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THE STEINETZ REPORT: ISRAELI INTELLIGENCE AFTER IRAQ

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At the end of March, the Intelligence Subcommittee of the Knesset Foreign Affairs and Defense Committee published the report of its inquiry into the performance of Israeli intelligence in light of the war in Iraq. The report contains three parts. The first deals with the quality of intelligence about Iraqi weapons of mass destruction before and during the war and with government decisions taken on the basis of that intelligence. The second examines the structure and operating doctrine of the intelligence establishment. The third contains the Subcommittee's recommendations, based on the findings of the first two parts.

By issuing this report, the Subcommittee seriously deviated from its original mandate. Rather than confining itself to the question of whether or not the intelligence establishment and the decision-makers failed in their handling of Iraq's WMD, the Subcommittee, headed by MK Yuval Steinetz, chose to carry out a wide-ranging and detailed examination of the intelligence echelon's structure and operating methods and to recommend a comprehensive reform of the intelligence establishment. Its main proposals are:

- To strip the Intelligence Branch of the IDF General Staff of responsibility for the national intelligence estimate and to transform the estimate by dividing responsibility for it between the Mossad, to

be charged with political-strategic intelligence, and the Intelligence Branch, to be confined to military intelligence;

- To remove the Sigint Unit (responsible for communications and electronic intelligence) from the Intelligence Branch and turn it into an independent Sigint agency like the American NSA, under civilian management;
- To appoint an Intelligence Secretary to the Prime Minister, to coordinate the various intelligence agencies;
- To establish a Ministerial Intelligence Committee to direct and oversee the intelligence agencies;
- To enact an Intelligence Law that would lay the legal foundation for intelligence activities; and
- To step up intelligence coverage of more remote target areas by strengthening satellite surveillance and human sources (Humint).

The Subcommittee described Military Intelligence as a "multi-tasking intelligence organization targeting a very broad range of areas, subjects and theaters, which may result in 'overreach' that undermines its effectiveness." But the Subcommittee exposed itself to precisely the same criticism by refusing to confine itself to the specific issue of Iraq and instead taking on the huge task of examining the entire intelligence echelon, with inappropriate tools of analysis. The results of its effort reflect its flawed approach.

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One such example concerns the type and quality of professional advice provided to the Subcommittee. Its only advisor was Shabtai Shavit, a former head of the Mossad. That agency has always been primarily concerned with data collection and has never had responsibility for political-strategic intelligence. The Subcommittee had no advisors with experience in the areas covered by its recommendations, and it is therefore not surprising that the publication of the report provoked suspicions that it was biased in favor of the Mossad and against Military Intelligence.

Any serious investigation of the subjects the Subcommittee chose to cover would have required far more time and human resources. Those lacunae are reflected, for example, in the treatment of the ostensible Israeli failure to identify the Libyan nuclear program developed with the assistance of the Pakistani network of A.Q. Khan. On this issue, the Subcommittee issued categorical statements without really bothering to gather any evidence. Military Intelligence personnel who testified before the Subcommittee and were responsible for producing intelligence on the Libyan project have stated that they were never questioned about it or asked to provide relevant material.

The part of the report dealing with intelligence about Iraqi WMD and government decision-making based on that intelligence actually reveals nothing that was not already known before. The report does point out that intelligence assessments were not based on solid information and tended toward worst-case analysis. It also describes the problematic nature of the dialogue between intelligence providers and decision-makers, in which the providers do not make a sufficiently clear distinction to the consumers between what is based on solid information and what is only assessment. Despite this criticism, the Subcommittee ultimately deals gently with both the intelligence analysts and the political and military leadership that took decisions before and during the war, and it concludes that their actions were within the bounds of the reasonable. In so doing, the Subcommittee effectively reinforces the existing tendency within the intelligence community and

the government to continue acting on "worst-case" assumptions and avoiding any risk, whatever the cost. That creates a strong impression that the Subcommittee, dominated by members of parties in the ruling coalition, made a particular effort to defend the government and to ignore the costs of the superfluous decisions it took before the war.

As for the recommendations to upgrade satellite surveillance and Humint, they remain impractical unless the Subcommittee also indicates where the resources will come from and, given Israel's material constraints, what other capabilities should be cut back as a result. Nor is there any obvious connection between an inquiry into intelligence on Iraq and the recommendations concerning the general structure and operating procedures of the intelligence community. It is not clear how implementation of the recommendations would reduce the risks of similar flaws the next time intelligence has to confront similar questions. Indeed, the report demonstrates no causal link at all between the current structure of and division of labor within the intelligence echelon and the flaws in its performance on Iraq. Instead, it appears that the Subcommittee simply decided to take advantage of the opportunity given it in order to push various ideas of its own about the intelligence community.

In its operational recommendations, the Subcommittee does deal with weighty questions. The central role of Military Intelligence in elaborating the overall political-strategic intelligence picture is unique among western, democratic countries, and there is a need to evaluate proposals for organizational changes in the Israeli intelligence echelon. But such an evaluation requires substantial resources and a cautious approach to the character, timing and manner of change. By those standards, the work of the Subcommittee falls short, and attempts to implement its recommendations over the opposition of agencies that are functioning reasonably well in the midst of a difficult confrontation with the Palestinians could damage their ability to operate long before any benefits of reform might be felt.