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Central Intelligence Agency
Inspector General

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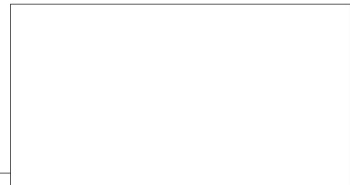
INSPECTION REPORT

OF THE

DCI COUNTERTERRORIST CENTER

DIRECTORATE OF OPERATIONS

AUGUST 2001



~~SECRET//~~ [redacted]

IG-2001-0513
22 August 2001

MEMORANDUM FOR: Deputy Director for Operations
Deputy Director for Intelligence
Chief, Counterterrorist Center

FROM: [redacted]
Acting Inspector General

SUBJECT: [redacted] Inspection Report of the
DCI Counterterrorist Center

1. [redacted] Attached is the final report of our inspection of the DCI Counterterrorist Center. The three recommendations are the same as those contained in the draft report you reviewed. Based on the DDO's formal comments we have changed the text or, in cases where we did not agree, identified and included the comments (*italicized*) as part of the text. I will assume your concurrence unless I hear from you within 10 days. Please note that the recommendations will be included in our semiannual report to the DCI.

2. [redacted] Please forward to me, within 60 days, a formal report setting forth the actions taken to implement the recommendations and/or a timetable for eventual full implementation.

3. [redacted] If you have additional observations or comments about this inspection or any related matters, please feel free to contact my Acting Deputy, [redacted] the Assistant Inspector General for Inspections, [redacted] or me.

/signed/

[redacted signature box]

Attachment: As stated

cc:

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[redacted] EXECUTIVE HIGHLIGHTS

[redacted] The DCI Counterterrorist Center (CTC) is a well-managed component that successfully carries out the Agency's counterterrorist responsibilities to collect and analyze intelligence on international terrorism and to undermine the capabilities of terrorist groups. CTC fulfills inter-Agency responsibilities for the DCI by coordinating national intelligence, providing warning, and promoting the effective use of Intelligence Community resources on terrorism issues. The Center has made progress on problems identified at the time of the last inspection in 1994—specifically its professional relationship with the Federal Bureau of Investigation. Indeed, since 1994, the Center has broadened and deepened its operational partnerships with other US Government organizations working the terrorist target through an increased exchange of personnel and information.

[redacted] CTC owes its success to a number of factors.

- CTC employees clearly understand their mission and believe their work is vital to saving American lives. This sense of mission and belief in its importance and its success have helped to create what customers, partners, and CTC employees describe as a highly dedicated and motivated workforce which produces quality work.
- CTC's resources have steadily increased over the [redacted] years, with personnel growing [redacted] during that period and the budget [redacted]. The Center's comparatively favorable resource situation allows it not only to expand its own programs but also to support operations [redacted] that DO area divisions otherwise could not fund. The OIG cautions, however, that, in recent years, most of the increase in CTC's budget has come in the form of supplemental funding, which is unpredictable.

- Center employees have earned strong customer support. Customers describe CTC as the leading source of expertise on terrorism, responsive to requirements, and a community facilitator.
- Customers, partners, senior Agency managers, and Center employees credit the strong front office management team with articulating a clear vision and strategy and implementing an effective program against a difficult target.

[redacted] Although CTC received generally positive reviews, customers did identify some gaps. Military and diplomatic security customers are seeking detailed information on the plans and intentions of key terrorist groups and timely warning of terrorist attacks with specifics on target, date, and place. Customers are concerned that not enough work to provide context for policy decisions is getting done because reports officers are under pressure to disseminate threat reporting quickly, and analysts have time only to focus on crises or other short-term demands. Some consumers worry that Center analysts do not have the time to spot trends or to knit together the threads from the flood of information.

[redacted] After reviewing the Center's capabilities, current management is trying to increase collection of actionable information—the reporting gap identified by consumers. The senior management team determined that to be successful against key targets requires an operational strategy that places an increased emphasis on recruitment and penetration of key terrorist organizations by traditional clandestine methods—unilateral operations.

[redacted] CTC statistics suggest that it is having some success. [redacted]

[redacted]

[redacted] Although CTC has increased its emphasis on unilateral operations, a key component of the center's operational effort is [redacted]

[redacted] the relationship with foreign

liaison services [redacted]

[redacted]

[redacted] CTC management faces additional challenges in fulfilling its mission: recruiting and retaining a skilled workforce, managing demands and crises to guard against burnout and to allow more strategic work, and coordinating and communicating internally and externally. Many of these challenges result from the complex, shifting, and high-profile nature of the target and from customer expectations that allow little room for error. Center managers are aware of and focused on most of these issues.

[redacted] **Workforce.** The Center has had difficulty attracting and retaining a sufficient cadre of trained, experienced officers required for the new operational strategy [redacted] and strategic analysis. CTC's customers, partners, and managers have identified some areas of inexperience among both operations and analytic officers. The Center has made a concerted effort to

attract and retain talented officers—largely through home-basing. A number of CTC managers and officers/ [redacted]

[redacted] expressed concerns about career guidance and training and ill-defined career paths. [redacted]

[redacted] CTC management described several developmental issues that they are starting to address, but the OIG recommends a more systematic approach to include detailed, written career guidance for each discrete CTC home-based occupation.

[redacted] **Stressful Work Environment.** Center employees frequently operate in a state of crisis—resulting from a series of terrorist incidents and multiple known threats—and amidst strong demands from policymakers and Agency senior managers. Moreover, a substantial proportion of CTC personnel believe that their work unit does not have sufficient personnel to accomplish the mission. This combination leads to employee burnout and leaves little time for strategic reflection on both analysis and operations—potentially leading to missed opportunities. Employees told us that they deal with this situation by working extra hours and frequently they have time for only the most essential tasks. Center officers noted that management is sensitive to this issue. Without more personnel, however, the OIG accepts that CTC has limited options to deal with this work environment; the center is nearly fully staffed and crises are part of the nature of the target.

[redacted] **Communication and Coordination.** The Center brings an Agency focus to an important transnational target, requiring close cooperation with units in all directorates, particularly the area divisions in the DO. Interviews of area division and station officers indicated a need for closer communication and coordination. Such interaction is critical because CTC is the repository of counterterrorist [redacted]

[redacted] resources provided to the area divisions and field stations on which CTC depends to conduct much of its operational business. The OIG suggests that CTC management find opportunities to engage in a more active dialogue with DO area division management [redacted]

[redacted] Similarly, we found that CTC was not taking full advantage of resources available in the DI. The Center could increase the effectiveness of its analytic resources and gain more regional expertise by fostering stronger relationships with DI regional offices.

[redacted] While CTC employees were generally pleased with front office managers, a number of the interviewees, who commented on their management style, acknowledged that Center personnel saw little of the chief and deputies. They noted that in the fast-paced and stressful work environment, employees desired simple affirmation of a job well done from their managers. Almost all the interviewees recognized the increasing demands placed on the Center's senior management by external and internal customers, as well as the logistical challenges presented by a large workforce [redacted]

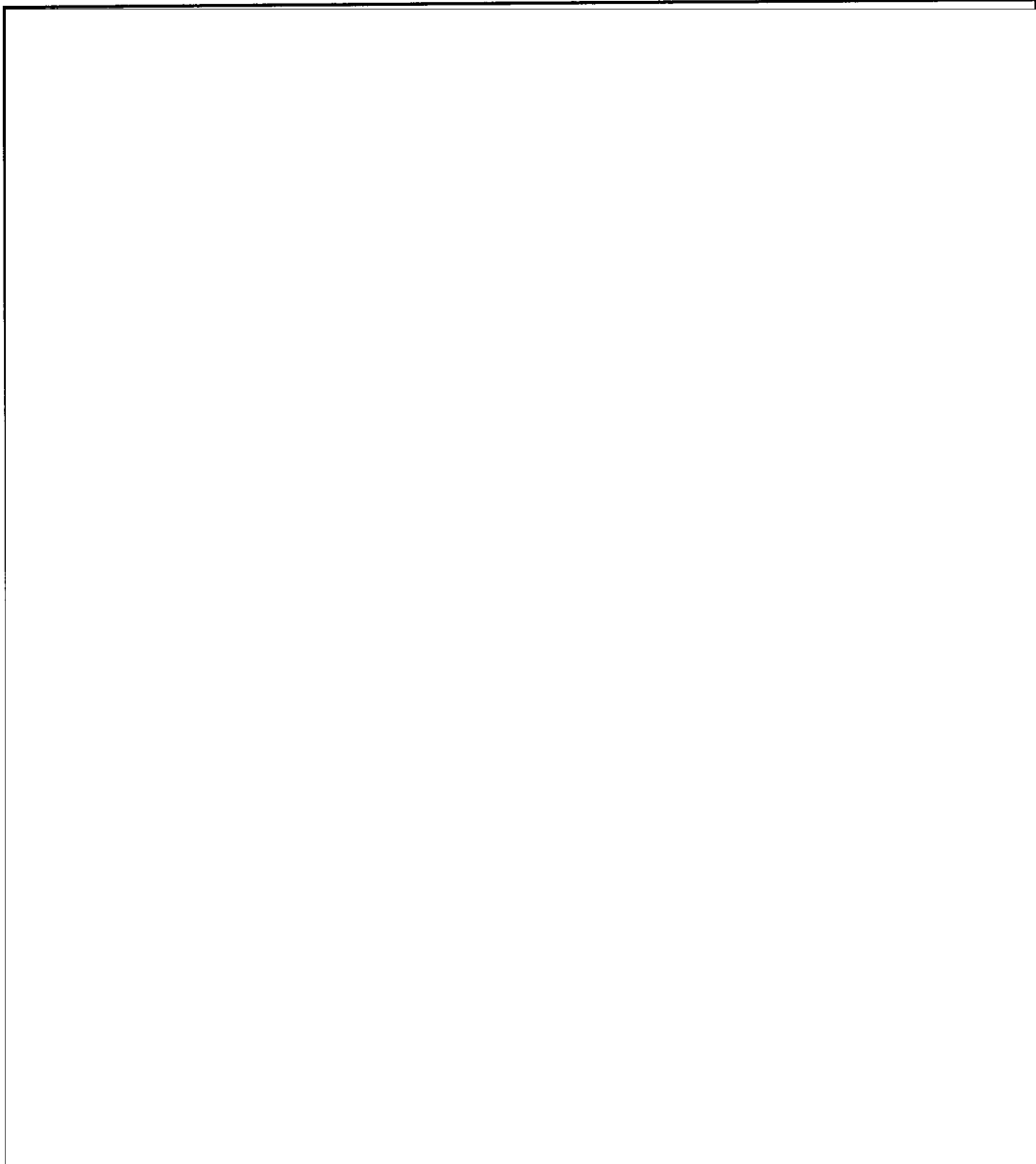
Nevertheless, the OIG encourages all front office managers to make interaction with center personnel a higher priority.

[REDACTED] INTRODUCTION

[REDACTED] The DCI Counterterrorist Center (CTC) was formed in 1986 as a result of perceptions that terrorist incidents were increasing and that CIA's counterterrorist efforts required focus (see figure 1). CTC operates under the Director of Central Intelligence (DCI) but resides in the Directorate of Operations (DO) for administrative purposes. It performs the counterterrorist responsibilities that Presidential Decision Directives/NSC-39 and -62 assign to the Agency. The Center oversees a comprehensive counterterrorist operations program to collect intelligence on and minimize the capabilities of international terrorist groups and state sponsors and produces all-source analysis on international terrorism. This Center brings an Agency and Community focus to a Tier One transnational target and has received steadily increasing resources to address this issue (see figure 2). The nature of the target and the breadth of the Center's scope requires CTC to cooperate closely with units in all four directorates, particularly the area divisions in the DO.¹ CTC fulfills inter-Agency responsibilities for the DCI by coordinating national intelligence, providing warning, and promoting the effective use of Intelligence Community resources on terrorism issues.

[REDACTED] Presidential Decision Directive NSC-35 ranks counterterrorism as a Tier One objective.

Figure 2



[redacted] CTC operates in a challenging environment in which the target has become more complex and the potential consequences of terrorist attacks more deadly than in previous decades. Terrorists are growing less dependent on state sponsorship and instead are forming loose, transnational affiliations based on ideology or theology.

Originally organized into groups, terrorist organizations have become decentralized. Their funding and logistical networks cross borders, and they make use of widely available technology to communicate quickly and securely. As a result of these trends, terrorists are difficult to detect and track, and traditional tools to counter them—diplomatic activities, economic sanctions, and military actions—are less effective.

(U) CTC AND THE DO

[redacted] CTC management's operational focus is to develop a stronger unilateral effort to penetrate terrorist organizations in key areas, maintain strong foreign liaison relationships [redacted]

[redacted] While CTC gets generally good reviews from field stations and area divisions, better coordination on strategy and operations could improve these relationships and the effectiveness of the Center.

(U) Operations to Counter Terrorism

[redacted] CTC has had some recent notable successes in preempting and thwarting terrorists' plans. [redacted]

- **Millennium Threat.** In collaboration with US law enforcement and foreign intelligence and law enforcement agencies, CTC orchestrated a global effort against Usama Bin Ladin [redacted]

- [redacted] CTC, working with multiple stations and services, identified [redacted] and detained or arrested [redacted] This disruption prevented attacks against US interests, according to CTC.

- [redacted] In late 2000, CTC worked with its DO and foreign partners to identify and disrupt [redacted]

[redacted]

[redacted] The current CTC senior management team determined that success against key targets, such as Usama Bin Laden [redacted] required increased emphasis on recruitment and penetration of key terrorist organizations by traditional clandestine methods—unilateral operations.

[redacted]

Cooperation with key liaison services

[redacted]



- To increase the number of operations officers available to serve overseas, CTC plans to home-base [redacted] officers from each Clandestine Service Trainees (CST) graduating class; CTC received [redacted] officers from the [redacted]

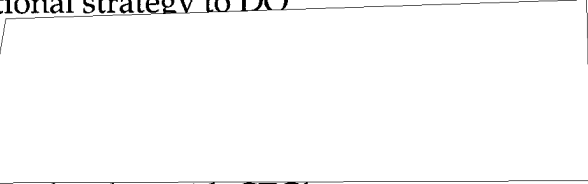
[redacted] Moreover, CTC management launched a direct hiring campaign to employ officers with special skills: native fluency in languages [redacted]



- The Center developed a counterterrorist-focused operations course specifically tailored for officers undertaking CTC activities in the field.



In addition, CTC realized the need to communicate its new operational strategy to DO Headquarters and the field.



field officers interviewed were familiar with CTC's new operational strategy.

[redacted]

[redacted] CTC statistics suggest that it is having
some success. [redacted]

[redacted]

[redacted]

[redacted] As CTC continues to implement

[redacted]

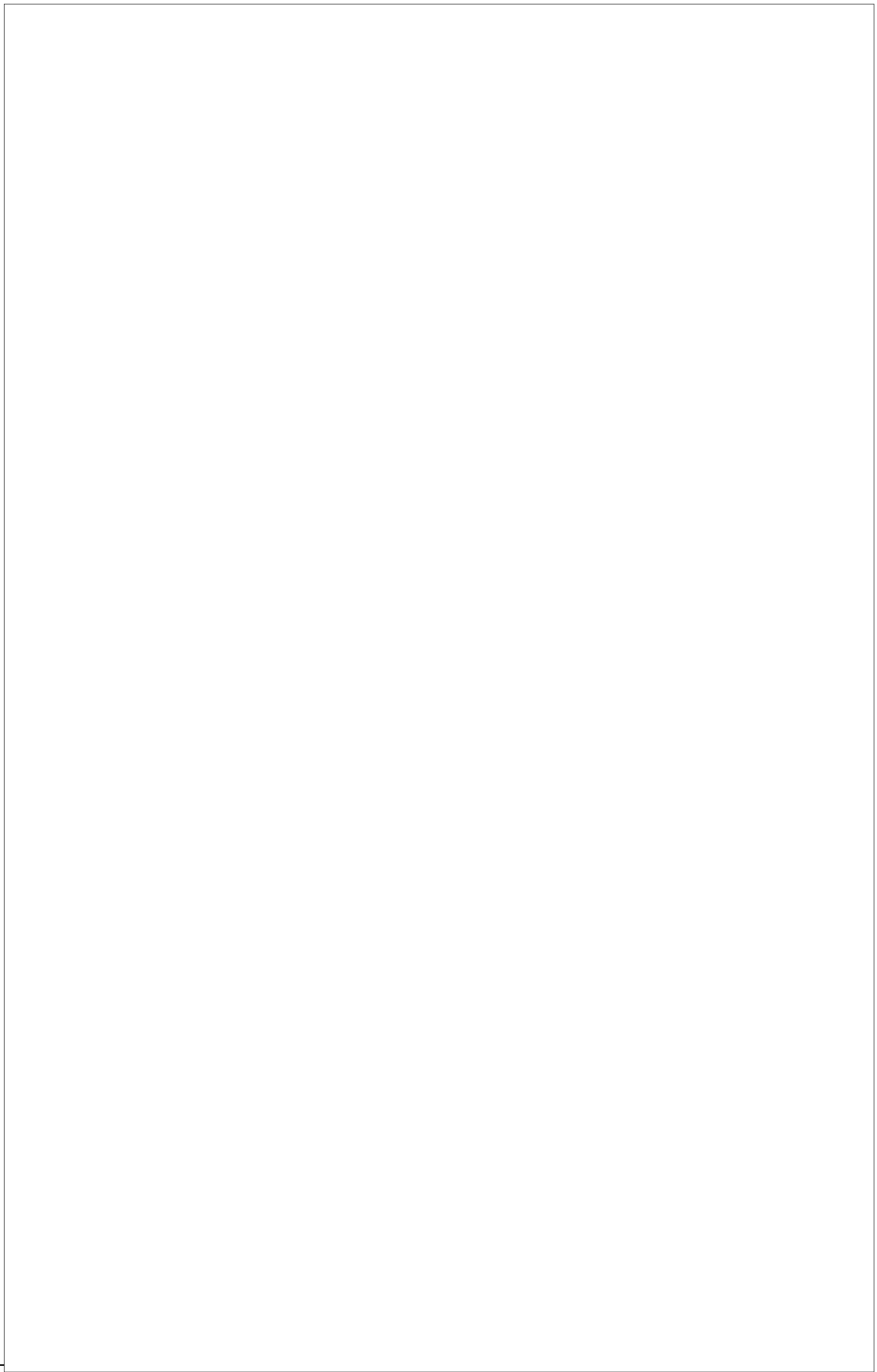
**OIG suggests that CTC management
find opportunities to engage in a more active dialogue
with DO area division management**

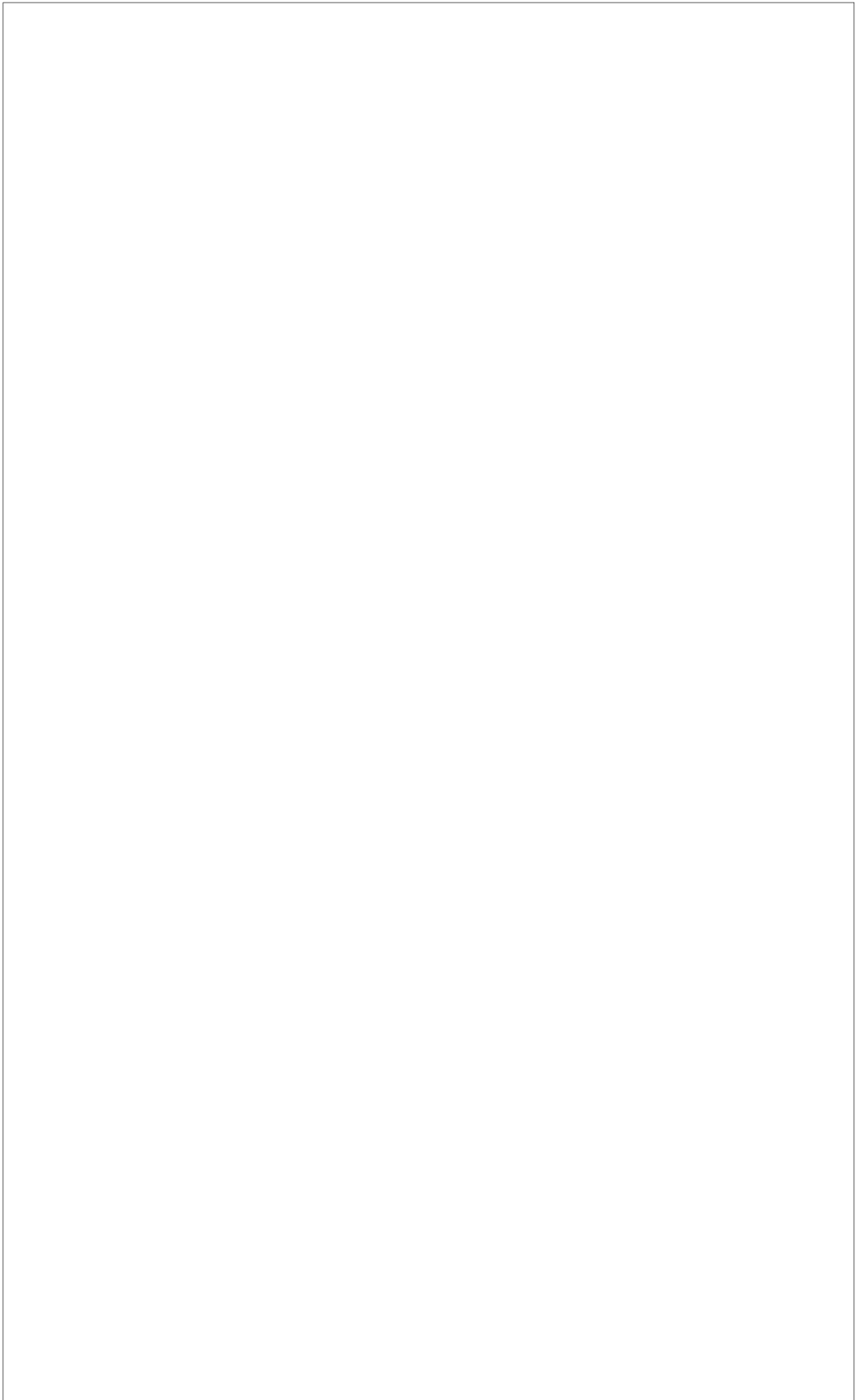
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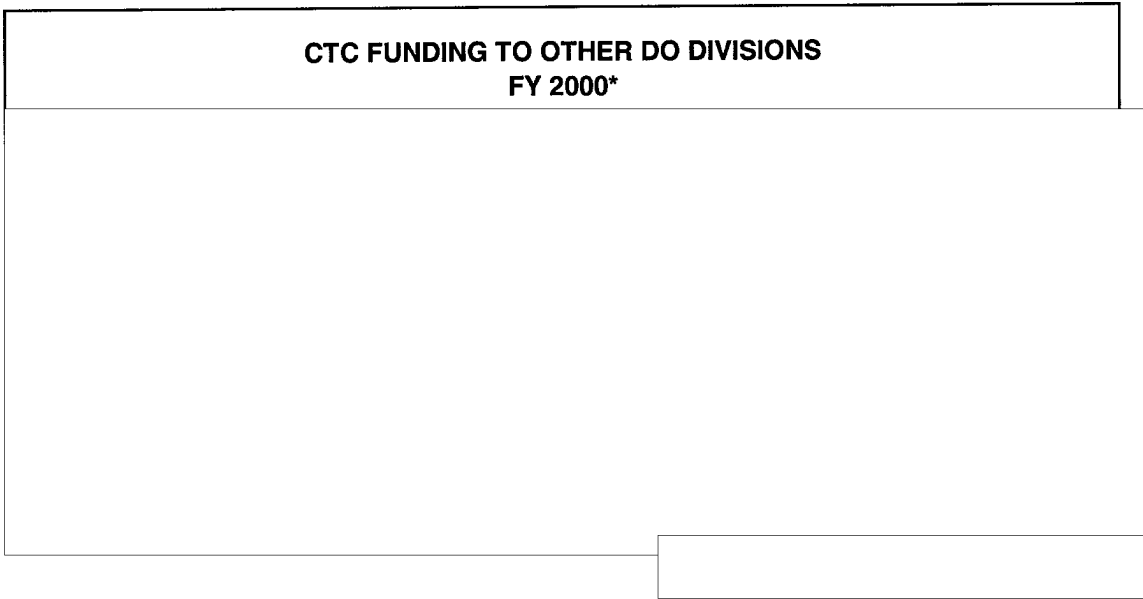


CTC Relations with DO Stations

[redacted] About two-thirds of field officers interviewed praised CTC for the assistance it provides, especially during high visibility events.

- Stations were particularly pleased that the Center's financial assistance allows them to conduct operations [redacted] home divisions could not fund (see figure 4).
- Usama Bin Laden (UBL) Station was frequently singled out for its exceptional support. Field officers described the assistance as "excellent," "timely," "forward leaning," and "substantive." One manager marveled at UBL Station's ability to respond immediately during fast moving situations.
- Station personnel consistently appreciated analysis and background information provided by CTC, [redacted]
- Stations visited by the team highly valued training provided by CTC [redacted]
- Station officers praised CTC employees who traveled overseas to brief and discuss counterterrorist issues.

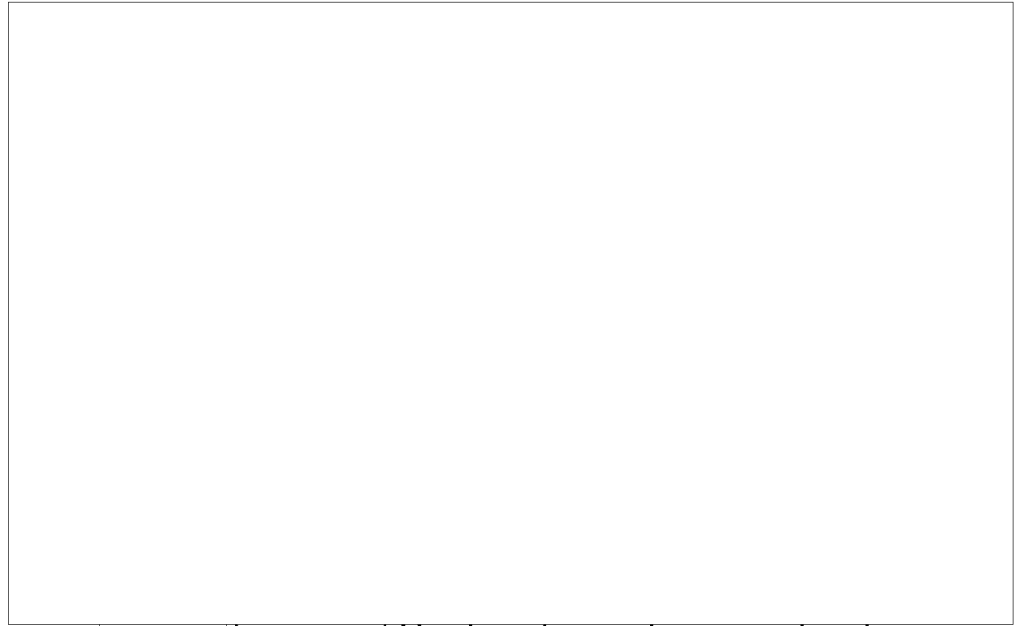
Figure 4



[redacted] The remaining one-third of field interviewees noted some shortcomings, ranging from fairly isolated incidents to broader concerns.

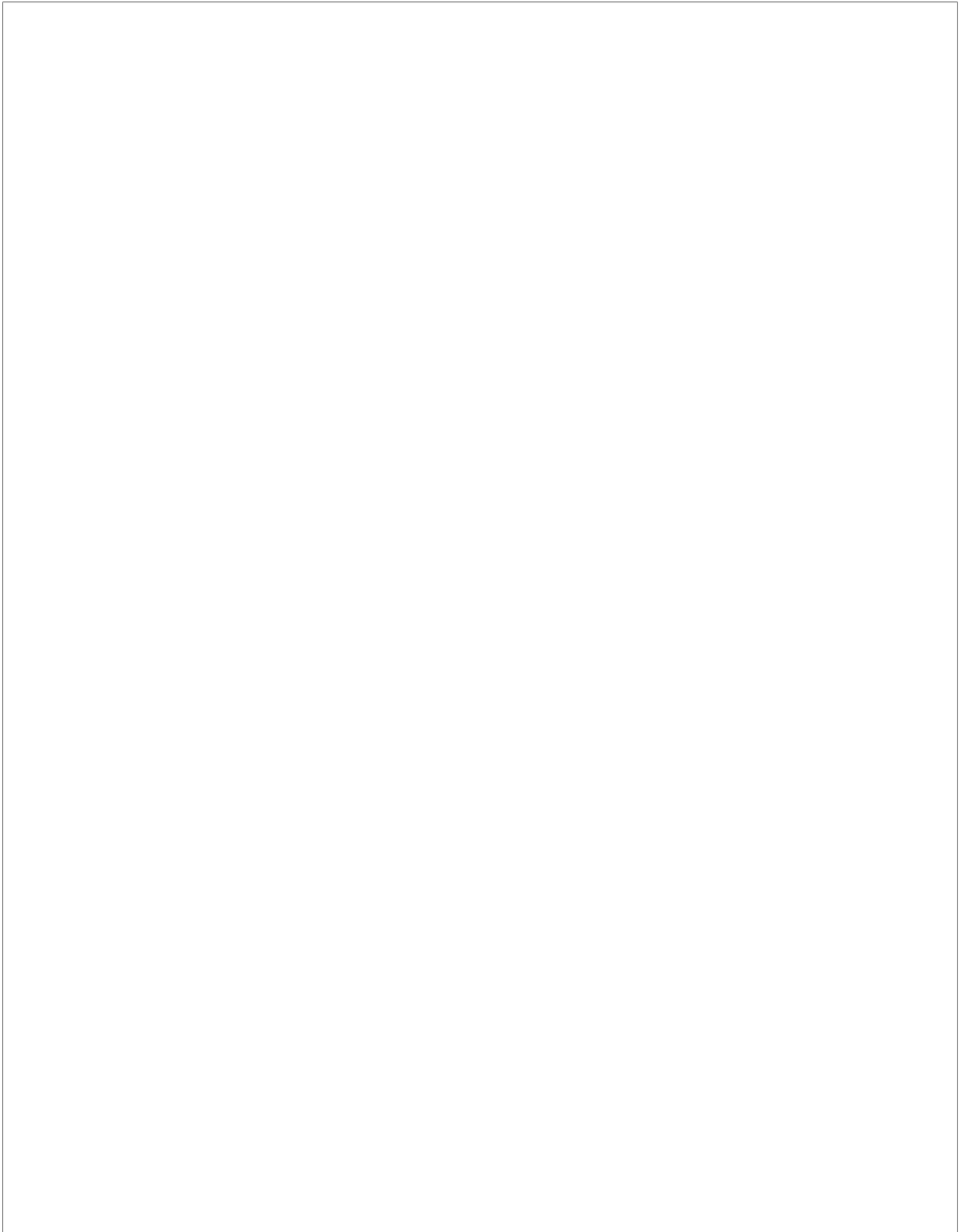
[redacted] more frequent complaint was slow or missing responses [redacted]

[redacted] Most interviewees were quick to point out that CTC was usually responsive to urgent requests, but routine queries sometimes fell through the cracks. They usually attributed this to an overworked staff that was busy putting out fires.



[redacted] A survey of Headquarters customers and partners mirrors the field response. Seventy percent of DO respondents were satisfied with their interaction with CTC, and 78 percent rated the overall quality of the work relationship as good or excellent. Thirty-four percent of the DO respondents, however, had specific criticisms to offer. When asked how CTC could be more responsive to customer/partner needs, survey respondents most frequently commented that the Center needed better coordination [redacted]





(U) Collection and Reporting

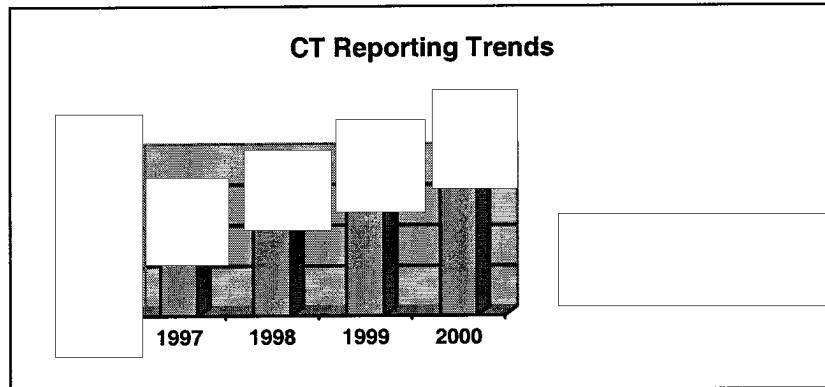
[redacted] Counterterrorism has high priority, and, at several stations, this objective is a primary driver [redacted]

[redacted]

This emphasis, as well as resources directed at the target, has paid dividends in terms of the number and quality of disseminated reports. According to CTC statistics, the number of disseminated reports has risen steadily since 1997 (see figure 5). In addition, the quality of reports has improved, [redacted]

[redacted]

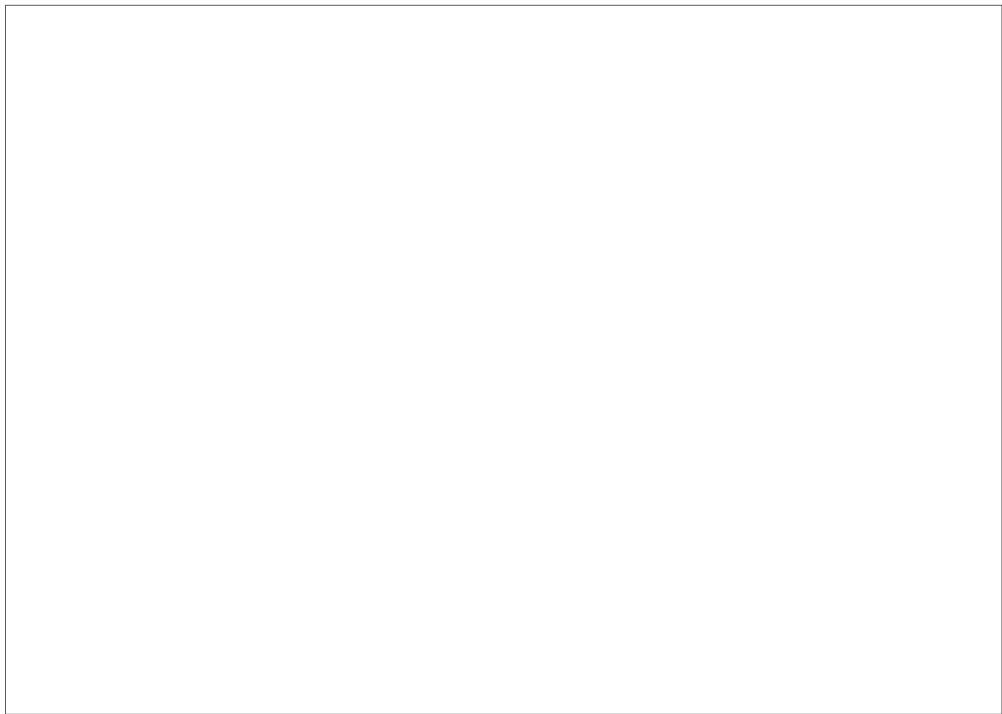
Figure 5



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[redacted]

[redacted]



[redacted] Despite the positive reporting trends, CTC management and customers identified some reporting gaps, including the plans and intentions of key terrorist groups and timely warning of terrorist attacks with specifics on target, time, and place. In particular, military customers and some embassy officials stated the need for detailed [redacted]

[redacted] information on planned attacks. [redacted]

[redacted] strategy is

designed to close these gaps and provide the more predictive reporting demanded by their consumers. Nevertheless, the nature of the target will limit the Center's ability to collect timely warning of time, place, and target of attacks. While supporting this effort, a senior Agency manager warned that these operations require long-term commitment and discipline, which can be difficult to maintain in the current atmosphere, which rewards instant results.

[redacted] Senior Agency officers were adamant that the Center had no choice but to follow the "zero threshold" approach for threat reporting—all threat information is disseminated quickly. [redacted]

[redacted] Threat reporting constituted [redacted] reports CTC disseminated in 2000. Almost all customers interviewed recognized this approach as a "necessary evil" in the counterterrorist field, but some senior

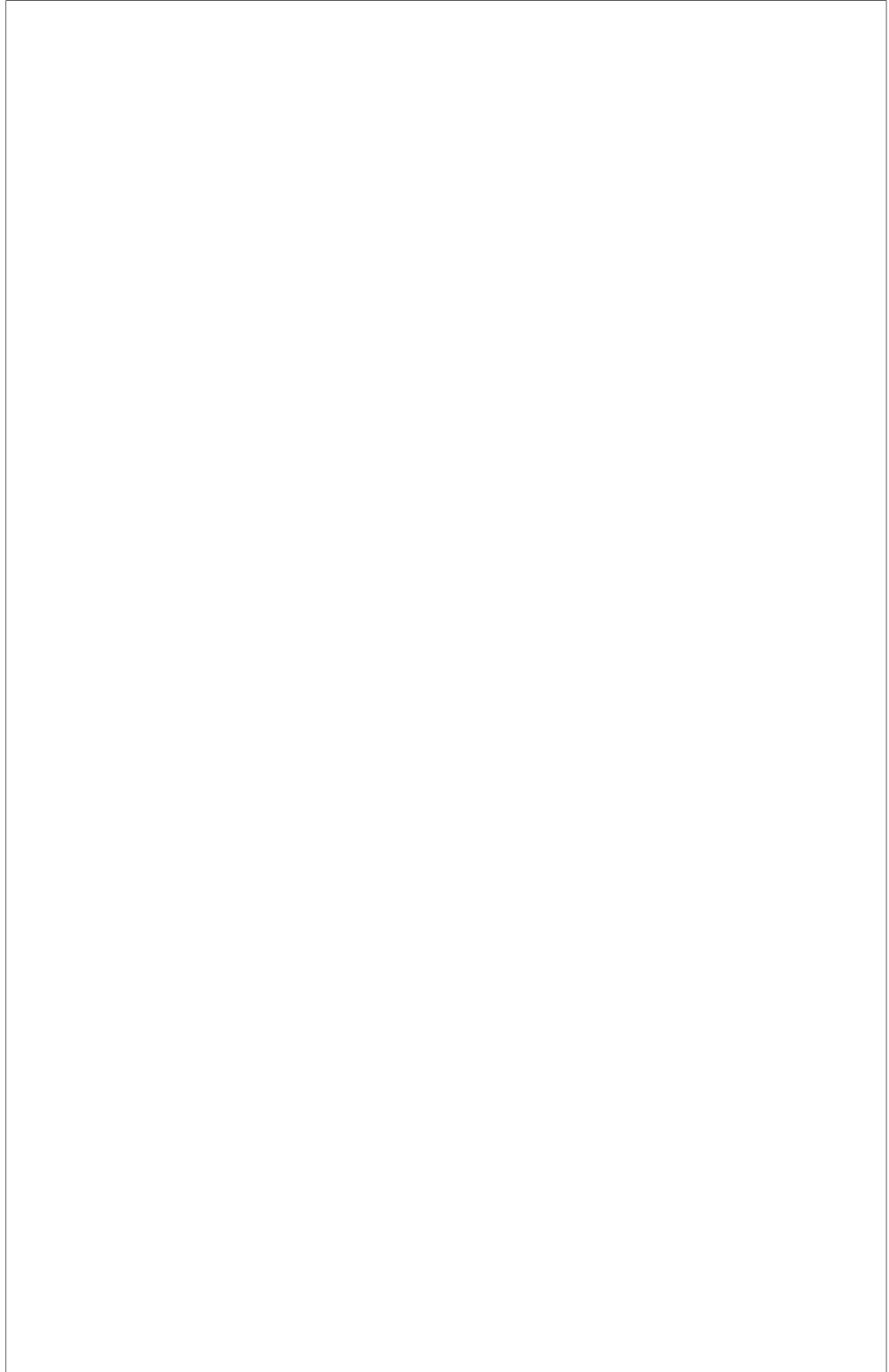
customers, particularly from the military, complained that threat reporting was difficult to act upon if it did not include enough [redacted]

[redacted] especially frustrating because reporting from CTC "carries tremendous weight." Given the level of activity and limited resources, however, CTC's

[redacted] engages in a delicate balancing act

[redacted] Overall, Washington and field customers, managers, and officers give [redacted] high marks for rapid dissemination and reaction. The group accomplishes this mission despite being chronically understaffed, and many customers and partners credited this record to the dedication of the reports officers. The majority of field managers and officers were satisfied with the feedback they received on their terrorist-related reporting. [redacted]

(U) Counterintelligence and Security



[redacted] CTC'S ANALYSIS

[redacted] CTC provides tactical and strategic analysis to the policy, intelligence, and law enforcement communities, as well as support to operational targeting and planning. Customers, partners, and Assessments and Information Group (AIG) analysts were generally satisfied with the Center's tactical analysis, but reviews were more mixed on strategic analysis, with some interviewees identifying gaps in long-term research and analytical depth.

[redacted] The Role of Analysis

[redacted] CTC has had an analytic component since its inception in 1986 as Agency management saw a need to centralize terrorism analysis. AIG is the Center's primary source of analysis, and, like the rest of CTC, has undergone growth and reorganization, [redacted]

Despite these increases, the group remains a relatively small part of the Center, accounting for only [redacted] of the total CTC workforce.

[redacted] AIG's small size belies the critical role it plays in meeting the CTC mission. Analysts in AIG have a multidimensional mission that ranges from production of traditional Directorate of Intelligence (DI) current and longer-term analytic products to CTC-unique warning items in support of operational planning [redacted]

[redacted] This mission is made even more complicated by the strong demand from policymakers for support in the form of briefings, specialized products, and [redacted] community video teleconferences, as well as by frequent briefings to Agency senior managers and Congressional [redacted]

testimony. Interviewees from this group characterized their customer base as broad, high-level, and demanding. Moreover, AIG analysts devote a significant amount of time [REDACTED] to counterterrorism operations support, [REDACTED]

[REDACTED]

[REDACTED] Although analysts and managers consistently described their mission as a blend of analytic production and support to policymakers and involvement in operational planning, a number of interviewees expressed concern about unclear priorities among the competing demands on analysts' time. AIG interviewees most frequently cited lack of direction or conflicting signals as the biggest obstacle to accomplishing the mission. In an environment in which there is a general perception that analysts are pressed for time, they expressed the expectation that management would set clear priorities for them. AIG management was viewed as vacillating between its commitment to support operations and the more traditional DI analytic functions. As one analyst put it, "we are told the DCI and Deputy Director for Intelligence (DDI) want more analytic think

pieces but management has not explained what that means." Others pointed out that AIG starts each year with good intentions of doing more long-term research, only to have those plans scrapped by inevitable crises and short-term demands. Nevertheless, some of the more senior analysts cited their disappointment at perceptions that management was attempting to emphasize long-term research at the expense of support to operations because they had been attracted to CTC by the opportunity to undertake nontraditional analysis. They expressed concern that the blend of support to operations and analysis that characterizes the "Center" concept was declining in CTC.



Customer Reaction

[redacted] Policy-level customers generally valued CTC analysis. Consumers most appreciated it when the analysis provided the needed context for decisionmaking. [redacted]

[redacted] for example, appreciates the community video teleconferences—in which CTC usually takes the lead—because it affords him the opportunity to have a dialogue with analysts who have expertise and are familiar with intelligence report sourcing. [redacted]

[redacted] rated most highly short, finished products that provided background information. [redacted] was effusive in his praise for the quality of analytic products on a major terrorist group; [redacted]

| Key CTC Customers | | |
|-------------------------------|-----------------------------------|------------------------|
| <u>White House</u> | <u>Congress</u> | <u>Military</u> |
| President | SSCI | Pentagon |
| National Security Advisor | HPSCI | DIA |
| NSC | | Commands |
| | | NSA |
| <u>Law Enforcement</u> | <u>Department of State</u> | |
| FBI | INR | |
| Secret Service | Diplomatic Security | |
| Department of Justice | Counterterrorism Coordinator | |
| | US Embassies | |

[redacted] Customers were concerned that not enough work to provide context for policy decisions was getting done because analysts focus on crises or other short-term demands. [redacted] asked for more predictive analysis from CTC [redacted] to protect deployed forces [redacted]

[redacted] interviewees worried that Center analysts do not have the time to spot trends or to knit together the threads given the flood of information.

[redacted] The consensus from AIG's operational counterparts in CTC is that analyst support to operations planning continues to be one of the strengths of the Center. Several of the managers from the operations groups stressed the importance of close cooperation and continue to seek avenues to strengthen the relationship. [redacted]

[redacted] AIG officers received mixed reviews on analytic depth and expertise [redacted]

[redacted] Symbolizing this dichotomy of opinion, DI respondents to the OIG survey of CTC partners and customers identified staff expertise as both AIG's leading strength and an area in need of improvement. AIG employees represent a wide range of experience, but the group is slightly more junior than the DI average. [redacted]

[redacted] More experienced analysts and managers were singled out for favorable reviews [redacted]

(U) Analytic Concerns

[redacted] AIG analysts acknowledge that the constant state of crisis and strong demand from policymakers and Agency seniors limit their ability to conduct strategic research and develop in-depth expertise. The lack of time to undertake warning and predictive analysis was one of the most frequent concerns voiced by analysts we interviewed. Such analysis, they noted, could enable them to predict terrorists' patterns of behavior or operational practices to allow the Center's operational components "to get ahead of the target."

[redacted] This concern is neither new nor unique to CTC.

[redacted] *"The report highlights the difficulty of undertaking strategic analysis in a near-constant crisis environment. The OIG should know that even as the inspection team was conducting its review of the Center, the DCI and DDI*

were working on this issue. The DDI has provided a new infusion of seasoned analysts into CTC, many of whom will serve in a new strategic analysis branch to meet just those analytical needs identified in the report."



[redacted] The OIG found that AIG was not taking full advantage of resources available in the DI. A number of partner/customer survey respondents [redacted]

[redacted] commented that CTC analysts should improve their coordination and collaboration with their DI counterparts. CTC and Office of Near Eastern, South Asian, and African Analysis managers have had preliminary discussions about exchanging analysts to encourage better collaboration and more "cross fertilization" of expertise. We conclude that AIG could increase the effectiveness of its analytic resources and gain more regional expertise by fostering stronger relationships with DI regional offices.

[redacted] **SURGE AND INFORMATION EXPLOITATION
MANAGEMENT**

[redacted] Due to the nature of the target, CTC faces the challenge of surge management. Surge can be triggered in various ways, ranging from a terrorist incident [redacted]

[redacted]

[redacted] **Crisis Management**

[redacted] A number of interviewees described CTC as frequently operating in a state of crisis—responding to a series of terrorist actions or threats. Center officers and managers overwhelmingly believe that they surge well in crisis situations through team effort, initiative, and prioritization. Employees have learned from experience their roles and responsibilities and automatically assume those roles when a crisis occurs. On occasion, the effort of CTC employees is supplemented with assistance from the DI and the DO. Several interviewees noted that their managers were sensitive to the potential for burnout. Management, for example, does encourage employees to take time off as needed and as appropriate.

[redacted] **Exploitation of Data**

[redacted]

demands placed on CTC do not allow it to exploit all the

information it collects. As a consequence, the risk exists that a potential warning will go unidentified.

[redacted] linguistic support to CTC, [redacted]

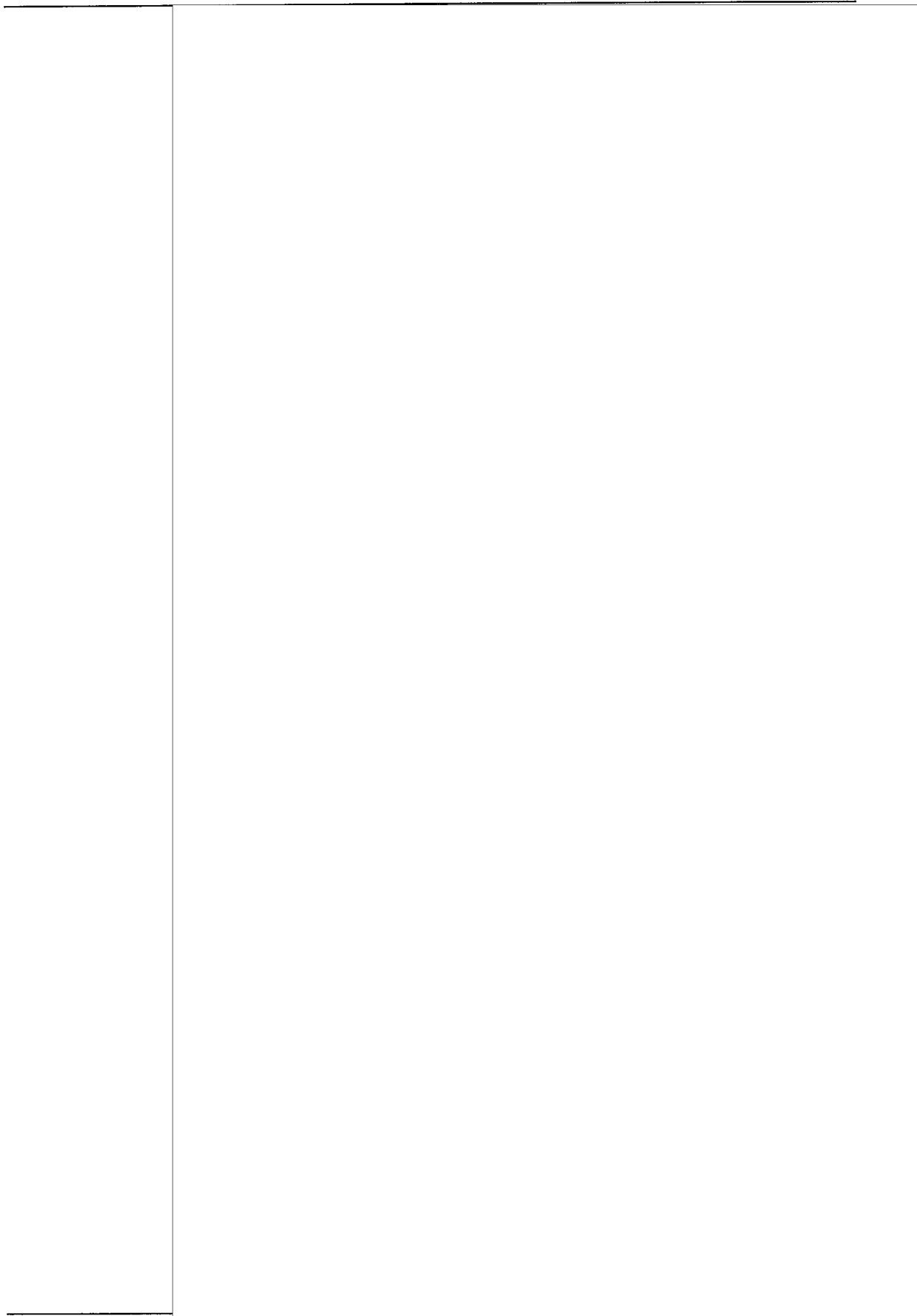
[redacted] has undergone significant growth since the last OIG inspection.

[redacted] The biggest management challenge [redacted] is finding the right people [redacted]

[redacted]

[redacted] have an excellent reputation among CTC officers for responsiveness and high quality work, and they are in constant demand [redacted]

[redacted]





[redacted] CTC'S COMMUNITY ROLE

[redacted] The DCI is responsible for coordinating the counterterrorist efforts of the Intelligence Community (IC). In addition, Presidential Decision Directive/NSC-39 charges the DCI to disseminate to US Government entities threat warnings pertaining to terrorist threats derived from foreign intelligence. As the Special Assistant to the DCI, C/CTC acts as the DCI's community representative for counterterrorist matters.

[redacted] The Community Counterterrorism Board (CCB)

[redacted] Inter-Agency Intelligence Committee on Terrorism (IICT), a forum for organizations representing the intelligence, law enforcement, defense, and regulatory communities to advise and assist the DCI with respect to the coordination and publication of national intelligence on terrorism issues and to promote the effective use of IC resources. [redacted]

[redacted] mechanisms by which the IC prepares, coordinates, and disseminates terrorist threat publications.

[redacted] prepares coordinated IC threat warnings from the DCI to alert senior policymakers of possible foreign terrorist attacks against US and allied personnel, facilities, and interests.

[redacted] The majority of customers and Center managers whom we interviewed and who claimed to be familiar with CCB praised the board for its coordination role. Customers valued CCB most for its capacity as an "honest broker" in facilitating and deconflicting community views on threat warnings. Most CTC managers who had views recognized that CCB plays a necessary and frequently unheralded role as liaison with the community. One manager noted that CCB is not adequately acknowledged for the contribution that it makes. Indeed, more than one half of the Center

managers whom we interviewed lacked a clear understanding of CCB's role and function.

[REDACTED] Some [REDACTED] noted that CCB—
[REDACTED] is understaffed because other agencies had not filled their assigned community positions. Director of Central Intelligence Directive [REDACTED] mandates [REDACTED] role and composition. Interviewees suggested that Center employees often step in to fill gaps created by this understaffing.

[redacted] EXTERNAL OPERATIONAL PARTNERSHIPS

[redacted] Since the OIG's last inspection [redacted] the Center has broadened and deepened its operational partnerships with other US Government organizations working the terrorist target. The working relationships have been marked by an increased exchange of people and information (see figure 8). [redacted] detailees currently assigned to CTC form the core of the Center's tactical partnerships. This number represents a jump of almost 50 percent from the total in 1997. In turn, detailees have increased the two-way flow of information by supporting joint efforts by CTC and their home organization or by working in regular CTC line positions.



Figure 8



Federal Bureau of Investigation

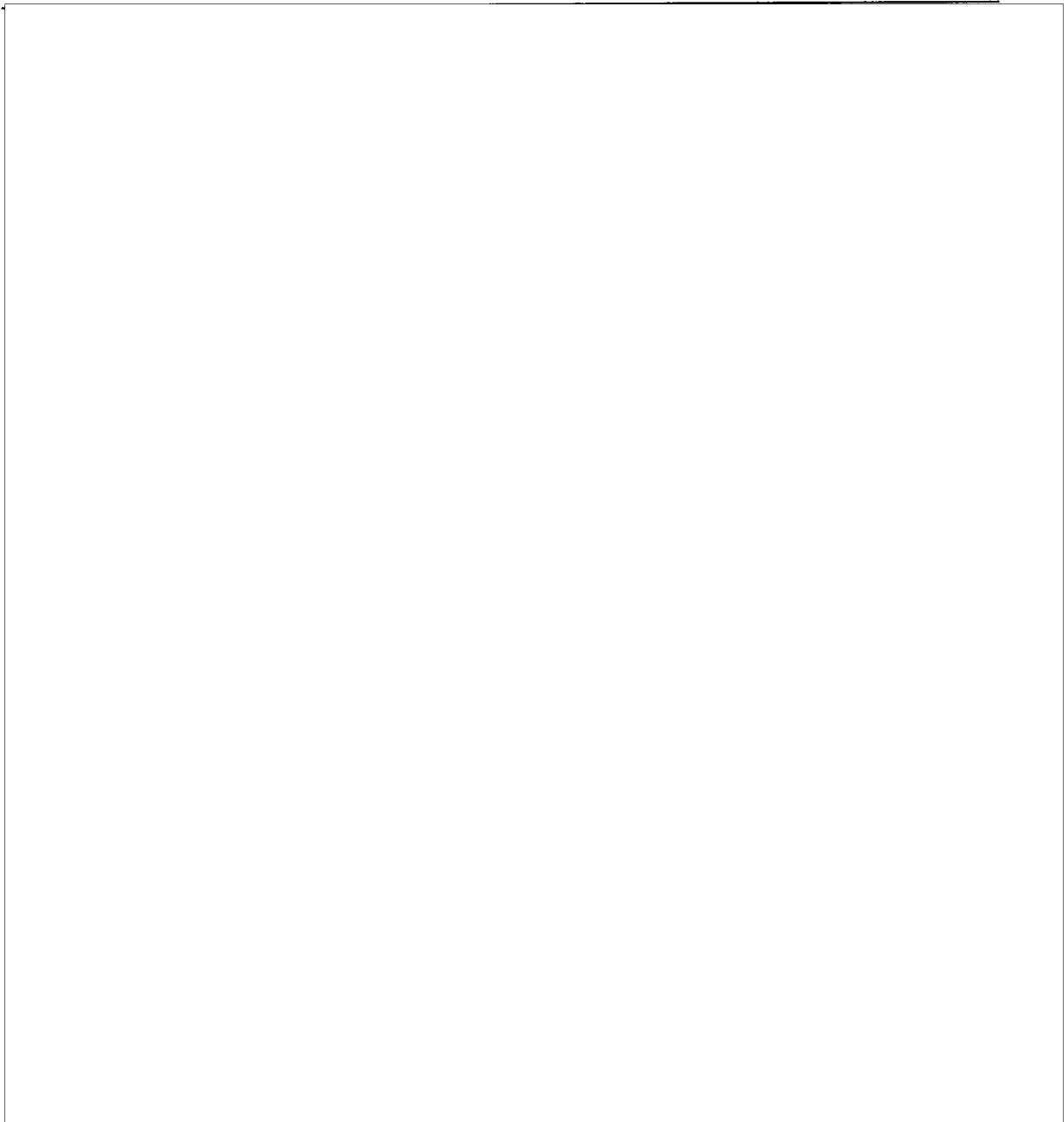
[redacted] CTC and FBI interviewees consider the relationship between the two organizations to be vastly improved [redacted]

[redacted] The growth in joint activities and cross assignments suggests that the relationship is now more institutionalized and less personality dependent. The Center provided operational support to [redacted] FBI [redacted] 1999-2000. [redacted]

[redacted] CTC described, "cooperative relations with the FBI, which allowed us to work together on what were closely linked domestic and international terrorist threats" as one of the three key elements to the success of the Agency's response to the millennium threat. The assignment of top flight personnel to significant positions at the Headquarters level of both organizations has substantially improved coordination; one of the three CTC deputies is an FBI officer, [redacted]

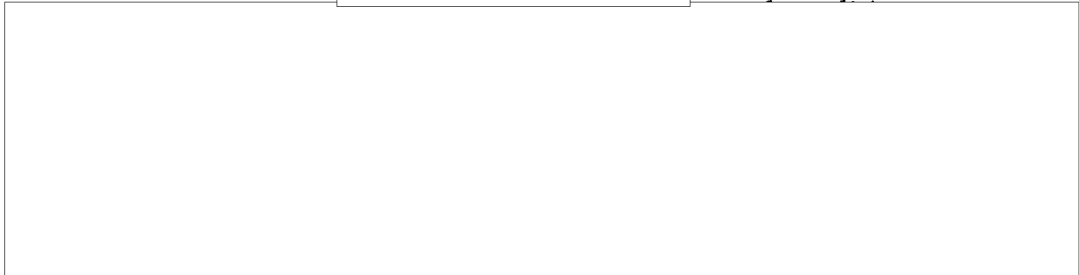
[redacted] Interviewees noted that some problems persist and probably will never be overcome fully. A natural tension exists between the two organizations, deriving from their different missions, which can be negotiated but never eliminated. The most frequently cited catalyst for disagreements was the difference in organizational mission—intelligence collection for the Agency and successful prosecutions of terrorists for the FBI. While some interviewees commented that potential intelligence opportunities were lost because of deference to law enforcement goals, most acknowledged the mutual benefits derived from cooperation. Concerns still remain in both organizations about access to the counterpart's mission critical information. The intensity of this issue, however, was much less pronounced [redacted]

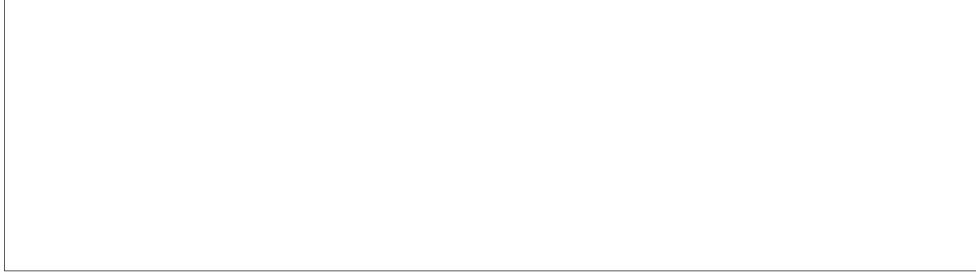
[redacted] suggesting improvement in this area. [redacted]



[redacted] **Department of Defense**

[redacted] CTC's relationship with NSA has improved
dramatically [redacted] NSA information has





CTC LEADERSHIP AND MANAGEMENT ISSUES

[redacted] CTC's mission-oriented workforce is generally well managed, especially given the size and scope of the organization and the target. Nevertheless, the OIG found several areas of employee concern that—if ignored by management—could erode the Center's effectiveness.

Mission

[redacted] CTC employees clearly understand their mission and believe that their work is vital to saving American lives. Most of the employees interviewed described the mission as incorporating, in total or some part, the effort to "identify, disrupt, render, or, in some other manner, stop terrorism and terrorists."

[redacted] respondents understand the mission and function of their work units.

Moreover, employees believe that they are having an impact. Interviewees pointed to specific actions

[redacted] as exemplars of mission successes.

[redacted] respondents believe that they are meeting the needs of their customers.

[redacted] This sense of mission and belief in its importance and success have helped to create what customers, partners, and CTC employees describe as a highly dedicated workforce that produces quality work. Field officers, for example, characterized the workforce as "enthusiastic," "proactive," "energetic," and "hard working." More than

[redacted] agree that CTC is committed to doing high quality work.

[redacted] Quality of Leadership and Management

[redacted] Interviewees characterized CTC's front office managers as operationally savvy and models of mission-oriented managers. Component and field personnel generally commend C/CTC, in particular, for his review of the Center's counterterrorist strategy and decision to expand unilateral operations. Senior Agency managers regard front office management as operating an effective program against a difficult target. Customers respect the Center's chief and deputies for opening channels of communication and for their expertise. Senior customers described C/CTC as "responsive," a "facilitator," and an excellent spokesperson for the Center.

[redacted] CTC employees were generally pleased with front office management, and survey respondents rated these officers on par with the rest of the DO management in communications issues. Of the interviewees who commented on their management style, a significant number indicated that Center personnel seldom saw the chief and deputies. They noted that, in their fast-paced and stressful work environment, employees desired simple affirmation of a job well done from their managers—something that they thought could be done more often. Almost all the interviewees recognized the increasing demands placed on the Center's senior management by external and internal customers, as well as the logistical challenges presented [redacted]

[redacted] Nevertheless, the OIG encourages all front office managers to make interaction with Center personnel a higher priority.

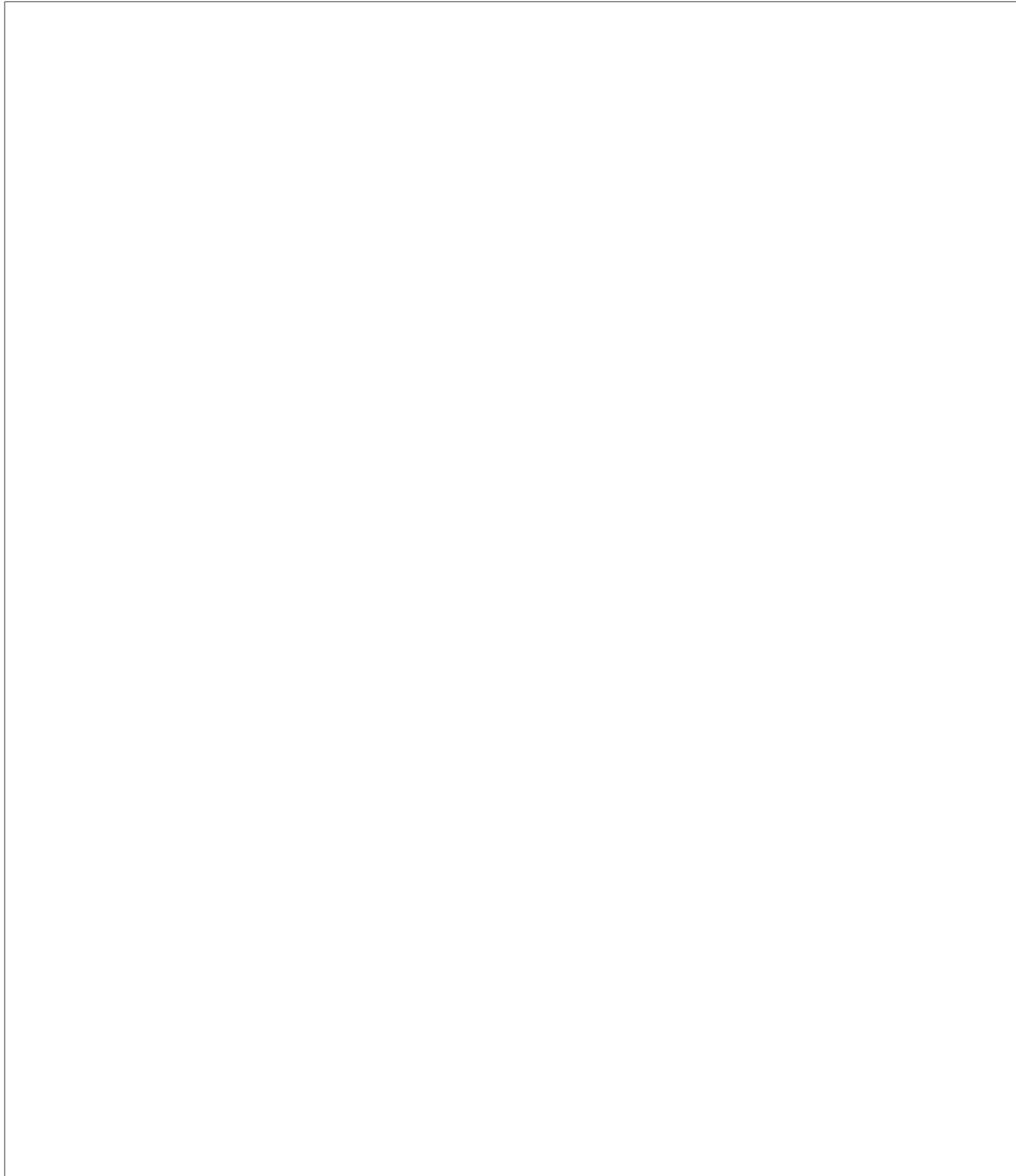
[redacted] Interview and survey results suggest that analysts feel more removed from Center management than the rest of CTC officers. [redacted]

[redacted]

[redacted]
operations focus of the current management team. [redacted]

[redacted]
concern over the lack of any institutional mechanisms for
top-down communications. [redacted]

[redacted] Interview and survey data show that Center
personnel generally value the dedication and effectiveness of
their branch and group chiefs. [redacted]



[redacted] **Funding**

Although CTC's overall budget has enjoyed growth over the last five years, the Center has become increasingly dependent on supplemental funding [redacted]

[redacted] Interviewees overwhelmingly said that to date the budget had been adequate. DO area division officers compared the Center's finances favorably to other parts of the directorate and were generally pleased with CTC's financial support to them. Field interviewees, for

example, were able to identify operations undertaken and liaison relationships strengthened [redacted]

[redacted] Nevertheless, supplemental funding as a financial source is unpredictable, and the attendant uncertainty can have a negative impact on sustaining the mission.

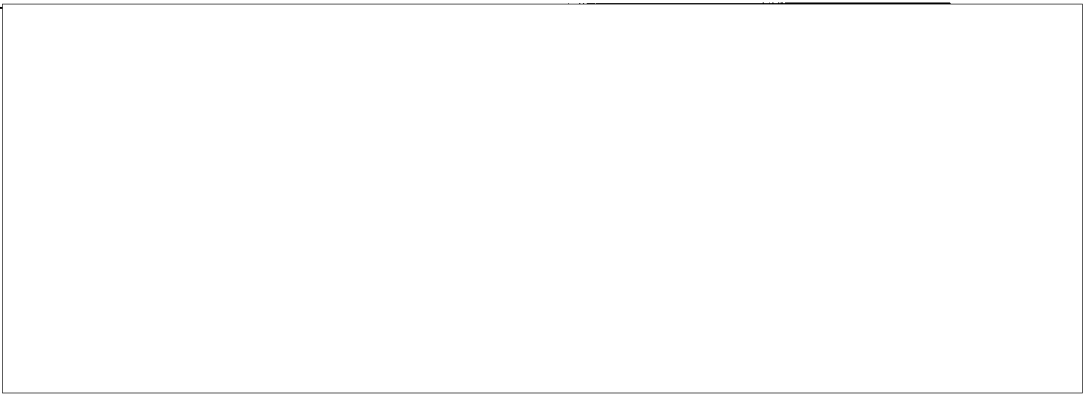


[redacted] In addition, unanticipated crises, which necessitate a surge in spending, require program adjustments, both at Headquarters and in the field. Problems occur during the gap between the time that resources are expended on these surges and reserve or supplemental funds are allocated to the Center to offset these costs. A number of interviewees described FY 2000, during which CTC estimates that [redacted] of its budget was consumed by the additional cost of the millennium surge, as an especially difficult or "rollercoaster" year. [redacted]

[redacted] money following in August.

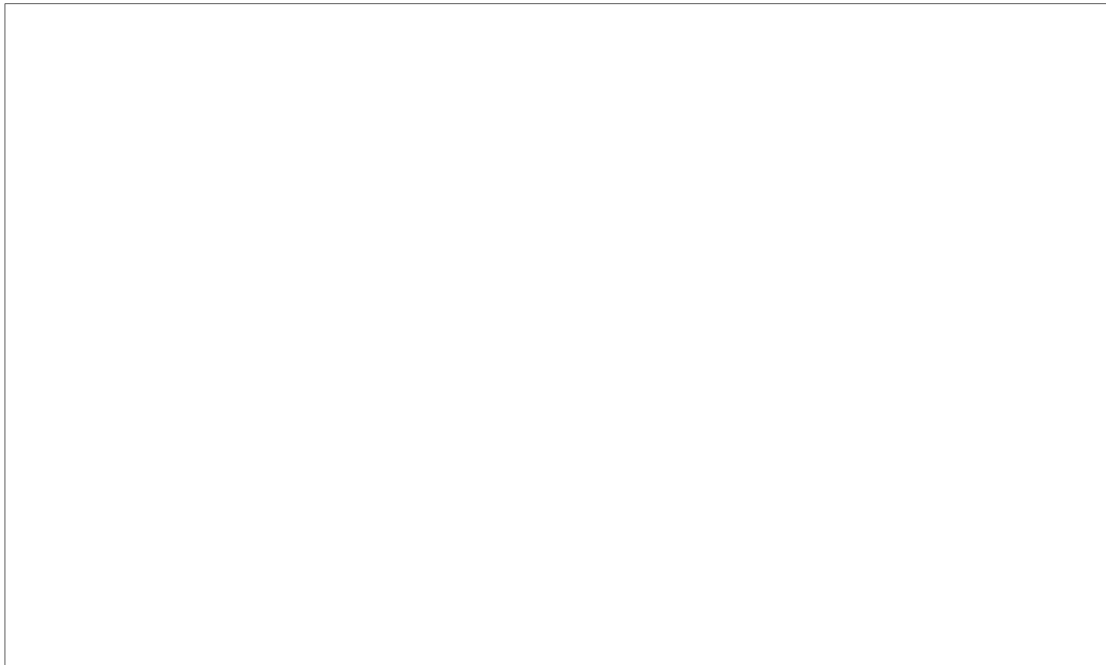
During the gap period, interviewees told us that programs [redacted]

[redacted] were affected. The impact of the fluctuation in funding was felt in a number of areas [redacted]



Staffing

[redacted] CTC draws on employees from all four directorates, incorporates detailees from the Intelligence Community (IC) and law enforcement agencies, and employs [redacted] contractors [redacted]. The OIG views this diversity as a strength because it contributes to the Center's ability to integrate the needs and differing approaches and cultures of Agency components as well as various IC partners. We noted previously how detailees serving in CTC allowed a smoother exchange of information and contributed to better working relationships with these agencies.



[REDACTED] While Center employees consider budget resources to be adequate, they are less sanguine that CTC has adequate personnel resources to effectively fulfill the mission. [REDACTED] of survey respondents believe that their work unit does not have sufficient personnel to accomplish the mission; these figures are largely comparable with survey results from the rest of the DO and are symptomatic of perceived shortages in the entire directorate. A substantially higher proportion of respondents from the operations, reports, and operational support groups do not believe that their work units have sufficient personnel.

[REDACTED] AIG the responses were more evenly split between those who believed the group needed additional personnel resources and those who found the resources adequate.

[REDACTED] CTC has limited options for dealing with this perceived personnel shortage. [REDACTED]

[REDACTED] employees are stretched by any staffing shortage, particularly in those units that are chronically short-staffed [REDACTED] Center management has redistributed personnel to areas it feels are facing the greatest demands [REDACTED]

[REDACTED] Management is also trying to improve the effectiveness of the staff by addressing the skills mix issue, which is discussed below in more detail.

[REDACTED] Center employees are managing this perceived shortage in a way that leaves many vulnerable to burnout and allows little time for strategic work. Personnel regularly work extra hours and are only able to perform what they perceive to be the essential tasks. One manager commented that the demand on the staff means that they go from crisis to crisis and are not able to look at trends or more long-range issues to get ahead of the terrorist. An AIG analyst

worried that he only had time to answer the mail, and, as a result, he might miss warning signs of a threat.

[redacted] Skills Mix Issues

[redacted] As discussed previously, CTC's customers, partners, and managers have identified some areas of inexperience [redacted]

CTC has taken great strides in recent years to attract and retain talented officers—largely through home-basing. Yet CTC managers and employees perceive that the Center has not been as successful as it could be in this area. Center managers identified a number of developmental issues, which they are starting to address.

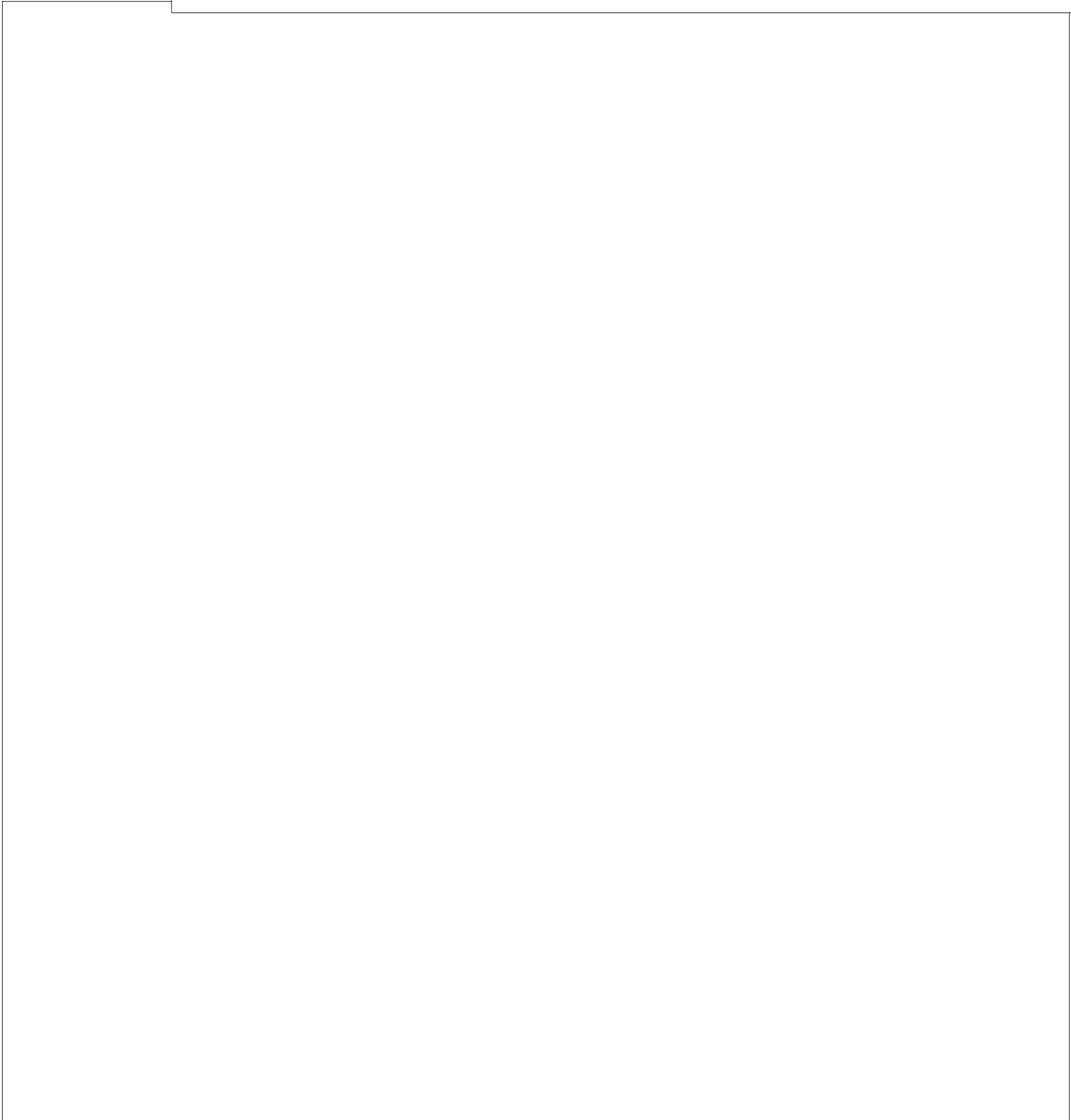
[redacted] *Home-basing.* For several years after CTC's inception, it relied almost exclusively on rotatees from other directorates to undertake the substantive work. This strategy did not ensure that the Center was able to retain the best officers and contributed to the lack of expertise and depth.

[redacted] The Center now home-bases [redacted] as a method of developing in-house talent while continuing to draw on DI and DO rotational officers to provide experience and regional expertise. [redacted]

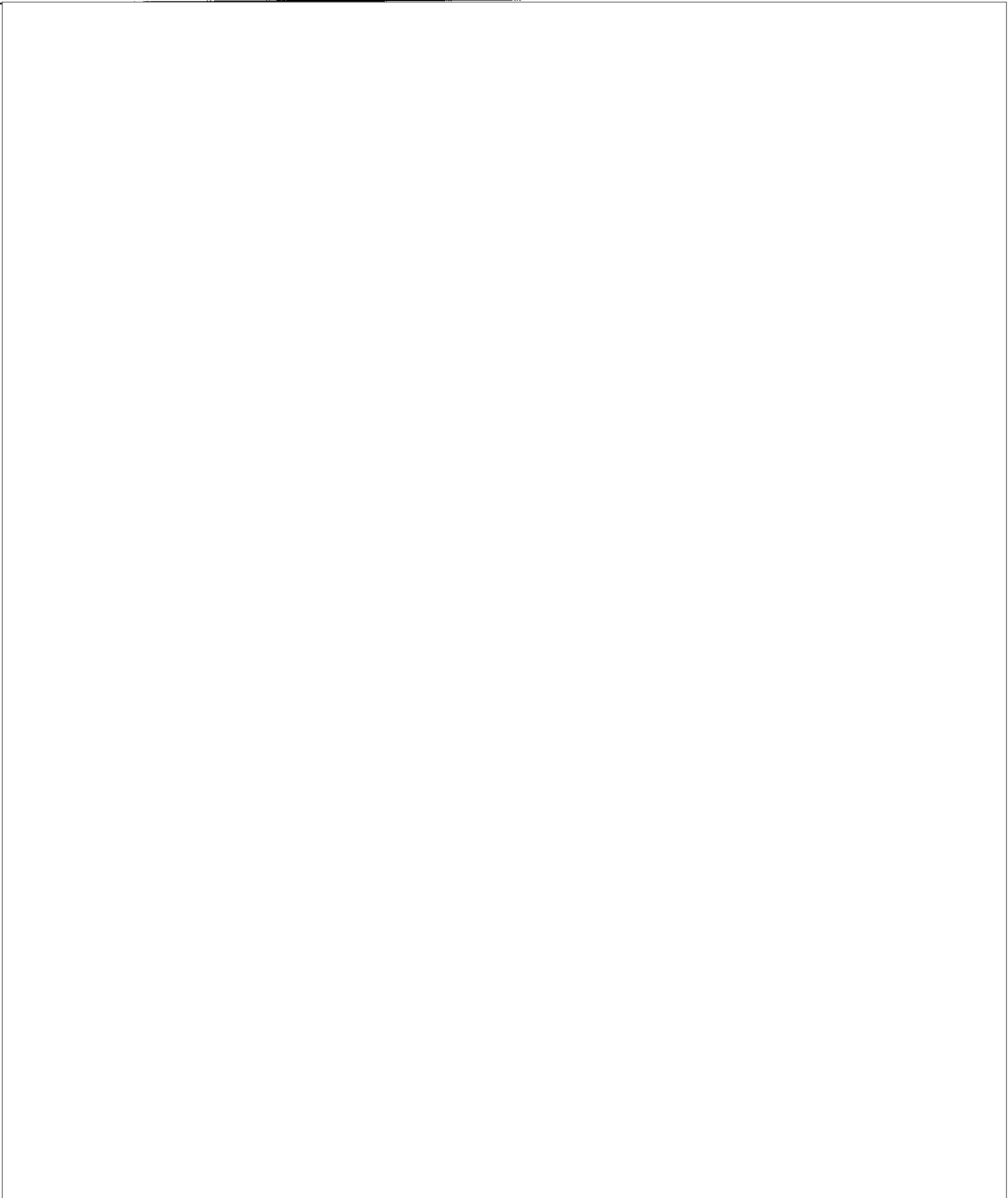
[redacted] interviewees had a favorable reaction to home-basing, viewing it as a commitment on the part of Center management to counterterrorism as a professional specialty worthy of its own career service.



less satisfied with career guidance and training

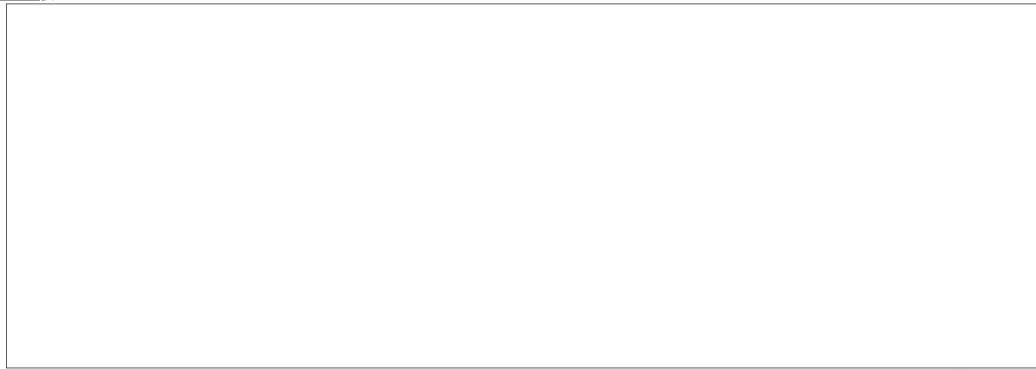






[redacted] Center managers are aware that these career development issues need to be addressed if CTC is to compete for talent with the rest of the Agency and develop its own cadre of qualified counterterrorism specialists. For instance, [redacted] is focusing on training and developmental assignments, including internal rotations and

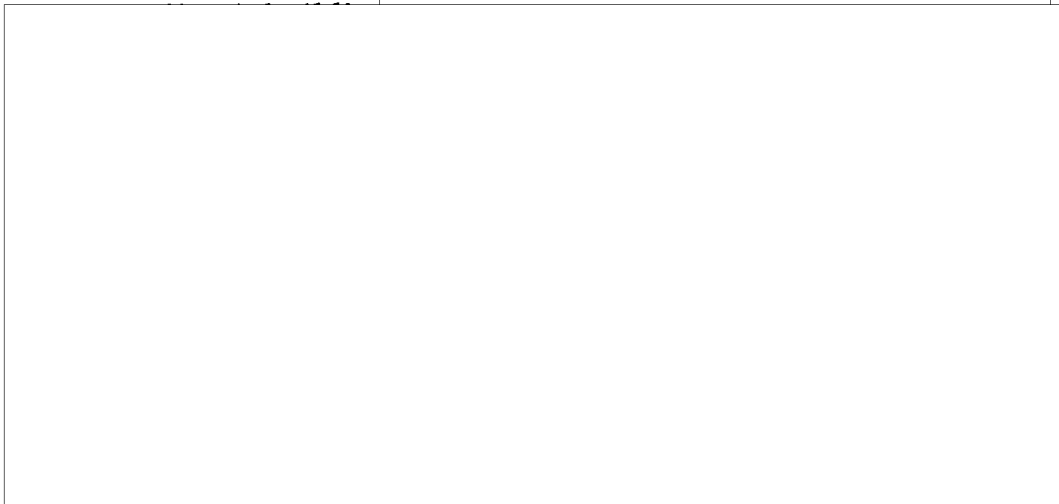




[redacted] **FINDINGS**

- Home-basing, while helpful, has not addressed the career concerns of CTC officers, particularly as CTC has stepped up efforts to recruit officers directly into the Center.
- A sizable number of CTC analysts and operations officers have expressed dissatisfaction with the career development guidance and training opportunities currently available to them.
- CTC managers have taken some steps to address these concerns; but, [redacted] they have not been adequately communicated and have lacked a comprehensive, Center-based approach.

[redacted] **RECOMMENDATION #3 (For C/CTC):** That CTC prepare detailed, written career guidance for each discrete CTC home-based occupation [redacted]



[redacted] **Managing Contractors**

[redacted] CTC employs [redacted] contractors—or roughly [redacted] the Center's total workforce—who perform vital services. [redacted]

[redacted] This diverse contractor population is complex to manage. [redacted]

[redacted]—each governed by a different set of regulations. [redacted]

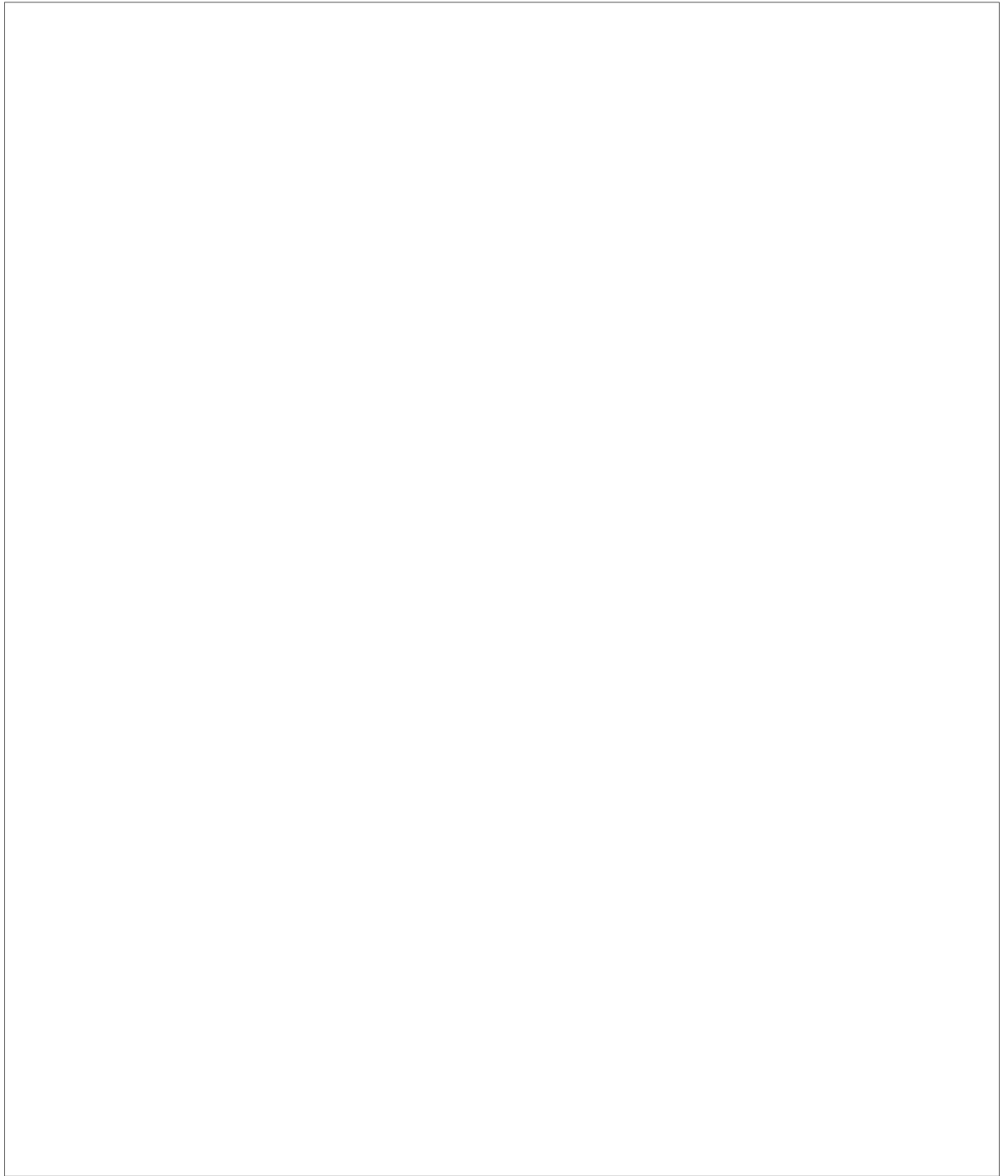


The decentralized administration and diversity of contracts have made it difficult for Management Group to ensure fairness and consistency, particularly as the number and variety of [redacted] contracts have grown. CTC management recognizes the problems in contract administration and has recently created a [redacted]

FINDINGS AND
RECOMMENDATIONS



FINDINGS AND RECOMMENDATIONS

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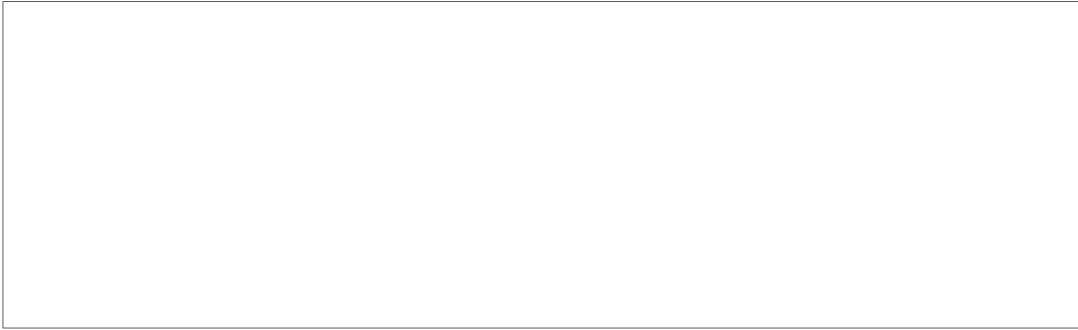
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[redacted] **SCOPE AND METHODOLOGY**

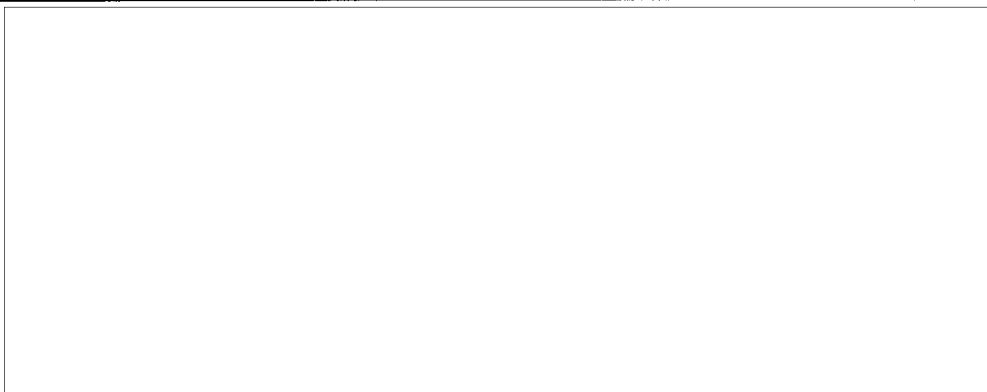
[redacted] A team [redacted] conducted an inspection of CTC from September 2000 through February 2001. Based on the Terms of Reference provided to senior CTC management, the inspection focused on a range of topics, including: mission accomplishment, customer satisfaction, and operational and personnel management success. The goal was to provide Agency senior managers, and the Chief of CTC in particular, a balanced, objective view of the Center—highlighting programs and processes that are working well, and noting those areas that need improvement.

[redacted] The team gathered information for this report from interviews, a CTC employee opinion survey, a customer/partner survey of DI and DO officers, two focus groups, and numerous documents on a wide range of topics related to the Center's activities.

[redacted]

[redacted] inspectors [redacted] non-Agency customers and CTC counterparts in the wasnington area, [redacted] overseas.

[redacted]



EMPLOYEE OPINION SURVEY

As part of its inspection of the DCI Counterterrorist Center (CTC), the Office of Inspector General conducted a component survey. We distributed the survey questionnaire to all CTC careerists—both working in CTC and on rotation outside the Center—and to personnel belonging to other Agency components but currently serving in CTC.

The survey items assessed opinions on a number of career and job related issues.

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