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Report Outlines Weaknesses at Intelligence Agencies

By Siobhan Gorman

WASHINGTON -- The U.S. intelligence chief has sent conflicting messages to the agencies he supervises, and bureaucratic turf battles continue to rage among the 16 spy agencies, while his staff continues to grow without clear direction, according to an internal report released Wednesday.

As a result, key national security tools, such as the terrorist watchlist, are hampered by poor management and persistent data integrity problems, the report found. (Read the Inspector General report.)

The first such internal critique to be made public, the report lays out the challenges facing President Barack Obama's director of national intelligence, Dennis Blair, as he inherits a still-immature agency, created in 2004 as part of sweeping intelligence reform legislation aimed to prevent the intelligence failures exposed by the 2001 terrorist attacks.

The report was completed in November by Edward Maguire, inspector general for the office of the director of national intelligence, and it reinforced the criticisms many lawmakers have voiced in recent years. It was made public at a congressional oversight hearing Wednesday.

"In a way the creation of the [director of national intelligence] was a little bit like, sort of like a corporate merger," Mr. Maguire told a House intelligence panel. "When you do that, many, many mergers fail."

The director of national intelligence still hasn't established a plan or structure to ensure that officers from different agencies, which have a history of rivalry, work together to counter national security threats, Mr. Maguire wrote in his report. So, they don't regularly work together to develop complementary spying and analysis efforts.

The different spy agencies complained that they receive mixed messages from the spychief, "undermining the [intelligence director's] credibility and fueling assertions that the [intelligence director] is just an 'additional layer of bureaucracy,'" the report found. Meanwhile, it said, the intelligence agencies' finances lack discipline and oversight, he concluded.

These management responsibilities have been hampered by the spychief's mandate to also be the president's top intelligence adviser, which requires him to spend considerable time at the White House, Mr. Maguire said. "He doesn't have to do it personally every day," Mr. Maguire told lawmakers.

Most employees, including many top managers, working for the intelligence director also don't understand what the spy chief is doing to corral the efforts of the 16 spy agencies, the report found.

Lawmakers of both parties said they were dismayed by the lack of progress. "We have been repeatedly disappointed by the lack of clarity in the role of the DNI," said Rep. Anna Eshoo, a California Democrat who chaired the hearing. "There's still not a clear mission from ODNI, and this is one of the things that's concerned a lot of us," added Sue Myrick, a Republican from North Carolina.

Mr. Blair has reviewed the report, and he's working to address the issues the report raises by "bringing in new leadership and implementing numerous changes to improve and streamline communications and management functions," said his spokesman Ross Feinstein.

Not long after the report was completed, then-Director of National Intelligence Mike McConnell issued a new policy to promote intelligence sharing across the different agencies, and he launched a new technology program to build a Google-like search engine and common email system across all the intelligence agencies.

Before he left his post, Mr. McConnell met with reporters and described his accomplishments as director, including the passage of a new surveillance law and the updating of a Reagan-era executive order to define the roles of the new intelligence players created since 9/11.