

**United States Department of Homeland Security**

**Office of Intelligence and Analysis**

**Statement for the Record**

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**Under Secretary**

**Before the**

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## Introduction

Chairman Price, Ranking Member Rogers, and distinguished Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the President's fiscal year (FY) 2011 budget request for the Department of Homeland Security's (DHS) Office of Intelligence and Analysis (I&A).

This is my first Congressional testimony as the new Under Secretary for Intelligence and Analysis. I am honored for the opportunity to lead this critical component of the Department, and I look forward to working closely with this committee and the Congress to keep our homeland secure.

### **The Office of Intelligence and Analysis Strategic Alignment**

I&A is charged with leading the Department's efforts to provide intelligence and information in a useful form to state, local, tribal, private sector, and federal partners, and getting functional intelligence and information back to national intelligence and law enforcement users on a real-time basis. Our efforts support and enable departmental fulfillment of the core DHS missions designated in our recently completed *Quadrennial Homeland Security Review* (QHSR), which was delivered to Congress on February 1, 2010. The QHSR delineates the following core departmental missions:

- Mission 1:*** Preventing Terrorism and Enhancing Security
- Mission 2:*** Securing and Managing Our Borders
- Mission 3:*** Enforcing and Administering Our Immigration Laws
- Mission 4:*** Safeguarding and Securing Cyberspace
- Mission 5:*** Ensuring Resilience to Disasters

The primary purpose of the QHSR is to outline the strategic framework to guide the activities of participants in our nation's homeland security enterprise toward a common end. To fulfill these missions, we must appropriately integrate and synchronize throughout the Department so that the departmental elements and their missions are mutually reinforcing.

Intelligence and information sharing are identified as key objectives for the Department in the QHSR. Thus, the Office of Intelligence and Analysis plays a critical supporting role to the success of DHS in all of its core mission areas. I&A activities are equally aligned to the goals and missions of the Director of National Intelligence's *National Intelligence Strategy* (NIS). As the Department's primary interface with the national Intelligence Community (IC), I&A seeks to leverage the capabilities of the IC in support of DHS' core mission areas, and also to orchestrate DHS support, in the form of data and analysis, to the larger national Intelligence Community.

As Secretary Napolitano and other senior administration officials have repeatedly said, our ability to protect the homeland is only as good as the information and analysis

supporting our efforts. I&A has a unique mission to serve as the interface between the IC, our DHS components, and the state, local, tribal and private sector partners who both require and generate homeland security intelligence and information. I believe that our current efforts—and this 2011 budget—are moving us in the right direction toward fulfilling our unique and multifaceted mission.

The I&A budget request for FY 2011 directly supports and flows from the missions of the QHSR, the goals of the NIS, and the priorities of the President, including the *National Strategy for Information Sharing*. The budget also reflects the priority areas I mentioned in my December 2009 confirmation testimony:

- **Goal 1:** Support state, local, tribal and private sector partners
- **Goal 2:** Strengthen the DHS Intelligence Enterprise and support to DHS components
- **Goal 3:** Mature analysis
- **Goal 4:** Improve management and processes

*1. Support State, Local, Tribal, and Private Sector Partners*

A primary role of I&A is to share intelligence and information with our partners at the state, local, tribal and private sector levels. It is our job to meaningfully convert what may appear to be bits of unrelated information into a product that helps protect our communities. I&A also has a key responsibility in furthering the Department's commitment to sustain and support fusion centers.

We are continuing to expand the level of cooperation and information sharing with our state, local and tribal partners via a robust network of intelligence and law enforcement agencies participating in state and local fusion centers. Secretary Napolitano directed the acting Under Secretary of Intelligence and Analysis, Bart Johnson, to conduct a study on the best ways to create a Joint Fusion Center Program Management Office (JFC-PMO), which would support information sharing between state, local, tribal and federal law enforcement partners and coordinate relevant support from all elements of the Department. The Secretary requested a recommendation on the feasibility and optimal structure and resources of the JFC-PMO; that recommendation is due to the Secretary by March 6, 2010. The Department is also considering how the pending JFC-PMO will align with the White House's direction that DHS, in coordination with the Program Manager for the Information Sharing Environment, be the lead agency in establishing a National Fusion Center Program Management Office.

Fusion centers are a proven and invaluable tool for the Department to work closely with our state, local and tribal partners on some of the nation's most pressing homeland security issues, such as terrorism and border security. To leverage the capabilities of these entities, I&A has deployed 57 intelligence officers to fusion centers nationwide and plans to deploy a total of 76 officers by the end of FY 2010. I&A has also installed the Homeland Secure Data Network (HSDN), which allows the federal government to share Secret-level intelligence and information with state, local and tribal partners, at 33 fusion

centers. Additional centers are undergoing facilities certification in order to be accredited to house HSDN. This burgeoning network greatly expands two-way information sharing flows between federal and non-federal homeland security partners.

Most recently, these centers were used extensively for the passing and sharing of information from the Office of Intelligence and Analysis, in cooperation with the Federal Bureau of Investigation (FBI), to the fusion centers regarding the Najibulla Zazi and Umar Farouk Abdulmatallab investigations and arrests. In addition, the Washington Fusion Center played a key role in the development of a multi-seal threat assessment for the 2010 Winter Olympic Games in Vancouver. I&A analysts were assigned to the Joint Operation Center in Washington State during the Olympic Games and were responsible for working with the Washington State Fusion Centers, the Royal Canadian Mounted Police, and our federal partners in monitoring information and intelligence that could identify potential threats.

In addition to the Fusion Centers, I&A provides robust support to state, local and tribal officials along the Southwest Border via the Homeland Intelligence Support Team (HIST), a forward-based support element that provides intelligence integration and information sharing on all threat actors and related activities on the Southwest Border. The HIST, located in the El Paso Intelligence Center (EPIC), coordinates with other I&A representatives across the Southwest Border region and is making a major contribution to efforts to secure the border.

I&A has continued to customize intelligence-related programs and processes to meet the needs of our state, local and tribal partners. One of our most popular and effective new products geared for state, local and tribal partners, developed in cooperation with the Interagency Threat Assessment and Coordination Group in the National Counterterrorism Center, is the Roll Call Release. These products provide useful, specific and actionable information, on possible tactics or techniques that could be employed by terrorists or criminals who threaten the homeland, in a form suited to law enforcement consumption.

In addition, the DHS Open Source Enterprise provides reporting directly to state, local and tribal customers through the Homeland Security State and Local Intelligence Community of Interest (HS SLIC). This past year, I&A contributed 141 intelligence and information products to the HS-SLIC. DHS Open Source collection efforts resulted in reporting on a number of specific terrorist and individual behaviors by organizations and individuals, such as Anwar al Awlaki; this kind of reporting provides advice on potential changes to operational and security procedures that keep communities and the nation safer. I&A used mobile training teams to conduct Open Source methodologies and capabilities training at 24 fusion centers and component facilities, including a formal block of training on understanding and respecting the privacy of individual citizens.

In addition, I&A, in conjunction with the DHS National Operations Center and the Office of Intergovernmental Affairs, reached a milestone by establishing a single, integrated process to receive, track and respond to requests for intelligence support submitted by state, local, territorial and tribal partners, as well as federal (including IC) elements. This

process ensures requests and subsequent responses are as timely and complete as possible while protecting privacy, civil rights, and civil liberties.

The Fourth Annual National Fusion Center Conference was held February 23-25, 2010, in New Orleans, Louisiana. This annual forum for fusion center stakeholders at all levels of government, which was co-hosted by I&A and the Department of Justice, enabled the sharing of best practices and offered direct opportunities to discuss the optimal ways to achieve a common baseline capability. The National Fusion Center Conference is a signature event promoting homeland security, and one that grows in stature and importance each year.

## *2. Strengthen the DHS Intelligence Enterprise and Support to DHS Components*

In the past six months, I&A has taken concrete steps to promote a unified, collaborative DHS Intelligence Enterprise. Our goal is to make intelligence activities at DHS more efficient and effective, and to allow DHS as a cabinet Department, including headquarters and the components, to both give and receive better support. The principle governing body for this purpose is the Homeland Security Intelligence Council (HSIC), which I chair in my role as Chief Intelligence Officer of the Department. The HSIC is comprised of the key intelligence officials in applicable DHS components; it now reflects a broader range of DHS activities that require intelligence support. The HSIC is focused on governance-level, enterprise-wide objectives, such as collaboratively defining intelligence activities for the Department's ongoing Bottom Up Review; and developing new tools for conducting DHS Intelligence Enterprise program reviews. The HSIC oversaw the completion of the first coordinated, Enterprise-wide analytic production plan, which builds on the expertise of the operational components to produce products in their areas, deconflicts competing efforts, and helps focus analytic efforts on QHSR priorities.

I&A also exists to support the intelligence needs of the Department as a whole. I am committed to the Secretary's model of One DHS, becoming a cohesive cabinet Department that fulfills many functions across a wide and challenging spectrum of activities. In addition to the seven DHS operational components, I&A's customers include offices that handle policy, infrastructure protection, privacy issues, civil rights and civil liberties, health affairs, and other important responsibilities.

In January 2010, I&A also completed a comprehensive set of Standing Information Needs (SINs), which uniformly document ongoing intelligence and information needs of the entire Department. These SINs improve DHS' ability to participate in the Intelligence Community's collection management processes, and improve the quality and quantity of information we receive in support of those needs as well as the information I&A produces. In addition, since October 2009 our Collection and Requirements Division assisted more than 20 fusion centers in developing their own SINs, with the goal of improving the level of support they can receive from the Department and the rest of the IC.

Another successful example of the power of the enterprise is the DHS Threat Task Force (DTTF). The DTTF was established in the summer of 2009 to support high-profile investigations by the FBI. The DTTF is composed of I&A analysts and representatives from the DHS operational components and ensures that all the Department's information and expertise is brought to bear on an issue or investigation. The DTTF last summer provided information to the FBI on hundreds of additional individuals who were determined to be potentially relevant to specific, high-profile cases. DHS reactivated the DTTF on December 25, 2009, after the attempted bombing of Northwest Airlines Flight 253. We intend to institutionalize this enterprise task force to focus the efforts of the whole Department in unison on mitigating terrorism threats to the homeland. Per the Secretary's direction, the DTTF has been playing a direct role in identifying and analyzing homeland security threats, informing DHS leadership decision-making, and ensuring that intelligence supports component operations in the field. These efforts have directly contributed to more effective use of watch lists and have supported Department programs for passenger travel analysis and airport screening procedures.

### 3. *Mature Analysis*

I&A's analytic programs align with the Secretary's priorities and the Department's SINs, and encompass those analytic topics that are most meaningful for homeland security. Our analysts—in partnership with NCTC and the FBI—address threats to the homeland from both international and domestic terrorist groups and actors, and also analyze terrorist tactics, techniques, and procedures to inform the development of protective measures at home. As a result of recent trends, I&A is working closely with its IC partners to develop a framework for analysis of homegrown extremism that is consistent with protecting civil rights and civil liberties.

I&A has primary responsibility within the IC to analyze, evaluate and disseminate analysis on threats to homeland critical infrastructure. Through our robust relationship with the private sector and partnership with DHS' Office of Infrastructure Protection, we routinely assess the impact of threats to industry and, with our IP partners, identify specific vulnerabilities and consequence of loss that would result from terrorist attacks or other hazards.

Our border and immigration security analysts focus not only on terrorist threats to the U.S. on or at our borders, but also address trends regarding travel, asylum and refugee issues and the rising violence and instability affecting the Southwest Border. I&A, in fact, uniquely supports the U.S. government's effort to identify, track, deter and prevent terrorists from traveling to the homeland. I&A's role in preventing terrorist travel focuses on providing targeted intelligence analysis that leverages unique DHS databases and expertise, and on sharing information broadly within DHS and also with the U.S. government and foreign partners. I&A plays a key role in monitoring changes to and effects of global immigration and travel security policies, provides direct support to DHS asylum and refugee programs, informs Customs and Border Protection targeting rules and Transportation Security Administration screening measures, and produces assessments on

alien smuggling and illicit travel patterns that are unique among those circulated through the IC.

In the cyber arena, I&A cyber intelligence analysts provide a national intelligence analytical framework in support of key cybersecurity customers, such as the National Cybersecurity and Communications Integration Center (NCCIC), the United States Computer Emergency Readiness Team (US-CERT), and the Industrial Control Systems CERT. Our cyber activities enable DHS to identify emerging threats to civilian government information and communications infrastructure.

I&A also maintains technical expertise in the fields of health intelligence and chemical, biological, radiological and nuclear (CBRN) issues to serve its departmental, federal, state, local, tribal and private sector partners.

DHS is a co-founder with the Defense Intelligence Agency of the National Center for Medical Intelligence at Fort Detrick, Maryland, which focuses on a broad range of foreign medical risks that could threaten the United States. We use our combined research and analytic talents to produce all source threat analyses on human health, agriculture, and food security to support DHS components—a recent example being the health intelligence we provided to support first responders' relief efforts in Haiti—as well as federal, state, local and tribal government agencies and the private sector. Our analysis goes beyond just the science of health threats to also address relevant foreign policy and socio-economic issues that could adversely affect homeland security operations and critical infrastructure and key resources.

On CBRN issues, our experts collaborate with their IC partners on broad-ranging assessments and national-level exercises, provide the threat basis for risk assessments that drive DHS policy formulation and detection and response programs, and provide practical insights to state, local, tribal and private sector partners on CBRN indicators they might encounter in the course of their operational and law enforcement roles.

#### *4. Improve Management and Processes*

To ensure that I&A is able to meet the broad range of its responsibilities, I am placing great emphasis on strengthening the planning, management and performance oversight of I&A. We are developing fair and transparent policies and decision making processes, aligning resources to priority missions, and assessing whether investments are leading to preferred outcomes. We have established leadership-level personnel and resource requirements boards to improve management of the workforce and the budget.

Training is key to achieving I&A's mission and organizational goals. I&A continued to grow its capacity for intelligence training by conducting or offering over 45 courses since June 2009, amounting to over 20,000 training hours for I&A staff. Students came from state, local and tribal entities, including fusion centers, and from throughout the DHS Intelligence Enterprise.

While I am proud of the substantial progress I&A has recently made, I also recognize that much work remains. We have to continue to grow I&A into a respected intelligence entity that provides the quality homeland security intelligence needed to protect the homeland.

### **The President's FY 2011 Budget Submission**

I want to address more specifically how the President's FY 2011 budget submission supports I&A programs and enables further accomplishments. Working with our homeland security partners at the state, local, tribal and private sector levels is a top priority for I&A and the entire Department. The FY 2011 budget request seeks to continue our commitment to a national fusion center network by providing I&A with additional funds to complete its representation at fusion centers across the country. The FY 2011 budget will enable I&A to deploy additional intelligence analysts and secure communications to all 72 currently operational fusion centers, as well as to assign 10 regional directors to oversee I&A fusion center support activities in their respective regions. The request will also enable I&A to continue providing classified information awareness training to fusion center personnel who access sensitive federal information, and to expand our current program to provide privacy and civil liberties awareness and protection training. I am encouraged by Congress' continuing support of the Department's program to support fusion centers, and look forward to working with you to fund the program in FY 2011 to meet both the President's goals and objectives and key statutory requirements.

The FY 2011 I&A budget request continues our efforts to decrease our reliance on contractors and increase the number of federal employees. I am not satisfied with the current ratio of contractors to government employees. In FY 2010, we are converting 110 positions from contractor to federal positions. Similarly, we propose in our FY 2011 budget submission to convert 87 contractor positions into federal ones. We are on the right trajectory, but must seek to accelerate these efforts.

### **Challenges Ahead**

I&A is a maturing organization and faces numerous challenges in the near future. Along with the rest of the IC and the Department, we are striving to improve our capabilities in the cybersecurity arena. I&A succeeded in hiring several cyber professionals in FY 2010 and has a more robust hiring plan for FY 2011, but we are still assessing the amount of analytic support needed for the Department's important role in cybersecurity.

I anticipate that formalizing the JFC-PMO, as well as meeting our ambitious goals for increasing personnel and systems support to all 72 fusion centers, will entail governance, resource and operational challenges in FY 2011, but we are prepared to meet those challenges. As we continue to work with the fusion centers to mature their capabilities and to ensure they are well trained in analytic tradecraft and in the protection of privacy, civil rights, and civil liberties, I&A will continue to advocate for sustained funding for the fusion centers as the linchpin of the evolving homeland security enterprise.

While I&A's support to state, local and tribal partners is steadily improving, there is still work to be done in how best to support the private sector. We intend to explore ways to extend our efforts in this area beyond the established relationships with the critical infrastructure sectors. We will also continue to try to achieve a departmental enterprise that is greater than the sum of its parts, by advocating for and supporting the components and ensuring that intelligence efforts are coordinated and mutually reinforcing.

### **Conclusion**

Members of the Subcommittee, thank you for the opportunity to appear before you today to testify on I&A current activities and future challenges, and to review the President's major funding priorities for I&A in FY 2011.

I want to convey to you my personal sense of urgency and commitment to ensuring that DHS and its partners have the intelligence capability to address all threats to the homeland, while performing their missions and upholding the rule of law. I&A has both a unique mission and critical national intelligence responsibilities. The President's budget request will enhance departmental intelligence capabilities to mitigate the complex and dynamic threats our nation faces, while also protecting the privacy, civil rights, and civil liberties of the American public.

Thank you and I look forward to your questions.