The Recent American Intelligence Failures

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Leading Western intelligence communities are currently confronting a wave of intense criticism following two serious intelligence failures: one relating to the terrorist attack of September 11, 2001, and the other relating to the war in Iraq. The most serious criticism is leveled at the American intelligence community, in part because it was involved in both failures but also, and primarily, because the results of the failures were extremely damaging to the United States. Critics perceive these failures of the American intelligence community as symptomatic of systemic, non-isolated defects. Additional – albeit less severe – criticism is directed against the British and Israeli intelligence communities, and the calls for reform of these systems match similar efforts elsewhere in Europe. Some of these proposals have far-reaching implications.

While the two intelligence chapters reflect an overall systemic weakness within the American intelligence community, they also represent two distinct types of intelligence failures. The failure of September 11 was primarily a combination of inadequate intelligence gathering and organizational problems. In other words, a lack of solid information on the planning and preparation of terrorist attacks joined obstacles that prevented the little intelligence information available from reaching the hands of experts who might have been able to use it to warn of the attack. These factors produced the defective intelligence assessments preceding the attack itself. In the case of Iraq, the main problem was one of research and analysis: a lack of high quality intelligence information, poor management, and organizational deficiencies meant that the fundamental premise underlying the intelligence assessment was mistaken. The two cases are thus fundamentally different, yet when examined together complement one another and provide a better understanding of the challenges facing the world's intelligence communities today.

Three investigative reports on the intelligence system were prepared in the United States in the aftermath of September 11: a joint report by the intelligence committees of the Senate and the House of Representatives; a report by a national commission of inquiry; and a report by the CIA's inspector general (which remains classified, with only some of its conclusions leaked to the media).[1]

A comprehensive report on the Iraqi case was also prepared by the Senate intelligence commission,[2] and another investigation is supposed to be conducted according to specific government directives. The Iraq affair prompted two smaller foreign reports: one prepared by the British parliament, which examined the British intelligence community;[3] and one prepared by the Knesset's Foreign Affairs and Defense Committee.[4]

All the reports, but above all the reports published in the United States, shed new light on the complex issue of intelligence failures. This article examines how the findings enhance the understanding of intelligence failures on a strategic level, and considers what intelligence communities around the world can learn in their efforts to minimize future strategic surprises. To this end, selected issues in the American reports that have fundamental implications for the phenomenon of intelligence failures are explored. The analysis below is based specifically on these reports, and therefore the article does not address other aspects of intelligence failures or elements that bear on the American intelligence community alone.

The Intelligence Conundrum of September 11

The investigative reports addressing the September 11 attack highlight serious intelligence problems. The early warning puzzle that the American intelligence community attempted to construct in the period before the attack had too few pieces. Furthermore, the pieces that were present were not interconnected within an overall picture; their position in the scheme of things was not at all apparent; and they did not yield a clear early warning assessment.

The pieces of the puzzle were as follows: since 1997, the American intelligence community clearly understood that al-Qaeda was more than just another terrorist organization and that it was working to develop a new brand of terrorism. US agencies had intelligence that al-Qaeda was planning either a plane hijacking to secure the release of imprisoned Islamists, or a large-scale attack to be carried out against American targets, perhaps in the United States. New York's World Trade Center was not an unfamiliar target, as Islamic extremists had already attacked it in February 1993. Prior to September 11, intelligence agencies uncovered slivers of information indicating that terrorists were considering using planes as weapons, along with another intelligence item that mentioned the idea of blowing up a plane at CIA headquarters. Towards the summer of 2001, there was a growing feeling that a large attack was imminent, with preparations either complete or nearly so.

These pieces of the puzzle, however, did not mesh to yield a clear understanding of the threat, and therefore did not facilitate issuing a warning. Despite the feeling of an impending attack, intelligence agencies had no solid information clarifying the nature of the threat or details such as time or place. No one imagined that the attack would involve crashing planes into buildings. There was no precedent for such an attack, and it appeared too fantastical to be logical. Agen-

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cies therefore focused on the more "reasonable" familiar possibilities of an attack on American installations outside the United States and the use of more standard forms of terrorism, such as a plane hijacking to secure the release of prisoners.

Although the reports fail to explain why these warnings did not result in an estimation that planes might be hijacked and used for mass-casualty attacks, this can be partially explained by the manner in which intelligence analysts interpret information. When analysts face unfamiliar material, they attempt to understand it by drawing parallels with events familiar to

them from their personal or national histories. This approach is clearly inadequate when an event has no precedent or parallel, yet because the warnings leading up to September 11, which were not based on solid information, did not coalesce to form a clear picture, analysts kept working along traditional lines, with scenarios of attacks outside the United States or attacks for the release of prisoners or other concessions. The possibility of a plane hijacked as a suicide attack was considered low. The sense that something drastic was imminent had little impact, nor do the reports sufficiently explain why American security agencies did not mobilize to prevent even a familiar attack designed to extract some ransom. And, while the number and severity of warnings was unprecedented, the report concludes that even in retrospect it is still not clear if these non-specific warning signs were related to the September 11 attack or to something else.

The reports reveal that between January 2000 and August 2001 ten opportunities to begin understanding the preparations for the attack were missed. Using intelligence terminology, it can be said that at these junctures, early warning indicators pointing at the nature of the imminent attack and the fact that preparations were underway emerged from the activities of those who eventually carried it out. Some signals were related to the entry of two of the hijackers into the United States. However, ten indicators, some of them unrelated to each other, are relatively few, and it would have been difficult to generate

a meaningful understanding of the situation based solely on them. Before the Yom Kippur War, Israeli intelligence had hundreds of indicators, yet it was still difficult to construct an unequivocal early warning picture. In the case of September 11, all ten opportunities were missed, whether because the intelligence analysts did not realize the importance and meaning of the indicators or because the information was not passed on to those who might have been able to understand its significance.

In any case, the inquiry's findings reveal how weak these indicators actually were. FBI officials testified before the national commission of inquiry that even if they had arrested one or two of the hijackers, this would not have prevented the attack. The committee itself did not reach a decisive conclusion on this point. In one part of the report, the committee reasoned that if two of the hijackers had been arrested, it is possible that their interrogation might have led authorities to other hijackers, thus obstructing the attack. In another part of the report, the committee stated that arresting two of the hijackers would not have prevented the attack: the two individuals in question were hijackers and not pilots, and were therefore not of critical importance for the attacks. When other non-pilot hijackers were denied visas to the United States, al-Qaeda was able to adapt to the situation and replace them with substitute operatives.

In retrospect it is clear that the low quality of indicators and the lack of a precedent for such an attack were critical problems for the American

intelligence community before September 11. Based on the information at its disposal, American agencies had almost no chance of generating an accurate assessment regarding the attack. The only way to master such a problem would have been to obtain much higher quality intelligence information from within al-Qaeda itself by infiltrating its ranks, an unusually difficult task. For this reason, FBI director Robert Mueller's testimony before the joint congressional inquiry

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appears justifiable: "Looking at each of the areas that we could have done better, I'm not certain you get to where we stop these individuals." For intelligence communities, the only constructive outcome of September 11 is that it presents a mega-attack precedent, requiring analysts to focus more on obtaining information, generating early warning scenarios, and taking preventative measures against possible mega-attacks in the future.

The Failure with Regard to Iraq

The mistaken assessment that in 2003 Iraq possessed weapons of mass de-

struction (WMD) represents a classic formula for a strategic surprise. This formula has three fundamental components:

■ evolution of a prevalent conception in part as a result of group thinking

■ reliance on problematic intelligence information

■ adapting intelligence information to fit the prevalent conception.

The Prevalent Conception: During the 1990s, the American intelligence community generated an assessment that Iraq had an active program for developing weapons of mass destruction, and that this program was more extensive than the one that had existed prior to the Gulf War. This assessment, which remained unshaken until the 2003 war, was based on a number of premises: Saddam Hussein had not changed his strategic approach; Iraq had possessed chemical and biological weapons, longrange missiles, and an active nuclear program before the Gulf War; Iraq's supply of scientific personnel had not been damaged, and the country knew how to produce these types of weapons; Iraq did not provide satisfactory answers regarding what happened to some of the weapons it possessed up to the Gulf War, and there was reason to suspect that the government had hidden them; Iraq had a history of concealment and fraud; the reports of the UN weapons inspectors reinforced suspicions against Iraq, and their expulsion from the country in 1998 was perceived as evidence of Iraqi intentions to continue developing weapons of mass destruction.

The commission of inquiry found that most of the key components of this assessment were either not supported by intelligence information or were exaggerated beyond what the information indicated, due to flaws existing primarily in the realm of analysis. In a number of important instances, portions of the assessment were based on old material, unconfirmed with updated intelligence. The heads of the intelligence community instructed their analysts to reassess neither the components of the assessment nor their relationship to intelligence information.

Problematic Intelligence Information: The intelligence community had no high quality, solid information at its disposal with regard to the issue of weapons of mass destruction in Iraq. It therefore relied on indicators or pieces of information on Iraqi activities that could be interpreted in different ways. A significant portion of these signals were reports that Iraq purchased dual use equipment and materials that could be used for legitimate civilian purposes as well as for WMD development. The intelligence community chose to interpret these factors as stringently as possible, as indication of the existence of a military program. Retrospective analysis of this information by the commission of inquiry reveals that the intelligence did not explicitly indicate that the activity in question was related to WMD development programs. Rather, this was a conclusion of the intelligence community, which lacked unequivocal supporting evidence.

Adapting the Intelligence: Because the intelligence information was of low quality, it was easily tailored to fit the prevalent conception. Intelligence analysts disregarded indications that dual use materials were meant for civilian or conventional military purposes, and not necessarily for non-conventional use. Information that contradicted the prevalent conception was quickly rejected. For instance, when the UN inspectors returned to Iraq in 2002 and reported that they found no

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evidence of biological weapons in a suspected installation, intelligence agencies claimed that the report resulted from a lack of experience on the part of the inspectors in overcoming Iraqi duplicity. The absence of high quality information should have encouraged the intelligence community to reassess and challenge its longstanding prevalent conception. In practice, however, the absence of information was attributed to Iraqi attempts at concealment and therefore did not cast doubt on the conception. In fact, as late as the end of 2003, months after the war in Iraq, the CIA announced that it still upheld

its assessment, and that the failure to uncover WMD in Iraq stemmed from the difficulties of disclosure within such a large area.

The assessment that Iraq possessed weapons of mass destruction prompted intelligence gathering and analysis that were mutually reinforcing. Information garnered from human intelligence sources did not include questions such as did Iraq have non-conventional weapons. Furthermore, questions were phrased based on the premise that Iraq did in fact possess such weapons and focused on uncovering the nature and location of activity in this realm. Thus, analysts never received information indicating that Iraq had ceased producing weapons of mass destruction and as a result, sources denying the existence of WMD production programs were considered to be either deceitful or uninformed.

The report on the intelligence failure regarding Iraq includes a detailed and systematic analysis of pieces of the information that were at the disposal of the American intelligence community until the war. Today it has been officially determined that on the eve of the war Iraq did not possess weapons of mass destruction, and the retrospective analysis of the information as presented in the report is correct. But the report's analysis is only wiser after the fact, and does not help address the analytical difficulties that intelligence analysts faced during the period leading up to the war. These difficulties included:

■ The construct of assumptions that Iraq had weapons of mass

destruction appeared cogent, while alternative assessments showing that Iraq did not possess such weapons were less convincing.

- It is true that the assessment strayed from the intelligence information and was not fully supported. However, that is the nature of intelligence information, especially when dealing with strategic issues. In such cases, intelligence information does not unequivocally determine situations, but rather leaves them open for interpretation and assessment. When a dominant assessment seems logical and is not contradicted by other intelligence information, it is difficult to dislodge it in real time.

- There was more justification for interpreting ambiguous information in a suspicious direction, concluding that Iraq did in fact possess weapons of mass destruction, than dismissing the suspicions. For instance, intelligence information indicated that Iraq had rebuilt or expanded installations that had in the past been related to its biological weapons production program, and that the country was undertaking studies that could be applied to biological weapons production. At the same time, only a small number of reports held that Iraq's activity was directly related to a program for the development or production of biological weapons.

The result was that even though the information did not prove it explicitly, it made more sense to interpret the information in a suspicious manner. After all, the commissions investigating September 11 were critical of the intelligence community for failing to interpret suggestive factors in this way.

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Committee Recommendations

Although the intelligence failures surrounding Iraq and, to a degree, September 11 were in the realm of assessments, the investigative committees made no recommendations aimed at improving the analysis process. Instead, they made due with pointing out some of the problems

with the process. Apparently, this is no coincidence. During the last ten years, various suggestions have been made within the intelligence community, the political system, and academia aimed at improving the analysis process. Some of these suggestions are related to advanced methods of processing information and different approaches to establishing and assessing premises. On the one hand, implementing these suggestions may do no damage and may even be useful at times. On the other hand, they address only the peripheral problems and thus far have failed to inspire a significant breakthrough in this realm.

For example, the committees of inquiry offer no remedy for one of the main difficulties in generating intelligence assessments: how to interpret signals that do not provide an unequivocal answer to a question and can be interpreted in different ways. As there is no clear solution to this problem, the committees chose to look in other, sometimes contradictory directions. Thus, the commission of inquiry regarding September 11 criticized intelligence agencies for not being creative enough in their interpretation of the existing signals to envision the unprecedented possibility of planes being crashed into buildings. In contrast, the commission of inquiry on Iraq was critical of intelligence agencies for being too creative,

and for interpreting the signals at their disposal in an overall assessment that Iraq possessed WMD.

Nonetheless, between the lines of the report of the committee of inquiry on Iraq there is a contribution of sorts to an improvement of the analysis process. The commission undertook a comprehensive evaluation of the degree to which the American intelligence assessment on Iraq's WMD was based on hard intelligence information. It revealed the intelligence community's systemic tendency to generate assessments that were not based squarely on intelligence information. Therefore, it would make sense for intelligence communities – including the Israeli intelligence community – to initiate regular comprehensive assessments of important issues by means of internal bodies, or even better, external bodies. While the type of investigation undertaken by the commission of inquiry on Iraq served as a clear advantage when determining the after-the-fact assessment that Iraq had no weapons of mass destruction, similar inquiries can also be undertaken retrospectively in order to shed light on the weak links in the system of premises underlying intelligence assessments.

The bulk of recommendations offered by the American commission of inquiry are organizational, and their major motivation was the failure surrounding September 11 and the conclusion that the compartmentalization of information and the lack of coordination among and within the various intelligence agencies played an important role in the failure. The

commission's major organizational recommendation was to institute closer integration among intelligence agencies by:

■ establishing a separate position of director of national intelligence, which until now was a job performed by the director of the CIA. The director of intelligence is meant to hold extensive powers, and his/her tasks are to include improving coordination among the intelligence agencies, breaking down inter-agency barriers, determining priorities for the intelligence community as a whole, shaping intelligence community policy, and determining budget distribution within the community.

■ establishing integrated intelligence centers for certain realms, first and foremost, a national center for the war on terrorism. This center will comprise a joint center for intelligence and a center for joint operations, and will include representatives of all the intelligence agencies. It will take the lead in strategic intelligence analysis based on intelligence information provided by all possible sources. Next, integrated intelligence centers in other realms will be established as well, based on the center for the war on terrorism.

■ establishing a control body that will examine certain intelligence issues, identify problems and ways of addressing them, assess the overall intelligence community, and assist in coordination, cooperation, and breaking down inter-agency barriers.

At the present, only time will prove if the reforms within the American intelligence community are suc-

cessful. In the meantime, President Bush has approved the recommended reforms and in mid-February 2005 appointed John Negroponte, the American ambassador to Iraq, as the director of national intelligence. The administration did express doubts about some aspects of the reform, especially the exercise of far-reaching budgetary powers by the director of intelligence. However, it remains to be seen whether the director of national intelligence will garner the necessary power to establish the position seriously, or whether the position will not be taken seriously by the various agencies and thus fail to take off. On this issue, former CIA director George Tenet opined that a director of national intelligence who is isolated from the CIA will be powerless.

While organizational change is likely to help decrease certain problems emerging from the intelligence process, it is also likely to damage the system. Moreover, in some instances it will not be clear at the outset whether the expected improvement will outweigh the damage caused. Therefore, the best approach towards implementing organizational reform within the intelligence community is careful, gradual change, and only to the extent necessary. In this context, the conclusions of the chairman of the commission of inquiry on Iraq are especially relevant. It is important, he stressed, that the proposed reforms do not cause damage, that change is not implemented simply for the sake of change, and that it is kept in mind that many of the solutions under consideration are unattainable.

The recommended increase in integration among the various intelligence agencies has generated concern that organizational changes might cause damage. During the 1960s and 1970s, the trend in the United States and Israel was to work towards pluralism within the intelligence community in order to provide decision-makers with a wide spectrum of assessments. In this context, the intelligence agency of the American Department of Defense (the DIA – Defense Intelligence Agency) was established in 1961, among other reasons, in order to create a counterbalance to the CIA. In Israel, the Agranat Commission (1974) recommended creating a counterbalance for the monopoly in the realm of intelligence assessments enjoyed by Military Intelligence and strengthening competing research and analysis bodies. Yet while pluralism likely (but by no means definitely) facilitates a wider variety of assessments, it can also cause damage by allocating resources in an imbalanced manner, causing conflicts over budgets and human resources, and bringing about a lack of coordination and cooperation between agencies.

The reports' recommendation to increase integration suggests that perhaps they were aware of the damage that pluralism can cause. It is not yet clear how strengthening integration will affect pluralism. The major intelligence agencies in the United States – the CIA, the DIA, the FBI, and the NSA – are large, strong organizations that will strive to preserve their independence. However, if pluralism does real damage, differentiation among intelligence assessments may be compromised as disagreements among the agencies recede. As an example, it is helpful to consider the issue of Iraq's possession of weapons of mass destruction. The research units of the State Department and the Department of Energy were less convinced than other agencies that Iraq had such weapons. In a more integrated structure, such atypical assessments would be likely to disappear.

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The tension between integration and pluralism will continue to burden intelligence communities, as each of these general directions can cause damage in addition to the benefits they provide. The tendency towards integration reflected in the American inquiry reports is likely to increase coordination among intelligence organizations, but may also impede creativity, innovative thinking, and the expression of atypical opinions. This problem has no unequivocal solution, and each intelligence community will need to offer its own response, at times through trial and error. In the Israeli context, the solution may be found in enhanced coordination among intelligence agencies without substantial integration, in order to preserve each organization's independent thinking and operating style.

The commissions that investigated the events of September 11 pointed to real coordination problems, such as information compartmentalization and obstacles blocking the transfer of information within and among the intelligence agencies. Compartmentalization has resulted from the legitimate desire to protect sensitive intelligence sources, as well as from inter-agency power struggles. However, it also has the potential to cause damage, sometimes serious damage, to the intelligence community's assessment capability. It would therefore be a good idea for all intelligence communities – the Israeli intelligence community included – to reexamine and ease restrictions on information flow to the degree that such changes do not threaten source security.

It is still too early to judge how applicable the recommendations presently considered in the United States are to Israel. After all, there are fundamental differences between the two intelligence communities in structure, aims, and working methods. In any case, however, it is important to wait for outgrowths of the reforms to see what they can reveal about the Israeli intelligence community, for good and for bad. It is also important to remember that organizational change for its own sake will not solve problems within the process of generating intelligence assessments, which is the cause of one of the intelligence system's main weak

points. The structure of the American intelligence community differs from that of England and Israel, yet all three communities were mistaken on the issue of weapons of mass destruction in Iraq. Still, of all the elements of proposed organizational change, one of the most important recommendations has been increased inter-agency coordination and cooperation in the war on terrorism. This is because the task involves a large number of actors and organizations, as well as an urgent need to acquire exact and accurate information and to pass it on quickly to those who need it.

The reports also suggest two lessons regarding the relationship between intelligence communities and political leadership. One is that the intelligence system should be required to inform political officials of the degree to which its assessments are based on solid intelligence information: what does the information include, and what does it not include? What is based on data and what is based on assumptions? What is certain and what is uncertain? Another lesson is to encourage the trend now on the rise in the United States, Europe, and Israel, namely, to increase the political leadership's supervision of the intelligence system by means of professional advisors. Expanded external supervision from both the executive branch and the legislative branch may motivate intelligence communities to undertake more in-depth evaluation of their intelligence assessments in order to identify weak links.

Another important issue relates to the relationship between intelligence systems and decision-makers. The commission of inquiry on Iraq discussed at great length the possibility that officials of the American administration attempted to influence intelligence assessments of WMD in Iraq in order to justify a war that would topple Saddam Hussein's regime. Although there was evidence of indirect influence in this direction, the commission did not identify an intentional attempt by administration officials to influence intelligence assessments. Still, the issue is one of great importance, as the relationship between the intelligence system and political decision-makers must be free of any such influence.

Conclusion

September 11 and Iraq represent the two relatively new paradigms that intelligence communities need to address today and in the foreseeable future: international terrorism, which knows no borders regarding the sovereign space of the countries within which it strives to operate and the number of casualties it strives to cause; and radical states striving to acquire weapons of mass destruction. Both challenges present intelligence communities with serious difficulties in acquiring exact, reliable, and unequivocal information, perhaps more so than in the realm of conventional warfare This is because the realm from which such intelligence information can be obtained is small, closed, and difficult to penetrate. This is what the two intelligence failures had in common – an absence of reliable intelligence information that resulted in mistaken assessments. This challenge demands the development of a fundamentally new approach to means of intelligence gathering, closer cooperation within intelligence communities, and more extensive cooperation among different intelligence systems within the international community.

Notes

1. *Joint Inquiry into Intelligence Community Activities Before and After the Terrorist Attacks of September 11, 2001.* Report of the US Senate Select Committee on Intelligence and US House Permanent Select Committee on Intelligence, Washington, DC, December 2002, www.gpoaccess.gov; *The 9/11 Commission Report*, www.9-11commission.gov.
2. *Report on the US Intelligence Community's Prewar Intelligence Assessments on Iraq*, www.globalsecurity.org.
3. *Review of Intelligence on Weapons of Mass Destruction*, Report of a Committee of Privy Counsellors, House of Commons, 14 July 2004, www.official-documents.co.uk.
4. *Knesset Foreign Affairs and Defense Committee Report on the Committee of Enquiry into the Intelligence System in Light of the War in Iraq (March 2004*), The Knesset Foreign Affairs and Defense Committee, March 2004 - http://www.knesset.gov.il/committees/eng/docs/intelligence.htm.