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What's Wrong with American Spies?

by [Thomas Patrick Carroll](#)

Once the dust settles in Iraq, attention in Washington will turn again to intelligence reform, an issue that has sparked intense discussion inside (and outside) the beltway. The stakes in this debate came into sharp relief following the publication last fall of *Breakdown: How America's Intelligence Failures Led to September 11*, by *Washington Times* defense and national security correspondent Bill Gertz.^[1] Taking September 11 as his point of departure, Gertz argues that the Intelligence Community has grown dysfunctional and ineffective. The attacks on New York and Washington are the most spectacular of the Community's failures, he says, but their etiologies go far beyond the events themselves. Gertz tells a story that spans the past quarter century, covers the major agencies in the Community - the Central Intelligence Agency (CIA), Federal Bureau of Investigation (FBI), National Security Agency (NSA), and Defense Intelligence Agency (DIA) - and concludes with recommendations for reform.



Some of his recommendations are quite sound, such as his call for the creation of a new domestic intelligence service, modeled on the United Kingdom's MI-5. Intelligence is fundamentally different than police work, yet domestic intelligence in the United States has long been the purview of the FBI, a law enforcement organization. Intelligence collection is essentially *proactive* - a critical gap in knowledge is identified, resources are marshaled to close that gap, and the result is new understanding. Law enforcement, however, is more *reactive* - a crime has been committed, an investigation pulls the pieces together, and the result is that people are caught and jailed. An organization that does one well is probably not best equipped to do the other.

Less promising is Gertz's suggestion that the human intelligence (HUMINT) gathering arms of the CIA and DIA be scrapped and replaced with a single Clandestine Service. Certainly the bureaucracy needs to be cleaned-up, but this is a dicey way to do it. Gathering intelligence on strategic political targets (a CIA specialty) and gathering military intelligence (a DIA specialty) are very different types of undertakings - putting a single organization in charge of them might dilute both capabilities.

Gertz's most controversial conclusions and recommendations pertain to HUMINT. As with many other outside observers, he points to the CIA's risk-averse culture as a major impediment to effective intelligence gathering. The origins of this malady go back to the 1970s, the era of Watergate and the Church and Pike committees, when Congress and much of the news media started the tradition of beating up on the Agency for intelligence abuses, real and imagined. The CIA usually came out on the losing end of those encounters, and the seeds of its current bureaucratic and risk-averse internal culture were planted. Because risk-taking is at the very core of intelligence, fear of failure (and the political and bureaucratic consequences of failure) is

poisonous to any espionage organization.

Gertz describes how this dysfunctional atmosphere festered throughout the final years of the Cold War, only to be destructively reinforced by the Clinton administration, and particularly by John Deutch, Clinton's first Director of Central Intelligence (DCI). Deutch damaged the Agency in many areas, from his ill-advised personnel policy "reforms" to his own scandalously lax security practices. His worst legacy, at least in light of 9/11, is the infamous "Deutch Rules," which made it almost impossible for the Clandestine Service to recruit spies with unsavory or criminal backgrounds - precisely the sorts of people one must recruit in order to penetrate terrorist organizations.

In a related criticism, Gertz thinks the Agency is overly dependent on liaison reporting (intelligence passed to it by foreign intelligence services), which "has become an excuse for not conducting unilateral intelligence operations by American spies."² While no tool of intelligence gathering should be used as an "excuse," it is important to recognize that liaison relationships are a relatively low-risk way of obtaining valuable intelligence. Far from cutting back on reporting from liaison, the CIA should do what it can to get more. The strongest argument against liaison reporting is the problem of enemy penetration of the liaison service, in which case much of the advantage one hopes to gain from secret intelligence can be obviated. A clear case from the Cold War was West Germany's intelligence establishment, which was penetrated to the hilt by the East Germans (and, by extension, the Soviets). The intelligence agencies of countries such as Pakistan and Saudi Arabia might be the contemporary analogues. However, this calls not for reducing the volume of liaison reporting, but for careful, critical analysis of the liaison product - weighing it against what the Agency already knows, factoring in the political biases and policy agendas of the liaison service, etc. While it would be a mistake to let liaison reporting become a crutch, the Agency would squander an important resource if it did not exploit relationships with foreign intelligence agencies to their fullest. Better unilateral reporting is completely consistent with growth in liaison work and, conversely, a cutback in liaison *per se* would do nothing to improve the unilateral effort.

Gertz also faults the CIA for being reluctant to post officers abroad using unofficial cover. Official cover, which assigns officers to diplomatic jobs and accords the protection of diplomatic immunity, traps them on the cocktail party circuit, while affording little access to places where people associated with non-state, transnational terrorist groups might be found. To back up the point, Gertz claims that the CIA had no officers in Afghanistan or Iraq (outside of the Kurdish-controlled north) prior to the September 11 attacks, and says this is a symptom of the under-reliance on unofficial cover.

While there is some merit in Gertz's criticism, his allegation about Afghanistan and Iraq - whether true or not - oversimplifies the role of the CIA officer abroad. A CIA officer recruits and handles spies; he does not do the actual spying himself. And recruitment can take place anywhere, not just in the target country or region. This means a presence in the geographical area of interest is simply not a prerequisite for a successful operation.

While official cover remains indispensable and will quite properly always be home to many (perhaps most) CIA officers abroad, it clearly does not have the broad utility it did during Cold War, when the enemy was an alliance of governments. However, instead of just sending out fewer official cover officers and more unofficial ones, the CIA needs to step back and look at the entire spectrum of possibilities, asking fresh questions and opening itself to novel approaches. This is where the Agency's risk-averse culture comes into play, hindering a critical examination of the problem and frustrating reformers as they try to explore new ways of collecting against fluid, clandestine targets. One interesting new idea that Gertz and others might consider is *natural capacity*.

Natural Capacity

Suppose US policy makers decide that they need to know about a particular international airport somewhere in the Middle East - people and materials that pass through it (on and off the record), the contents of the hangars and warehouses, its finances and management, political loyalties, etc. Traditionally, the CIA would go about its mission by first turning to public sources, like newspapers, journals, books, specialty conferences, broadcast media, academic consultants, the Internet, and so on. Here it would obtain probably 95% of everything it needed to know. For the remaining 5%, a determination would be made as to what was really needed, and what the Agency could live without. Perhaps 1% would be deemed critical. The CIA would then task its Clandestine Service, also known as the Directorate of Operations (DO), to steal that 1%.

The DO would go after the 1% using *cover* and *recruitment*. It would post intelligence officers in the country, mostly under official cover, who would search for and identify people with access. These might be people in the Ministry of Transportation, at the airport itself, in the military, etc. From that initial pool of candidates, CIA officers would go through a process of contact, development, and eventual recruitment of paid agents who would be tasked to steal the critical 1%. That is classic espionage, used successfully by the CIA and all other modern intelligence services. The *natural capacity* approach is quite different.

Under natural capacity, the CIA would answer the intelligence requirements by creating a strategically placed, genuinely private sector venture offering a set of products or services to the target airport. The venture would be authentic in every respect. Real products or services would be produced. Private sector backers would provide the capital and reap the profits. If the venture could not turn a profit, it would be allowed to fold. Unlike traditional espionage fronts, this structure could withstand as much external scrutiny as anyone might choose to give it.

The enterprise would grow, mature, morph and adapt, and generally ensconce itself within the airport. Over time, the company's business would become *co-extensive* (more or less) with what policy makers need to know about the airport. The company would be so involved in the target subject matter that it would naturally acquire the 95% overt material, the 4% marginal (but secret) material, and finally the secret and critical 1%. The company would have achieved natural capacity vis-à-vis the intelligence target. An historical parallel might be Armand Hammer's extensive business dealings with the Soviet Union, including his personal relationship with Lenin in the 1920s.

Natural capacity could be effective against a wide variety of threats. For example, a mining company searching for mineral deposits in Afghanistan might have gotten close to the al-Qaeda camps, or an NGO providing mobile hospital services could have access to the wilds of the Philippines. A subset of the information these organizations obtained during their normal operations would be more or less co-extensive with what US policy makers need to know about the operational climate, personalities, and physical infrastructure in the Afghan camps, or about the terrorist situation on remote islands. The world of Islamic charities might be another milieu in which natural capacity could be effective.

The potential advantages of natural capacity are compelling. There is no penetration in the classic sense and no recruitment of foreign agents. Because the company's employees, outside of a few senior managers, are not involved in anything covert, the old notion of cover does not apply. Other than the normal issues of proprietary information common in any company, just about the only secret would be the CIA connection at the very top, so the counterintelligence problem is simplified. And natural capacity is by no means incompatible with traditional recruitment operations, which will always be vital. If good candidates for recruitment are spotted through the natural capacity operation, they could still be targeted and approached

through normal Agency channels, as long as good security was maintained.

Of course, natural capacity has its limits. Private sector ventures have an incentive to fold when the financial going gets rough, clearly a disadvantage for an intelligence operation. They also tend to shy away from physically dangerous situations, like Beirut in the 1980s. And, of course, one cannot guarantee that any given venture will actually achieve natural capacity. Nevertheless, this approach could potentially be more effective in penetrating non-governmental targets than traditional intelligence operations. But radical new ideas are not easily assimilated in a risk-averse culture.

Conclusion

Finally, the question that prompted Gertz to write his book in the first place: Were the 9/11 hijackers able to carry out their attacks because the US Intelligence Community failed to do its job?

In general, the CIA (or any other intelligence organization) *cannot* be counted on to prevent terrorist attacks by highly developed clandestine organizations, such as al-Qaeda. This is the unwelcome truth that Gertz and many other critics do not seem to grasp. Clandestine structure - with its compartmentation, redundancy, cut-outs, covert communications, codes, operational tradecraft, fronts, deceptions, and so on - is designed to get things done without being detected. And these techniques *work*, which is why every sophisticated intelligence organization in the world uses them. Unfortunately, terrorists are using them, too. The US Intelligence Community will certainly be able to foil *some* terrorist operations, and this is of no small consequence. But others will get through, thanks to the effectiveness of clandestine structures. The world will be safe from al-Qaeda when al-Qaeda is defeated, and not before.

Putting generalities aside, what about the *specific* case of 9/11? In light of the information that was actually available to the Intelligence Community at the time, were the attacks on the Twin Towers and the Pentagon preventable?

Gertz believes they were. He describes leads that were not pursued, intelligence not shared, and warnings unheeded. He chronicles America's half-hearted response to the threat from Osama bin Laden, going back to the mid-1990s, when al-Qaeda's terror campaign against the United States began. It is difficult to dispute the facts Gertz assembles.^[3]

However, given the myriad and conflicting demands placed on the Intelligence Community (particularly the CIA) before September 11, coupled with the woefully inadequate resources at hand to address those demands, it seems unreasonable to look back with 20/20 hindsight and claim the Intelligence Community should have conducted its business as though it had been tasked with nothing else than counter-terrorism. DCI George Tenet gave Congress and the President ample and repeated warnings about the threat from al-Qaeda, but neither the Clinton nor the Bush administrations (prior to 9/11) chose to focus their intelligence resources on Osama and company. The Intelligence Community does not set national policy. When all is said and done, it follows orders.^[4]

On the other hand, there are some (by no means all) experienced intelligence officers who have looked at the evidence available to date and have concluded that the 9/11 attacks could have been prevented. "Of course there was an intelligence failure," said one former senior official of the CIA's Clandestine Service. "If the Community were working the way we always said it did - information sharing, and so on - it would have acted on the intelligence available and would probably have stopped the 9/11 hijackers." The truth is that no one knows yet, and a definitive answer to this question may ultimately rest with the historians.

Notes

- [1] Bill Gertz, *Breakdown: How America's Intelligence Failures Led to September 11* (Washington, DC: Regnery Publishing, 2002).
- [2] *Ibid.*, p. 166.
- [3] See especially Chapter 1, "The Osama File," and Chapter 2, "The Loud Bang No One Heard."
- [4] An exception is the State Department's Bureau of Intelligence and Research, which is part of the Intelligence Community and does have a small policy-making role.

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