

STATEMENT

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HEARING

Government-wide Intelligence Community Management Reforms
Intelligence Audit Act of 2007

Subcommittee on Oversight of Government Management, the Federal Workforce, and the
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[Note: The views expressed are personal and not necessarily those of the National
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Mr. Chairman, Members of the Committee: thank you for the opportunity to testify before you concerning the “Intelligence Audit Act of 2007.” This legislation and this hearing address a matter of direct, concrete relevance to the national security of the United States.

Let me begin with two propositions: (1) High quality, timely intelligence is absolutely critical to the national security of the United States; (2) Effective oversight is a vital, even irreplaceable, prerequisite for maintaining a community of agencies that can produce such intelligence. The first of these propositions is, I believe, beyond debate. The threats that confront this nation in a post-9/11 world, particularly from international terrorist networks, are often a mismatch for conventional military assets, but they are tailor-made for intelligence agencies. Such agencies were created to combat secretive adversaries and to do so with a variety of clandestine methods. The second proposition requires a bit more explication.

Power, held in secret and used in secret, is inherently subject to abuse. The Church and Pike Committee Hearings in the 1970s exposed the abuses that had occurred as intelligence agencies operated without effective oversight by either the Congress or the Executive. Members of this body will appreciate how difficult legislative oversight of intelligence really is. It juxtaposes the open, public world of a democratic legislature with the secretive, closed world of clandestine intelligence. It requires mixing oil and water and they don’t mix easily. Nevertheless, for a number of years – notably the decade of the 1980s – the Senate, in particular, did establish a system of effective oversight. The key ingredients of this success included a Chairman and Vice-Chairman determined that the Senate Select Committee on Intelligence (SSCI) would function in an entirely nonpartisan fashion and a staff composed of nonpartisan professionals – most of them former career intelligence officials. As part of its oversight responsibilities, the Senate Committee initiated legislation establishing a statutory Inspector General (IG), confirmable by the Senate, at the CIA.

It was in this environment in 1987 that Senator Glenn, Chairman of this Committee and a member of the Intelligence Committee introduced S1458 providing for GAO audits of the CIA. That bill ultimately failed to get sufficient support for passage. The principal argument against it at the time was that an effective system of oversight already existed with the House and Senate Intelligence Oversight Committees as well as the CIA IG. Therefore, empowerment of the GAO as an additional vehicle for oversight was unnecessary.

That argument at that time was plausible. But the landscape has changed in three key respects since 1987. First, the quality and effectiveness of Congressional oversight has declined drastically. Second, the size and complexity of the Intelligence Community has grown dramatically and the contracting and procurement practices have begun to mirror normal government practice. Third, the security threats facing this country have become increasingly complex and diverse. Let's briefly examine each in turn.

When Senator David Boren left the Chairmanship of the SSCI in 1991 he and his long-time Vice-Chairman, Senator William Cohen, bequeathed to their successors a remarkably effective, professional system of intelligence oversight. It is probably accurate to say that nothing like it existed in any other country then or subsequently. Tragically, that finely-tuned mechanism was allowed to atrophy in the 1990s. By 2001, Senate oversight of intelligence existed in name only. The once effective relationship that had been built up between the Committee and the Intelligence Community had ceased to exist.

This was not a small matter. In my judgment, if intelligence oversight had been maintained at the same professional level it had reached in the 1980s, there is a real likelihood that the attacks of 9/11 would have been prevented. An effective oversight committee would have had two or three professional staff working the terrorist threat full time following the 1993 truck bombing of the World Trade Center. Such a staff effort might well have ferreted out the isolated pieces of information that would have revealed the 9/11 plot had that information been known more widely within the Community. Senate staff can range across the bureaucratic stovepipes and challenge entrenched orthodoxies in a way that intelligence officials often cannot.

Second, as the Chairman has noted in his statement, the Intelligence Community has grown and proliferated since 9/11. The Office of the Director of National Intelligence (DNI) which did not exist in 2001 now has a staff of 1600. Budgets and personnel have burgeoned across the board. As a result, the task of oversight is now more challenging than it has ever been. Even at its best, the SSCI of the 1980s would be overmatched by the current Intelligence Community without a major augmentation in the staff and capabilities of the Committee. Nothing like that has occurred. That is said with a full acknowledgement that Senator Rockefeller has undertaken a serious effort to reconstitute effective oversight. But when Humpty-Dumpty has fallen and shattered, putting the pieces back together is a difficult and time-consuming business, if it is possible at all.

In truth, the Community has grown so fast that no one really knows what all the different components are doing or how they are performing. To ask DNI McConnell to have mastery of all this is to ask too much. Nor is the Office of the DNI well-equipped to perform audit and other similar functions. That office is engaged in setting overall priorities and managing the analytical process.

The CIA IG remains in place but is currently the subject of an internal inquiry initiated by the Director of Central Intelligence. The IG continues to pursue a number of investigations but is itself, a beleaguered office. At best, the IG has a very limited capability and one confined to the CIA. Other major components of the Intelligence Community do not have a statutory IG and most fall under the authority of the IG of the Defense Department. That IG has huge responsibilities related to military programs and is a marginal player when it comes to intelligence programs. For example, in April 2001, the National Security Agency announced with considerable fanfare (for them) the launch of a program dubbed "Trailblazer" intended to "define the architecture, cost, and acquisition approach" to the "transformation" of NSA to "meet the challenge of rapidly evolving, modern communications." Three prime contractors with over thirty industry partners were enlisted. But after an expenditure of \$1.2 billion the program has produced nothing like its promised results. Nor was there effective oversight. In sum, there is a striking mismatch between the resources devoted to oversight and the size and complexity of the Intelligence Community itself. The price is paid in terms of diminished security and spectacular cost overruns.

In 1987 agencies like NSA used highly proprietary technologies that they developed themselves or through exclusive arrangements with selected contractors. Now such agencies increasingly rely on commercially available technologies or those used elsewhere in the federal government. As a consequence, Intelligence Community procurement and contracting looks very much like that of other components of the government with the same sort of oversight issues GAO deals with on a daily basis.

Third, it almost goes without saying that the security threats facing the U.S. have diversified and metastasized: terrorist networks, failed states and jihadist movements, potential pandemics, WMD proliferation, missile systems controlled by hostile regimes and so on. In such a challenging environment, effective oversight can be a vital partner and an enabler of Intelligence Community efforts. Done properly and professionally, oversight will assist Community managers in spotting problems, identifying solutions, and mobilizing Congressional support to meet critical intelligence needs. At the same time oversight will play a critical role in preventing and detecting waste, fraud and abuse in what are huge, complex programs with often massive budgets. The very skills that GAO brings to the table in terms of auditing, financial management, information technology, and knowledge management are precisely those in shortest supply in current oversight efforts.

There is one matter that will be of great concern to the Intelligence Community and should be noted. Wise officials in the Community will not object to effective oversight; they will welcome it. They will object to an undue proliferation of Committees exercising oversight as both burdensome and a potential problem in terms of information security. I would encourage the Committee to consider how a GAO role can be crafted while retaining a relatively streamlined oversight system.

In conclusion, the Intelligence Community needs all the help it can get and the American people need the assurance that the capabilities they are funding are being kept under tight control. GAO is equipped to meet these vital requirements.