated attacks, but Al-Qaeda knows even small successful attacks can make a big impact on the American people.

During today's hearing, I would like to hear how the Intelligence Committee is doing stopping these attacks when an individual acts alone.

I would also like to hear what the death of Awlaki and fellow Al-Qaeda operative Samir Kahn mean for our country?

How will the loss of these two English speaking masters of propaganda calling for deadly attacks against Americans affect the future of Al-Qaeda in the Arabian Peninsula?

Will their media machine be as powerful without them?

In closing, the FBI and NCTC have made great strides over the past ten years since 9-11.

But, more needs to be done.

Our role in Congress is to provide oversight.

It is also our responsibility to give our intelligence professionals the resources, capabilities and authorities they need to do their jobs.

We must do this while also protecting civil rights and individual liberties.

I applaud the FBI for following the Constitution and the rule of law while keeping our country safe.

I look forward to evaluating ways we can make our country even safer.

Thank you.



Department of Justice

STATEMENT OF
ROBERT S. MUELLER III
DIRECTOR
FEDERAL BUREAU OF INVESTIGATION

BEFORE THE
HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

AT A HEARING ENTITLED
“THE STATE OF INTELLIGENCE REFORM TEN YEARS AFTER 9/11”

PRESENTED
OCTOBER 6, 2011

**STATEMENT FOR THE RECORD OF
ROBERT S. MUELLER III
DIRECTOR
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**BEFORE THE
PERMANENT SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES HOUSE OF REPRESENTATIVES**

**AT A HEARING ENTITLED
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**PRESENTED
OCTOBER 6, 2011**

Good morning, Chairman Rogers, Ranking Member Ruppertsberger, and Members of the Committee. Thank you for the opportunity to appear before the Committee today to discuss the threats facing our nation and the efforts of the FBI to protect the United States over the past ten years.

Introduction

The mission of the FBI is to protect and defend the United States against terrorist and foreign intelligence threats, to uphold and enforce the criminal laws of the United States, and to provide leadership and criminal justice services to Federal, State, municipal, tribal, and international agencies and partners. The FBI's number one priority in this mission continues to be the prevention of terrorist attacks against the United States. To improve its ability to detect and disrupt those with the intent and capability to conduct attacks in the United States, the FBI has undergone a paradigm shift in the way we collect and use intelligence.

The FBI significantly increased its intelligence capacity after the attacks of September 11, 2001, when the FBI elevated counterterrorism to its highest priority. Prior to the 9/11 attacks, the FBI's operations were heavily weighted towards its law enforcement mission; intelligence tools and authorities were primarily used for the counterintelligence mission. In the immediate aftermath of 9/11, the FBI quickly identified the need to enhance intelligence programs with improved analytical and information sharing capacities to detect and prevent future terrorist attacks.

Protecting the United States against terrorism demanded a new framework for the way the FBI carries out its mission: a threat-based, intelligence-led approach. Rather than collecting information to solve a particular case, the new approach prioritizes the collection and utilization of intelligence to develop a comprehensive threat picture, enabling strategic disruptions of

terrorist networks before they act. This focus on the overall threat picture also elevates the need for information sharing, thereby changing the FBI's role in and relationships with both the intelligence and law enforcement communities. Under this new model, intelligence drives how we understand threats, how we prioritize and investigate these threats, and how we target our resources to address these threats.

This new approach has driven significant changes in the Bureau's structure and management, resource allocation, hiring, training, recruitment, information technology systems, interagency collaboration and information sharing, as well as a paradigm shift in the FBI's cultural mindset. These changes have transformed the Bureau into a national security organization that fuses traditional law enforcement and intelligence missions. At the same time, the FBI remains vigilant in upholding the Constitution, the rule of law, and protecting privacy rights and civil liberties.

Today's FBI: A National Security Organization

In the years since 9/11, the FBI has integrated its intelligence mission with its traditional law enforcement mission, enhancing its ability as a national security organization. Like other intelligence agencies, the FBI collects, exploits, disseminates, and analyzes intelligence. The FBI combines these functions to collect and act on intelligence as a national security organization. As a result, the FBI is not solely an intelligence or law enforcement agency. The FBI's actions are not limited to arrests and prosecutions; they take many forms, including recruiting potential intelligence sources; developing new collection requirements (pieces of information sought to complete a particular threat picture); and supporting our Federal, State, local, and tribal partners to exercise their distinct authorities to disrupt plots before they cause harm.

The FBI has a long history of collecting intelligence to be used as evidence to dismantle criminal networks or to identify and prosecute spies. Historically, information was collected with a goal of using it to drive traditional law enforcement action: arrest and prosecution. However, being driven by threat rather than arrest and prosecution means prioritizing intelligence collection. Under the FBI's new paradigm, intelligence enables a broader picture of the threat. Intelligence is not collected simply to further a particular case. This shift required the integration of intelligence and law enforcement capabilities. Intelligence is analyzed and disseminated to better understand the threat, to identify intelligence gaps, and to develop new collection requirements, which drive additional action in the field, leading to either additional collection or disruption. It is this continuous intelligence cycle that drives investigative strategies to ensure resources are targeting the most pressing threats.

Another key element of the FBI's evolution into an effective national security organization has been augmenting relationships and information sharing with the United States Intelligence Community ("the Intelligence Community"), as well as Federal, State, local, tribal, and foreign law enforcement partners. The Bureau has accomplished this interconnectivity

through the development of and participation in joint operational programs and task forces, expansion of our presence overseas, and the development of information technology systems that support information sharing. Meeting the requirements of the intelligence cycle necessitated a significant enhancement of the Bureau's intelligence capacity and expertise.

Building the Structure and Management Capability for a National Security Organization

The Initial Steps of the Transformation

To meet the immediate demands of the post-9/11 threat environment, the Bureau shifted resources from criminal investigations to national security matters, adding almost 2,000 agents to its national security programs within one year. Soon thereafter, the FBI began the process of creating a national security focus and aligning the organization to address this priority. One of the first steps was to centralize control and management of counterterrorism operations at Headquarters to avoid the "stove-piping" of information on terrorism cases in the 56 individual Field Offices across the country. Another was building the critical intelligence infrastructure to meet the needs of production and dissemination of intelligence products. The building blocks of this infrastructure included: establishing an intelligence office at Headquarters; creating a Field Intelligence Group (FIG) for each Field Office across the country; augmenting counterterrorism resources at Headquarters; hiring more intelligence and language analysts; creating systems to enable more efficient search and analysis capability; and developing new training.

As the various elements of the national security architecture grew both at Headquarters and in the field, a need to focus on and centralize not only counterterrorism operations, but also the Bureau's overall national security mission emerged. This led to the creation of the National Security Branch (NSB) in 2005, which combined the missions, capabilities, and resources of all of the national security components of the Bureau - counterterrorism, counterintelligence, intelligence and weapons of mass destruction. In addition to managing the NSB's internal components, the Executive Assistant Director for NSB -(EAD/NSB) serves as the Bureau's lead intelligence official and representative to the Intelligence Community. With centralized management, the FBI's national security functions have matured internally and the NSB has further integrated itself into the Intelligence Community. To accelerate this integration, NSB created an Associate Executive Assistant Director position that is filled by a senior official from the Intelligence Community. The NSB also has administrative responsibility for two interagency groups: the High-Value Detainee Interrogation Group (HIG) (formally chartered in 2010) and the Terrorist Screening Center (TSC) (formally chartered in 2003).

Management Approach to Lead the Transformation: Strategy Management System (SMS)

While identifying the objective for and building the components of an intelligence-led organization were key steps in the FBI's transformation, transitioning this new threat-based

intelligence-led model into practice required additional focus and attention from management. The challenge was to get the network of offices and personnel across the country and around the globe to accept a new mindset and approach to day-to-day operations. The Bureau developed a tool – the Strategy Management System (SMS) – based on the well-regarded balanced scorecard methodology, to measure the execution of its strategy and the progress of its transformation. The SMS is a method to communicate the FBI’s strategy, prioritize initiatives, identify each component’s role in pursuing the strategy, and measure progress. The core of the strategy is the intelligence cycle. The SMS lays out objectives in each of four categories: the expectations of the American public, internal processes, talent and technology, and resources against which objectives, measures, and initiatives are balanced. Through this structure, the SMS has helped to integrate intelligence into all aspects of the FBI’s mission. The SMS used at the Headquarters level cascades down to SMS at the Branch and Division level, thereby creating a cohesive plan under which every component of the Bureau, down to each employee, has a defined role in achieving the goals of the organization. Moreover, to ensure that the FBI’s national security mission is aligned with the greater Intelligence Community’s mission, NSB’s strategy is linked to both the FBI Enterprise-wide strategy as well as the National Intelligence Strategy.

SMS reviews are conducted quarterly at the Executive management level to review progress against the FBI’s strategy and at the Branch and Division levels to monitor the execution of the strategy, establish accountability for performance, and ensure alignment with the FBI corporate strategy. The SMS is also linked to and guides the core business processes within the FBI, including: the inspections process, the risk-based management process, spend plan reviews, major resource decisions, and executive performance plans.

Accelerating the Transformation: Strategic Execution Team (SET)

In 2007, recognizing that intelligence had not yet become central in FBI operations and to accelerate the growth of the Bureau’s intelligence cycle capabilities, the FBI formed a Strategic Execution Team (SET) initially comprised of almost 100 Special Agents, Intelligence Analysts, and other skilled professionals from Field Offices and FBI Headquarters. The SET examined the intelligence activities in each of the 56 Field Offices and identified two overarching impediments to transformation: integrating intelligence into operations in the field and building human capital for enhanced intelligence capabilities. For example, the SET found that while each Field Office had a FIG, many of the intelligence analysts were being utilized to support the tactical needs of individual cases, rather than being the engine driving strategic collection requirements and, in turn, operations. Following the recommendations of the SET, the FBI standardized the structure and responsibilities of the FIGs to increase collaboration between intelligence and operations, and to provide accountability for intelligence collection, analysis, use, and production. In response to the need to build human capital, the FBI also devoted resources to recruiting and training an analytical workforce that could fulfill the critical functions of the intelligence cycle.

The SET also identified the need for a standardized intelligence role for the operational divisions at Headquarters, similar to the FIGs. SET designed Central Strategic Coordinating

Components (CSCCs), where teams of intelligence personnel are embedded in each of the operational divisions to fulfill the primary functions of the intelligence cycle and to improve coordination between the Field Offices and Headquarters components.

Tracking the Progress of the Transformation: Strategy Performance Sessions (SPS)

To better track and measure the Field Offices' progress towards a truly threat-based, intelligence-led approach, in 2008, management at Headquarters began conducting Strategy Performance Sessions (SPS) with Field Offices to review the Field Offices' intelligence and operational performance. The sessions, conducted on a bi-annual basis¹ by secure video teleconference with executives from Headquarters and the management team from two to four Field Offices, focus on: the top threats by operational program facing each Field Office's area of responsibility, or domain; the gaps in intelligence against those top threats; and the strategy to fill those intelligence gaps. The purpose of the SPS is to provide a forum for strategic dialogue, which enables informed decision-making, enhances intelligence and investigative program performance, and instills a culture of accountability. Through SPS sessions, Headquarters divisions gain better insight into the challenges Field Offices are facing in their areas of responsibility and use this knowledge to allocate resources strategically and assist the Field Offices to focus on the cases with the potential to neutralize the greatest threats while recruiting sources who have answers to the most pressing questions. Utilizing the SPS sessions, management has systematically led the cultural transition from a Bureau focused on cases and successful prosecutions to an intelligence-driven organization focused on comprehensive domain awareness and network disruptions.

Human Capital Development

The FBI's current intelligence-led operational model relies in large part on analysts and language specialists who can quickly and effectively review, analyze, and disseminate the intelligence collected in the field. Post 9/11, the FBI's challenge was to develop an intelligence analyst and language specialist cadre that could match the collection capabilities of the Special Agents. The creation of a workforce with the intelligence expertise necessary for today's threats and those of the future required the Bureau to recruit beyond law enforcement and the military communities in order to attract individuals with a broader range of skill sets and advanced degrees in relevant fields. Furthermore, the traditional operational approach created a culture that emphasized the value of Special Agents. This necessitated a strategy that would elevate the stature of analysts. The FBI is meeting this two-part challenge by developing a targeted recruitment strategy, creating rewarding career paths for intelligence analysts, enhancing training programs, and establishing a Leadership Development Program.

¹SPS were originally conducted on a quarterly basis. In 2009, in an effort to reduce the administrative workload on the Field Offices, the frequency was reduced to twice yearly.

Developing an Intelligence Analyst Cadre

Soon after 9/11, the FBI recruited experienced intelligence analysts from other agencies and students with critical skill sets from universities around the country. The FBI also created opportunities for entry-level positions with career paths that often lead to FBI Intelligence Analyst or Special Agent positions. Since 2001, the FBI has nearly tripled the number of IAs to 3,118, increased the SIA cadre to 285, and increased the number of GS-15 level analysts to 80. This increase in the quantity has been accompanied by a dramatic increase in the capabilities and expertise of the analyst corps. Today, almost half of the FBI's Special Agents were hired post-9/11, and have "grown up" in the intelligence-led culture of today's FBI working side-by-side with analysts.

The FBI has instituted programs to enhance the stature of and career options for analysts. In 2010, the NSB created three analyst career paths - tactical, collection/reporting, and strategic. By defining specific analyst functions, the FBI is creating a specialized, analytic workforce with the appropriate training, experiences, and opportunities for career development. Since 2005, 133 FBI agents and analysts have been certified as Intelligence Officers through the FBI Intelligence Officer Certification Program.

Analysts now also hold Senior Executive Service (SES)-level leadership positions at Headquarters to manage a range of programs, including the CSCCs and the newly established Intelligence Watch. Starting in 2009, the Bureau began establishing Senior Supervisory Intelligence Analyst (SSIA) positions, which are the equivalent of Assistant Special Agents in Charge. SSIA's also perform a full range of managerial and liaison responsibilities with authority over strategic planning activities and personnel matters.

Training is another key element of cultivating a professional analyst workforce. In 2009, the FBI produced a five-year training strategy for Intelligence Analysts, which identified the need for new courses, instructors, and funding. Since then, the FBI's Training Division has been working directly with training units in the NSB to drive training requirements for Intelligence Analysts.

Leadership Development Program

The FBI has a long history of hiring individuals with strong leadership skills, but the fast-paced and continuous changes in the organization created the need for an accelerated and enhanced leadership development program for all employees. In response, in 2009, the FBI established the Leadership Development Program (LDP), the first comprehensive, coordinated approach to leadership in the Bureau's history. LDP's primary goal is to ensure that FBI employees are fully prepared to lead before they assume leadership positions. The LDP's programs, which are at various stages of development and piloting, will deliver a range of programs designed around a leadership doctrine that emphasizes character, courage, competence, and collaboration. LDP's programs will be available to all employees in all locations across the

Bureau from the day they are hired to the day they retire. Initially, programs are being offered to new employees; employees interested in becoming supervisors; and current supervisors and senior managers. Through its commitment to building the infrastructure to fully implement and sustain the LDP, the FBI will ensure that its employees are prepared to confront current and future challenges and threats.

Supporting the Core Functions of the Intelligence Cycle

The priority of staying ahead of the threat has changed the demand for intelligence as its utility expanded from supporting a particular case to identifying and understanding a broader picture of the threat. This shift required the integration of intelligence and law enforcement capabilities. Intelligence is analyzed and disseminated to better understand the threat, to identify intelligence gaps, and to develop new collection requirements, which drive additional action in the field, leading to either additional collection or disruption. It is this continuous intelligence cycle of collection, integration and dissemination, analysis, and action that drives investigative strategies to ensure resources are targeting the most pressing threats.

Intelligence Collection

Collection of intelligence is conducted by the FBI's greatest asset: its people. Since 9/11, the FBI has more than doubled the number of agents and analysts assigned to its national security mission from 3,537 (2,514 agents/1,023 analysts) to 7,933 (4,815 agents/3,118 analysts). The FBI has a network of personnel spread around the globe with 56 Field Offices and 399 resident agencies domestically, and 62 International Legal Attaché offices around the world which support the collection of raw intelligence.

The Joint Terrorism Task Forces (JTTFs) are interagency squads dedicated to investigating terrorism matters and coordinating counterterrorism efforts across the United States. The FBI has increased the number of JTTFs from 35 in 2001 to 104 today -- one in each of the 56 Field Offices and 48 of the Resident Agencies across the country. In addition to FBI agents, the JTTFs are comprised of Task Force Officers (TFOs) from 32 Federal and 671 State, local, and tribal law enforcement and intelligence agencies. A single National Joint Terrorism Task Force (NJTTF) was created at Headquarters to manage the JTTFs around the country and to provide a venue for collaboration with Intelligence Community personnel to exchange information, analyze data, and plan counterterrorism strategies.

Each of the FBI's 56 Field Offices has a Field Intelligence Group (FIG) composed of Intelligence Analysts, Special Agents, and Staff Operations Specialists (SOS). FIGs, which did not exist prior to 2001, now have 1,662 Intelligence Analysts, 451 Special Agents, and 415 SOSs. The mission of the FIGs is to identify the threats in their respective territories and develop "domain awareness" through collecting, exploiting, analyzing, and disseminating intelligence.

Intelligence-driven investigations require a unity of effort with partners overseas, especially as global cooperation becomes increasingly necessary to combat terrorism. Through the 62 Legal Attaché offices around the world (an increase of 18 since 2001), the FBI has strengthened relationships with international partners. This expanded global reach not only benefits FBI's foreign partners, but also aids FBI collection efforts and investigations.

The FBI has a leading role in HUMINT collection in the United States. Simply defined, HUMINT is information learned from individuals. People are an invaluable source of intelligence and FBI Special Agents have a long history of developing human sources to uncover criminal conduct and foreign intelligence activities. With the expanded national security mission, the need for and value of HUMINT in understanding our adversaries and developing the threat picture has increased significantly. FBI Headquarters develops policies, training and oversight to ensure adherence to policy directives, and to ensure that information collected is accurate, authentic, reliable, free of undisclosed influence, and consistent with mission objectives across all FBI programs.

Collecting intelligence through physical surveillance is also critical for monitoring threats to our national security. The FBI's Physical Surveillance Program, which was consolidated into one division in 2010, consists of both armed and unarmed Mobile Surveillance Teams and the Field Aviation Program. The armed teams conduct surveillance of armed and dangerous counterterrorism and criminal targets with a propensity for violence. To meet the growing demand for surveillance, the Bureau has increased the number of unarmed surveillance teams by 127% since 2001.

Forensics is another critical source of intelligence. The FBI has earned a global reputation of having premier forensic examiners. Working with interagency partners, the FBI is applying and expanding upon traditional forensic capabilities in support of the counterterrorism mission. The FBI also leads an interagency group based at the FBI Laboratory in Quantico, Virginia, that supports DOD operations in Iraq and Afghanistan: the Terrorist Explosive Device Analytical Center (TEDAC). Established in 2003, funded primarily by the Department of Defense's Joint IED Defeat Organization (JIEDDO), TEDAC is staffed by approximately 230 fulltime government and contract personnel who coordinate and manage a unified intelligence, military, and law enforcement effort to examine improvised explosive devices (IEDs) that are of interest to the United States.

The FBI's use of Foreign Intelligence Surveillance Act (FISA) authorities is an important component of intelligence collection which is subject to a comprehensive oversight and compliance regime in which all three branches of government play a role. The Foreign Intelligence Surveillance Court (FISC) ensures that Constitutional and statutory requirements are met related both to authorization and implementation of the use of the authorities. The Department of Justice's National Security Division, in conjunction with the FBI's Office of the General Counsel, conducts oversight of the FBI's use of FISA authorities to ensure compliance both with the statute and minimization procedures. And, on a semi-annual basis, the

Government must report to Congress on its use of FISA electronic surveillance, physical search and pen register and trap and trace authorities and submit a detailed annual report on its use of the business record authority.

Publicly available information is also an invaluable source of intelligence that is often overlooked by intelligence analysts in favor of classified or law enforcement sensitive information. Recognizing a need to include open source information in intelligence analysis, the Director of National Intelligence created an Open Source Center (OSC) in 2005. As part of its efforts to strengthen the open source community, the OSC has detailed an Open Source Officer to the FBI for a year to help the Bureau build its own open source program.

Intelligence Analysis and Dissemination

Intelligence collection is only valuable if it is integrated, analyzed, and disseminated effectively and efficiently. As the Bureau has increased its intelligence collection, it has simultaneously developed the capability to exploit and share it. This function resides with the FIGs. The analysts and agents in the FIGs collect raw intelligence from various sources, including agents in the field and intelligence disseminated by other agencies. Analysts then disseminate the raw intelligence and/or create finished intelligence products for dissemination. Developing an analyst corps was only part of the solution to the Bureau's need to increase intelligence dissemination and production. The analysts also needed the necessary information technology and analytic tools to succeed.

To streamline the dissemination of intelligence contained in Intelligence Information Reports (IIRs), the FBI developed an information technology solution, the Collection Operations and Requirements Environment (CORE). CORE standardizes intelligence reporting across the FBI while integrating field intelligence operations with intelligence community requirements. An additional web-based software application, IIR Dissemination System, streamlines, standardizes, and tracks the production of IIRs, and has improved the Bureau's ability to effectively support our Intelligence Community partners. Since 2004, FBI dissemination of IIRs has increased dramatically, providing critical information to the Intelligence Community, law enforcement community, and policymakers.

The FBI continues to develop information technology solutions to minimize the time that intelligence analysts spend searching for relevant information, allowing them to focus on connecting the dots and analyzing the available information. The Data Integration and Visualization System (DIVS) is the FBI's consolidated, enterprise platform that further enhances both the search capabilities and the breadth of information that can be accessed through a single sign-on. DIVS will unify all data accessible to the FBI -- intelligence, criminal investigative, and other mission data -- through one user-friendly search interface, consistent with all applicable legal requirements pertaining to the data. Currently, DIVS houses records from the 11 FBI and other Government agency data sources identified by users as most critical to the FBI's

counterterrorism mission. The FBI continues to roll-out this system across the FBI and to add datasets and user tools to provide additional functionality. DIVS is built on a modern platform that will easily expand to integrate tools developed internally, by private industry, or by Intelligence Community partners.

Integration into the United States Intelligence Community and Partnerships with Federal, State, Local, and Tribal Law Enforcement

Another key element of the FBI's evolution into an effective national security organization has been augmenting relationships and information sharing with the United States Intelligence Community, as well as Federal, State, local, tribal, and foreign law enforcement partners. The Bureau has accomplished this interconnectivity through the development of and participation in joint operational programs and task forces, expansion of our presence overseas, and through the development of information technology systems that support information sharing.

As mentioned previously, JTTFs are the primary vehicle by which the Intelligence Community and Federal, State, local, and tribal law enforcement are integrated with domestic counterterrorism operations. The JTTFs currently have almost 2,000 non-FBI employees (approximately 44% of all JTTF members). The FBI's integration with the Intelligence Community is further enhanced by joint duty detailee programs through which law enforcement and intelligence professionals from other agencies are embedded in FBI units and FBI employees are embedded in other agencies. Having professionals from different agencies performing their missions side-by-side has broken down communication barriers and enhanced the mutual understanding of each agency's unique contributions to the community.

Currently, the FBI has more than 200 employees working at other Intelligence Community agencies including the Office of the Director of National Intelligence, the NCTC, the Central Intelligence Agency, the Department of Defense, the Department of Homeland Security, the National Security Agency, and the Department of State. NSB employees also fill intelligence-related positions at the National Security Staff at the White House. Similarly, many of the detailees from other agencies work at joint operational entities administratively located within the FBI, such as the Terrorist Screening Center (TSC), the High-Value Interrogation Group (HIG), the Foreign Terrorist Tracking Task Force (FTTTF), and the National Cyber Investigative Joint Task Force (NCIJTF). These joint operational components along with other joint duty assignments and the EAD/NSB's sustained interaction with the Director of National Intelligence ensure that the FBI is a full partner in the Intelligence Community.

In support of the DNI's effort to create a single IC enterprise that is coordinated, integrated, agile, and effective, the FBI and the ODNI piloted, and are in the process of institutionalizing, a Domestic DNI Representative program. Domestic DNI Representatives are senior field FBI officials at designated offices across the United States who serve as the DNI's

principal domestic representative to the IC within their respective areas of responsibility. This program supports the DNI's mission of integrating foreign, military, and domestic intelligence in defense of the homeland and in support of United States national security interests at home and abroad.

Since 9/11, the FBI has evolved to respond to the complex and far-ranging threats we face today. The FBI collects, exploits and disseminates more intelligence to a greater and more useful extent than ever before. This focus on intelligence has helped prioritize our top threats and increased our understanding of our vulnerability to those threats. As the FBI has undergone this transformation, it has remained vigilant in upholding the Constitution, the rule of law, and protecting privacy rights and civil liberties.

Conclusion

Chairman Rogers and Ranking Member Ruppertsberger, I would like to conclude by thanking you and this committee for your service and support. I look forward to working with the Committee to improve the FBI as our transformation continues in the future.

I would be happy to answer any questions that you may have.

**Hearing before the Permanent Select Committee on Intelligence
U.S. House of Representatives**

**The Honorable Matthew G. Olsen
Director
National Counterterrorism Center**

October 6, 2011

I. Introduction

Chairman Rogers, Ranking Member Ruppertsberger, members of the Committee, thank you for the opportunity to appear before you today along with Director Mueller. I appreciate this opportunity to discuss our efforts to combat terrorism. I also want to thank the Committee for your support of the National Counterterrorism Center (NCTC), and for the strong working relationship this Committee has established and maintained with the Center.

Last month our nation commemorated the day that our country suffered the most destructive terrorist attack in our history. Today, we continue to honor those who perished on that morning ten years ago and the sacrifices made by their families and their loved ones. In our work at NCTC—and through the work of our colleagues across the intelligence community, law enforcement agencies, and our military around the world—we seek to fulfill a solemn commitment to work together to defeat the threat of terrorism.

With the support and guidance of Congress and this Committee, we have made significant progress in the fight against terrorism. Our nation has placed relentless pressure on al-Qa'ida's leadership and denied the group safe havens, resources, and the ability to plan and train. Usama Bin Ladin, who more than anyone was responsible for the September 11th terrorist attacks, is dead—killed by U.S. forces in one of the most bold and challenging counterterrorism operations in our history. The government has disrupted terrorist attacks in the United States and abroad, and prosecuting those arrested for supporting terrorists and their operations. We have built an enduring counterterrorism framework—including the establishment of new institutions like NCTC—dedicated to analyzing and sharing intelligence and terrorism information across the government, and among our many partners at all levels of government.

At the same time, al-Qa'ida, its affiliates and adherents around the world, as well as other terrorist organizations, continue to pose a significant threat to our country. This threat is resilient and adaptive and will persist for the foreseeable future. America's campaign against terrorism did not end with the mission at Bin Ladin's compound in Abbottabad, Pakistan in May. A decade after the September 11th attacks, we remain at war with al-Qa'ida and face an evolving threat from its affiliates and adherents.

As you know, last week, Anwar al-Aulaqi – a leader of al-Qa'ida in the Arabian Peninsula – was killed in Yemen. Aulaqi played a lead role in planning and directing efforts to kill innocent Americans, including the failed attempt to blow up Northwest Airlines Flight 253

on Christmas Day, 2009 and the failed attempt to blow up U.S. cargo planes in 2010. Moreover, he repeatedly called on individuals in the United States and around the globe to kill innocent men, women and children to advance a murderous agenda. Without question, his death has dealt a major blow to the external operations of al-Qa'ida's most active operational affiliate, yet we assess that al-Qa'ida in the Arabian Peninsula remains a significant threat to the homeland.

In my statement, I will begin by examining the terrorist threats related to the homeland, including the threat from homegrown violent extremists. I will then describe NCTC's role in addressing these threats and the key reforms and initiatives we have adopted. Finally, I will identify some of the challenges we face going forward.

II. The Evolving Terrorist Threat

1. Al-Qa'ida Core and its Allies in Pakistan Pose Threat Despite Degradation

Counterterrorism successes and sustained pressure have left al-Qa'ida at its weakest point in the last ten years, and significantly degraded the group's ability to conduct attacks outside of South Asia. This is exemplified by the lack of a successful operation in the West since the 2005 transportation bombings in London. Further, the killing of Usama bin Ladin in May and last month's killing of al-Qa'ida's newest deputy, Atiyah abd al Rahman, mark strategic milestones in our fight against al-Qa'ida and are likely to accelerate al-Qa'ida's decline.

Al-Qa'ida Core. Al-Qa'ida core's capability to recruit, train, and deploy operatives for anti-Western attacks has been reduced. Yet the group remains the ideological leader of the global extremist movement and continues to influence extremists through public media statements. Core al-Qa'ida's advancement of several unsuccessful smaller-scale Western plots in the past two years, including against the homeland and Europe, highlight its ability to continue some attack preparations while under sustained counterterrorism pressure. Furthermore, while we continue to investigate last month's credible threat stream, in a more general sense we remain concerned al-Qa'ida may be plotting an attack against the United States at home or overseas. Moreover, while most observers view the non-violent successful tactics of the Arab Spring demonstrators in Egypt and Tunisia as a repudiation of al-Qa'ida message and approach, the group's leadership continues to seek openings for its destructive narrative. Since January they have prepared at least 12 propaganda messages related to the Arab Spring, making it a key theme of their media strategy.

- In the aftermath of Bin Ladin's death, al-Qa'ida leaders moved quickly to name his long-time deputy, Ayman al-Zawahiri, as his successor. Al-Zawahiri is the only active leader remaining from that core group of al-Qa'ida leaders who were in Afghanistan in the lead-up to 9/11. Since this announcement, some affiliates have publicly sworn allegiance and pledged support to Zawahiri, reinforcing the importance of al-Qa'ida core's leadership role in the global movement.
- While al-Qa'ida core's capabilities to attack the United States are diminished, and they have failed to conduct another homeland attack in the 10 years since 9/11, the group's intent to strike us at home remains strong. In advance of the 9/11 anniversary this year,

al-Qa'ida leader al-Zawahiri issued a public statement encouraging sympathizers to attack the United States.

- Recently obtained information suggests that as of February 2010, al-Qa'ida was contemplating large attacks in the homeland on symbolic dates, specifically the tenth anniversary of 9/11. However, degraded external operational capabilities suggest al-Qa'ida may seek smaller scale, achievable tactics and targets of opportunity. As of spring 2010, al-Qa'ida core believed targets worthy of the group's focus included prominent transportation, infrastructure, economic, and political targets.

Al-Qa'ida's Pakistan-Based Militant Allies. The success of Operation Enduring Freedom after 9/11 in expelling al-Qa'ida from its Afghanistan safe haven forced the group to rely on local allies and new hosts across the border in Pakistan. Since its relocation, al-Qa'ida has consistently encouraged its local militant allies to expand their operational agendas to include U.S. and Western targets—both within the region and overseas. Faisal Shahzad's May 2010 attempted bombing in Times Square is a stark reminder that al-Qa'ida allies such as Tehrik-e-Taliban Pakistan (TTP) continue to threaten U.S. interests in the Afghanistan and Pakistan region. Such threats—including threats to avenge Bin Ladin's death—have the stated intent and demonstrated capability to attempt attacks in the United States.

- TTP in mid-June said the group supports Ayman al-Zawahiri as al-Qa'ida's new leader and further claimed Zawahiri is TTP's "chief and supreme leader"; TTP's spokesman described al-Zawahiri as a capable person who would inspire the group to take on the West." A TTP deputy claimed in an AP interview that TTP would "complete [bin Ladin's mission] with a new zeal" and a separate leader vowed to "hit American targets outside Pakistan."
- Other al-Qa'ida allies in Pakistan and Afghanistan, notably the Afghan Taliban and the Haqqani Network, have close ties to al-Qa'ida. These groups have recently demonstrated the intent and capability to conduct attacks against U.S. persons and targets in Afghanistan, and we are looking closely for any indicators of attack planning in the West. Both groups also continue to provide safe haven to al-Qa'ida and neither has publicly disavowed ties to the terrorist group despite sustained counterterrorism pressure.
- Lashkar-e-Tayyiba (LT)—perpetrators of the November 2008 coordinated armed assault against multiple targets in Mumbai—is one of the largest and most dangerous of the militant groups and poses a threat to a range of interests in South Asia. LT has been implicated in multiple attacks in India, including the 11 July 2006 attack on Mumbai commuter trains and the December 2001 armed assault on the Indian Parliament building. Attacks in Kashmir and India have had a destabilizing effect on the region, increasing tensions between India and Pakistan. LT is increasing its operational role in attacks against coalition forces in Afghanistan. LT has not previously conducted attacks in the United States or the West; however, LT, or individuals who trained with LT in the past but have adopted a more global extremist agenda, could pose a future threat to the homeland and the West.

2. The Evolution of al-Qa'ida's Regional Affiliates and the Increasing Threat to the West

Ten years after 9/11, we face a much more diffuse and diversified threat, largely due to the emergence and evolution of regional affiliates who support al-Qa'ida core's strategy of creating a self-sustaining global extremist movement. To varying degrees, the affiliates have increased the scope of their operations, seeking to strike some U.S. and Western targets both inside and outside of their respective regions.

Al-Qa'ida in the Arabian Peninsula (AQAP). Yemen was already a key battleground and regional base of operations from which AQAP could plan attacks, train recruits, and facilitate the movement of operatives prior to the outbreak of the Arab Spring related violence earlier this year. AQAP's gains and the regime's governing challenges are increasing our concerns about the group's capability to conduct additional attacks targeting the homeland and U.S. interests overseas, as well as our concerns about the group's continuing propaganda efforts designed to inspire like-minded Western extremists to conduct attacks in their home countries.

- AQAP's two attempted attacks against the homeland—the attempted airliner attack during December 2009, and its follow-on effort to down two U.S.-bound cargo planes in October 2010 using explosives-laden printer cartridges—were indicative of a determined enemy capable of adjusting tactics to achieve success.
- AQAP also is encouraging extremists in the United States to strike here. Six of AQAP's seven issues of *Inspire* magazine featured a section titled, "Open Source Jihad," which aims to provide easily followed instructions on weapons use, explosives construction, and targeting ideas.

Al-Qa'ida in the Arabian Peninsula remains a dangerous terrorist organization. The death of Anwar al-Aulaqi marks another significant milestone in the broader effort to defeat al-Qa'ida and its affiliates and this success is a tribute to our intelligence community and our partners who have worked to deny safe-haven anywhere in the world to terrorist groups. We are monitoring how the loss of Aulaqi will affect AQAP's activities and propaganda machine in the near term and beyond.

Al-Qa'ida Operatives in East Africa and Al-Shabaab. East Africa remains a key operating area for the Somalia-based terrorist and insurgent group al-Shabaab and other al-Qa'ida associates. Despite recent setbacks in Mogadishu, al-Shabaab is still a significant threat to U.S. interests and remains committed to al-Qa'ida's ideology. At least 20 U.S. persons—the majority of whom are ethnic Somalis—have traveled to Somalia since 2006 to fight and train with al-Shabaab. The impact of the famine on the fighting in Somalia is not yet clear.

- In the past year, at least two young men who left the United States and traveled to Somalia were killed while fighting with al-Shabaab.
- The June death in Somalia of al-Qa'ida veteran Fazul Abdullah Muhammad, a.k.a. Harun Fazul, removes one of the most capable operatives in the region. Nonetheless, we remain

concerned that foreign fighters associated with his network continue to train and plot against U.S. and Western targets.

Al-Qa‘ida in the Lands of the Islamic Maghreb (AQIM). AQIM has had limited success in exploiting the Arab Spring in North Africa, and there is no indication their propaganda has found a receptive audience. AQIM threatens U.S. and other Western interests in North and West Africa, primarily through kidnap-for-ransom operations and small arms attacks; though, the group’s recent execution of several French hostages and first suicide bombing attack in Niger last year demonstrate AQIM’s lethality and attack range. Sustained Algerian efforts against AQIM have degraded the organization’s ability to conduct high-casualty attacks in the country and compelled the group to shift its operational focus from northern Algeria to the vast, ungoverned Sahel region in the south.

- AQIM continues to hold multiple European hostages, most recently kidnapping an Italian woman in February.

Al-Qa‘ida in Iraq (AQI). Ongoing counterterrorism successes against AQI—to include the deaths of the group’s top two leaders last year in a joint Iraqi/U.S. military operation—have continued to put pressure on the organization. AQI’s recent public statement claiming 65 separate attacks in May and June indicate the group remains an active and capable al-Qa‘ida affiliate. Immediately following UBL’s death the current leader of AQI publically reaffirmed his group’s support for al-Qa‘ida and Ayman al-Zawahiri. The arrests in May of two AQI-affiliated Kentucky-based Iraqi refugees highlight the potential threat posed by U.S.-based AQI-associates. We assess that AQI remains committed to al-Qa‘ida’s global agenda and are concerned they may be intent on conducting external operations, to include in the homeland.

- Al-Qa‘ida in Iraq has released two Arabic-language propaganda statements encouraging individual terrorist acts, including a January video that called for lone offender attacks against Western infrastructure and students and an early April interview in which AQI’s leader generally reiterated the January call for attacks and noted that weapons used in Iraq are available in most countries.

3. Homegrown Extremist Activity Remains Elevated

Homegrown violent extremists (HVEs)—inspired by al-Qa‘ida’s global extremist agenda—are a key element of the evolution and diversification of the threat since 9/11. The growth of online English-language violent extremist content during the past three years has fostered greater cohesion, but not necessarily collaboration, among HVEs. Plots disrupted during the past year were unrelated operationally, but are indicative of a common cause rallying independent extremists to want to attack the homeland.

A key feature of this trend has been the development of a U.S.-specific narrative—a blend of al-Qa‘ida inspiration, perceived victimization, and glorification of past Homegrown plotting—that addresses the unique concerns of U.S.-based extremists. HVEs who independently plan attacks with no direction from associates in the U.S. or overseas are difficult to detect and disrupt and could advance plotting with little or no warning.

- Arrests of HVEs in the United States in 2010 and 2011 remained at elevated levels. The arrest of U.S. Army PFC Naser Jason Abdo—who allegedly planned to kill American soldiers near Ft. Hood—underscores our concerns about the ongoing threat from lone offender HVEs. U.S.-based extremists continue to be motivated to carry out violence on the basis of a variety of personal rationales, highlighting the continued intent by some HVEs to take part in violence despite having no operational connections to terrorists overseas.
- Al-Qa‘ida core and some of its regional affiliates have repeatedly encouraged independent attacks, which could further encourage HVEs toward violent acts. Increasingly sophisticated English-language propaganda, including *Inspire* magazine, that provides extremists with guidance to carry out homeland attacks remains easily available via the Internet. English-language web forums also foster a sense of community and further indoctrinate new recruits, both of which can lead to increased levels of violent activity.
- Although Pakistan-based senior leaders previously encouraged self-initiated attacks in propaganda, their video released on June 3rd titled, “Thou Art Held Responsible Only for Thyself,” marked the group’s most explicit endorsement of individual terrorist acts and first public encouragement of cyber attacks.

4. State Sponsors of Terrorism

In September 2001, seven countries—Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria—were on the State Sponsors of Terrorism List. Today, only Cuba, Iran, Sudan, and Syria remain.

Iran is still the foremost state sponsor, and since 9/11 the regime has expanded its involvement with terrorist and insurgent groups—primarily in Iraq and Afghanistan—that target U.S. and Israeli interests. Iran’s Islamic Revolutionary Guard Corps-Qods Force and Ministry of Intelligence and Security have been involved in the planning and execution of terrorist acts and the provision of lethal aid—such as weapons, money, and training—to these groups, particularly Lebanese Hizballah.

- Iran’s relationship with Hizballah since 9/11 has evolved from a traditional state sponsor-proxy relationship to a strategic partnership that provides a unified front against Israel and the U.S.
- During the past decade, Syria has narrowed and shifted how and who it supports as a result of such events as the 9/11 attacks, the Palestinian intifadas, the death of Arafat, and the Iraq war. The Assad regime limits support to groups directly relevant to Syrian interests in Lebanon, the Occupied Territories, and Iraq.

III. The National Counterterrorism Center

1. The Role of NCTC

Created in the aftermath of the attacks on 9/11, the overarching mission of the NCTC is to lead the effort to combat international terrorism. In its 2004 report, the 9/11 Commission observed that, “the United States confronts a number of less visible challenges that surpass the boundaries of traditional nation-states and call for quick, imaginative and agile responses.” That observation—as true today as it was when the 9/11 Commission issued its report—led the Commission to recommend the creation of a National Counterterrorism Center. As the 9/11 Commission proposed: “Breaking the mold of national government organization, this NCTC should be a center for joint operational planning and joint intelligence.”

In December 2004, Congress established NCTC. The Intelligence Reform and Terrorism Prevention Act of 2004 set forth NCTC’s key responsibilities. These responsibilities are captured in NCTC’s mission statement: “Lead our nation’s effort to combat terrorism at home and abroad by analyzing the threat, sharing that information with our partners, and integrating all instruments of national power to ensure unity of effort.”

Intelligence Analysis and Integration. By law, NCTC serves as the primary organization in the U.S. government for analyzing and integrating all intelligence possessed or acquired by the government pertaining to terrorism and counterterrorism, except intelligence pertaining exclusively to domestic terrorism and domestic counterterrorism.

NCTC has a unique responsibility to examine all international terrorism issues, spanning geographic boundaries and allowing for intelligence to be analyzed regardless of whether it is collected inside or outside the United States. NCTC has access to the entire catalogue of reporting—both foreign and domestic—on terrorism issues. NCTC’s strategic analyses are vetted and coordinated throughout the intelligence community, which adds multiple analytic perspectives. NCTC produces coordinated assessments on such critical terrorism issues as terrorist safe havens, state sponsors of terrorism, counterterrorism cooperation worldwide, and regional terrorism issues and groups. NCTC also regularly prepares intelligence assessments that are integrated into NCTC’s Directorate of Strategic Operational Planning to inform policymakers on the progress of U.S. counterterrorism efforts.

NCTC’s strong analytic cadre, which includes detailees and assignees from across the intelligence community, means that NCTC products reflect the diversity of the entire intelligence community and not the analytic view of one group or agency.

Watchlisting. NCTC also hosts the central and shared knowledge bank on known and suspected terrorists and international terror groups, as well as their goals, strategies, capabilities, and networks of contacts and support. As the host to the federal government’s central and shared knowledge bank, NCTC has developed and maintains the Terrorist Identities Datamart Environment (TIDE) on known and suspected terrorists and terrorist groups. In this role, NCTC advances the most complete and accurate information picture to our partners to support terrorism

analysts. We also support screening activities that ultimately help prevent terrorist plans and operations against U.S. interests.

Strategic Operational Planning. NCTC is charged with conducting strategic operational planning for counterterrorism activities, integrating all instruments of national power, including diplomatic, financial, military, intelligence, homeland security, and law enforcement activities. In this role, NCTC looks beyond individual department and agency missions toward the development of a single, unified counterterrorism effort across the federal government. NCTC develops interagency counterterrorism plans to help translate high level strategies and policy direction into coordinated department and agency activities to advance the President's objectives. These plans address a variety of counterterrorism goals, including regional issues, weapons of mass destruction-terrorism, and countering violent extremism. The strategic operational planning process integrates all phases of the planning cycle—developing a plan, monitoring its implementation, and assessing its effectiveness and resource allocations—and creates communities of interest to coordinate and integrate implementation.

For example, NCTC is joining with the Department of Homeland Security and the Federal Bureau of Investigation to conduct workshops across the United States that enable cities to better develop and refine their response plans to evolving terrorist threats. These “Joint Counterterrorism Awareness Workshops” increase the ability of federal, state, local and private sectors partners to respond to a threat by discovering gaps in capabilities, planning, training and resources; and identify existing programs or resources that can close those gaps. The workshops also provide a venue to share best practices at the state and local levels and serve as a basis for identifying issues and gaps that may subsequently be addressed nationwide.

Support to Domestic Counterterrorism Efforts. NCTC provides direct support to domestic partners at both the federal and state and local levels. In particular, our unique, centralized access to intelligence information on terrorist activity enables our analysts to integrate information from foreign and domestic sources and to pass that information in a timely manner to domestic agencies. Below are several examples:

- NCTC provides around-the-clock support to domestic counterterrorism activities through the NCTC Operations Center, which is collocated with FBI Counterterrorism Division Watch. NCTC produces and disseminates daily situational awareness products and chairs thrice daily secure video teleconferences to facilitate timely information exchanges between all counterterrorism partners.
- NCTC expedites the dissemination of information at unclassified levels to support DHS and FBI efforts to inform law enforcement and local officials of potential dangers to include near-real-time export of watchlist data to the FBI's Terrorist Screening Center.
- NCTC provides actionable information to DHS regarding individuals who have overstayed their visas in the U.S., and we work regularly with DHS and FBI to provide briefs to federal, state and local officials at Fusion Centers regarding counterterrorism matters.

- NCTC ensures the timely dissemination of finished intelligence and situational reporting via the NCTC Online CURRENT—the premier classified website and repository for counterterrorism reporting and analysis. The site is available on JWICS with more than 11,000 monthly users from 45 different organizations and on DHS’s Homeland Secure Data Network to certain state and local officials in the Fusion Centers and at FBI-led Joint Terrorism Task Forces (JTTFs).
- The Interagency Threat Assessment and Coordination Group (ITACG), located at NCTC, works with and through DHS and FBI to provide relevant intelligence from traditional intelligence agencies to state, local, tribal, and private sector partners. ITACG ensures that shared information is both timely, relevant, and transformed into situational awareness products for public safety officials thereby enhancing their capabilities to quickly assess and effectively respond to suspected terrorist activities.

2. Key NCTC Initiatives

Facing a dynamic and complex terrorist environment, NCTC is changing and adapting to build on the past several years of experience to meet these threats and the challenges they present. With lessons learned from AQAP’s December 2009 failed airline bombing, NCTC has implemented several key initiatives to advance our ability to identify and prevent terrorist attacks.

Pursuit Group. In January 2010, NCTC created the Pursuit Group to develop tactical leads and pursue terrorism threats. The formation of the Pursuit Group has provided the counterterrorism community with a group of co-located analysts that have unparalleled data access and expertise, enabling Pursuit Group to focus exclusively on information that could lead to the discovery of threats aimed against the homeland or U.S. interests abroad. With teams comprised of personnel from across the intelligence community, with access to the broadest range of terrorism information available, Pursuit Group analysts are able to identify actionable leads that could otherwise remain disconnected or unknown. Pursuit Group analysts can ensure that terrorism cases are examined as thoroughly as possible by pursuing non-obvious and unresolved connections, identifying unknown, known or suspected terrorists, and focusing on seemingly unimportant details that could yield relevant information. The Pursuit Group provides investigative leads, collection requirements, and potential source candidates to operational elements like the FBI, CIA, or DHS for intelligence purposes or action.

Watchlisting and TIDE Enhancements. NCTC has adopted important reforms in the watchlisting process and has improved NCTC’s receipt, processing, and quality of information sharing in support of the Center’s watchlisting and screening responsibilities. One of the key gaps we identified in the watchlisting process was the need to enhance existing TIDE records with additional information. NCTC is now taking a more aggressive and innovative approach to seek methodologies and data repositories to ingest biographic, biometric, and derogatory information. As the threat continues to evolve, our watchlisting experts are proactively working with NCTC’s Pursuit Group and the counterterrorism community to expedite the sharing of information to build more complete terrorist identities. We have also enhanced our ability to store, compare, match, and export biometrics such as fingerprint, facial images, and iris scans.

In July 2010, the community watchlisting guidance was revised to provide flexibility to push forward information that previously had not met the requirements. Nevertheless, nominations of U.S. persons to a watchlist must still be supported by “reasonable suspicion” that the person is a “known or suspected terrorist,” and a person cannot be watchlisted based solely upon a First Amendment protected activity, or based solely upon race, ethnicity, or religious affiliation.

The Counterterrorism Data Layer. The Counterterrorism Data Layer (CTDL) provides NCTC users a single access point to many millions of pieces of counterterrorism-related data gathered from multiple data sets. Prior to December 2009 analysts were required to manually search multiple networks and integrate information. Now, NCTC’s CTDL is being developed to ingest relevant data and to allow NCTC analysts to search, exploit, and correlate terrorism information in a single environment. Thanks to leadership of our key counterterrorism partners, NCTC is acquiring priority data sets for ingestion, and for the first time, NCTC analysts can search across key homeland security and intelligence information and get back a single list of relevant results. Moreover, sophisticated analytical tools are in place to permit analysts to conduct “Google-like” searches, conduct link analysis and data visualization, and to triage information. These efforts are being pursued with careful consideration of legal, policy, and technical issues to protect privacy and civil liberties.

Countering Violent Extremism. Over the past ten years, the government has expanded its counterterrorism efforts to include a focus on preventing al-Qa’ida and its adherents from recruiting and radicalizing the next generation of terrorists, both overseas and at home. NCTC initiatives have focused on expanding government and community understanding of al-Qa’ida inspired radicalization and violent extremism in order to identify and prevent it. For example, in partnership with DHS and FBI, NCTC developed a “Community Awareness Briefing” to inform members of American communities about the threat of terrorist recruitment domestically and, more importantly, to catalyze efforts at the community level to counter it. NCTC is working with federal, state, local, and tribal partners to broadly disseminate the briefing to communities around the country.

In a related vein, NCTC continually examines al-Qa’ida inspired radicalization in order to best understand and track this dynamic threat. Last year, NCTC’s Directorate of Intelligence published the Radicalization Dynamics Primer which includes a new framework that conceptualizes the process of radicalization, mobilization, and engagement in violent action for al-Qa’ida inspired extremists. The Primer was coordinated throughout the intelligence community, and is intended as a reference guide for U.S. policymakers, law enforcement officers, and analysts-including civilian and military personnel-who assess or take action on radicalization trends in their areas of responsibility. NCTC, in collaboration with FBI and DHS, also developed a training curriculum to enable law enforcement and government agencies to more effectively identify, counter, and report on al-Qa’ida inspired radicalization in the Homeland. Several hundred federal, state, local government and law enforcement representatives across the country have received the training and given it positive reviews.

IV. Challenges Ahead

As NCTC bolsters its efforts to meet the challenges ahead, our progress is dependent on our dedicated workforce. The talented men and women who work at NCTC perform a unique and vital service to the nation, and NCTC has benefitted from the integration of analysts and planners from across the intelligence community, the U.S. military, and other federal, state, and local partners. Maintaining this diversity through continued commitment from intelligence agencies and other organizations is a priority for the Center.

We continue to address challenges in dealing with the dynamic and adaptive terrorist threat environment. The nature of the threat challenges our analysts' ability to sort and connect critical bits of information across disparate data sets. We must effectively balance the protection of sources and methods, and the need to share information.

While remaining vigilant against foreign-inspired threats, efforts to build resilience within our communities are essential to continuing progress against al-Qa'ida-inspired radicalization recruitment and mobilization to violence here at home. Engagement and partnerships with communities remain important to protecting them from the influence of al-Qa'ida, its affiliates and adherents. Integrating and harmonizing the efforts of our federal, state, local, and tribal partners will remain a challenge—yet one that will undoubtedly advance the security of our citizens consistent with the values we cherish as Americans.

Finally, we must carry out the mission of NCTC in a manner that retains the trust of the American people and remains true to the oaths we have taken to support and defend the Constitution. NCTC is committed to fulfilling this responsibility by protecting civil liberties and privacy and respecting the rule of law. Specifically, we protect information relating to United States persons through procedures approved by the Attorney General under Executive Order 12333, and we adhere to the requirements of the Privacy Act. These protections are reviewed at several levels—including NCTC's Civil Liberties and Privacy Officer, ODNI's Office of General Counsel, ODNI's Civil Liberties and Privacy Office, and Office of Inspector General.

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Chairman Rogers, Ranking Member Ruppersberger and members of the Committee, I thank you for the opportunity to testify before you this morning. The men and women I am privileged to represent appreciate the Intelligence Committee's bipartisan interest and support as they work around the clock to identify and disrupt potential terrorist threats. And while perfection is no more possible in counterterrorism than it is in any other endeavor, NCTC, in partnership with the FBI and the rest of the counterterrorism community, continues to work day and night to reduce the likelihood of a successful attack. Thank you for your continued support of our mission, and I would be happy to answer any questions the members of the Committee may have.