THE UNITED STATES HOUSE OF REPRESENTATIVES

COMMITTEE ON HOMELAND SECURITY

Michael T. McCaul, Chairman
Committee on Homeland Security
&
Peter T. King, Chairman
Subcommittee on Counterterrorism & Intelligence

MAJORITY STAFF REPORT ON

THE NATIONAL NETWORK OF FUSION CENTERS

July 2013

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EXECUTIVE SUMMARY

> *"[B]ut the truth of the matter is, nobody bats 1,000, and I think as a nation we need to come to terms with it and do everything we can to prevent it, but also recognize that fusion centers and intelligence analysis…are part of our future."*
>
> *- Boston Police Commissioner Edward Davis,*
> *Testifying before the House Committee on Homeland Security,*
> *May 9, 2013*

In the aftermath of the information sharing failures leading to the September 11, 2001 terrorist attacks that killed nearly 3,000 people in New York City, at the Pentagon, and in a Pennsylvania field, States and localities across the United States established what are known today as State and Major Urban Area Fusion Centers (fusion centers). Collectively known as the National Network of Fusion Centers (National Network), many of these – now numbering 78 – fusion centers are still in their infancy.

The Homeland has been attacked five times since 2001: the Little Rock Recruiting Station shooting (2009); the Fort Hood shooting (2009); the attempted bombing of Northwest Airlines Flight 253 on Christmas Day (2009); the attempted car bombing in Times Square (2010), and the Boston Marathon bombings (2013). In the wake of these attacks, we have come to understand that homeland security, including counterterrorism efforts, must be a National responsibility – a true and equal partnership across all levels of government, and inclusive of the American people themselves. A top down, wholly Federal approach simply does not and cannot suffice. Fully integrating State and local law enforcement and emergency response providers as National mission partners requires a grassroots intelligence and analytic capability. Stakeholders[1] rely upon fusion centers to provide that capability.

The *Implementing Recommendations of the 9/11 Commission Act of 2007* (Pub. L. 110-53) defines fusion centers as: "a collaborative effort of 2 or more Federal, State, local, or tribal government agencies that combines resources, expertise, or information with the goal of maximizing the ability of such agencies to detect, prevent, investigate, apprehend, and respond to criminal or terrorist activity."[2] The October 2007 *National Strategy for Information Sharing* further specifies that "State and major urban area fusion centers will be the focus, but not exclusive points, within the State and local environment for the receipt and sharing of terrorism information, homeland security information, and law enforcement information related to terrorism."[3]

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[1] National Network stakeholders include, but are not limited to: Federal partners; State and local law enforcement; State and local governments, officials, and agencies; the National Guard; Tribal; the private sector; and representative associations (ex: law enforcement associations, the NFCA, and the National Governors Association).
[2] "Homeland Security Act of 2002," as amended by the "Implementing Recommendations of the 9/11 Commission Act of 2007" Pub. L. 110-53, Aug. 3, 2007, §511, 121 STAT. 322. Amends Homeland Security Act of 2002 by adding §210A(j)(1).
[3] *National Strategy for Information Sharing*, October 2007, p. A1-1.

During the 112th Congress, then-Committee on Homeland Security (Committee) Chairman Peter T. King, currently the Chairman of the Subcommittee on Counterterrorism and Intelligence, directed Committee Majority staff to conduct a comprehensive study of the National Network in an effort to understand current strengths and gaps and provide recommendations for improvement. This work continued into the 113th Congress under the additional direction of current Committee Chairman Michael T. McCaul. Over the course of nineteen months (January 2012-July 2013), the Committee logged 147 meeting hours during visits to 32 fusion centers, in addition to numerous briefings and discussions with various Federal partners, representatives of the National Fusion Center Association, and follow-up conversations with fusion center directors and personnel.

Summary of Findings

- ***The Committee strongly believes that the National Network is a National asset that needs to realize its full potential to help secure the Homeland.*** Based on the Committee's long history of oversight of the fusion centers' development, it appears that the National Network is on a path of continued growth, improvement, and increasing value to both the Federal Government and the fusion centers' individual customers. In addition to significant numbers of State and local partners represented, site visits revealed over 20 different Federal offices and agencies with personnel assigned across the 32 visited fusion centers, suggesting that fusion centers provide value to a wide variety of Federal agencies.

> *"We have intelligence estimates that look at threats to the Homeland. But what do we have where you have a legitimate homegrown threat? … The world over here has an effect over there, and vice versa. So I would argue the emphasis should be pushing out our capabilities to support and enable our fusion centers on the front lines. State and local law enforcement is ultimately best positioned and, in many cases, most competent to deal with these issues."*
>
> *- Frank Cilluffo, Testifying before the Committee on Homeland Security, September 20, 2012*

- ***The strength of the National Network lies in individual fusion centers' unique expertise; their independence from the Federal Government; and their ability to leverage the State and local perspective on behalf of the National homeland security mission, which includes counterterrorism.*** Formally standardizing *all* aspects of fusion center operations would be disadvantageous. Over the past three years, the Department of Homeland Security's (DHS) efforts have been targeted to assist fusion centers in developing plans, policies, and standard operating procedures. The goal has been to achieve capacity and standardized capability – namely the Critical Operational Capabilities – across the National Network, while allowing individually tailored processes for each fusion center. Although much work remains, these efforts appear to have improved consistency and standardization, and have helped to establish a common "language" across the National Network.

- ***The Federal Government should continue to facilitate and enable fusion center development in order to ensure that centers have the capacity necessary to fulfill their role as National mission partners.*** This must include continued improvements in information sharing. However, State and local stakeholders, including the fusion centers themselves, must take ownership and be a driving force behind much of the requisite growth moving forward. In order for the National Network to develop fully, a greater level of commonality and unified direction is necessary.

- ***The lack of a comprehensive State and locally-driven National Strategy for Fusion Centers reflecting the equities of fusion centers' diverse stakeholders is a barrier to the National Network reaching its full potential.*** A comprehensive Federal Strategy for Fusion Centers is also necessary to explain how and why the Federal Government engages with fusion centers, guide Federal planning, serve as the foundation to develop additional performance and value-based metrics, and drive Federal resource allocation to fusion centers. The lack of these two strategies stands in the way of maximum efficiency, effectiveness, and the ability of the National Network to provide full benefit to the National homeland security mission.

- ***Thus far, fusion center metrics have primarily focused on measuring capacity and capability rather than "bang for the buck."*** Due to the inherent difficulty in determining the success of prevention activities, stakeholders struggle with how to accurately, adequately, and tangibly measure the value of fusion centers to the National homeland security mission, and particularly the counterterrorism mission. Although great strides have been made, the current metrics – including the five performance measures included in the 2012 annual Fusion Center Assessment – are only a partial measure, and do not alone demonstrate overall success or failure of the National Network. Future metrics should reflect the values articulated in a comprehensive National Strategy for Fusion Centers and companion Federal Strategy for Fusion Centers. Further, there are not currently any tracking mechanisms in place to provide a complete picture, even quantitatively, of how fusion center-gathered information affects Federal terrorism or criminal cases or other homeland security mission areas. This is a significant gap that must be corrected in the short term in order to show the value of the National investment.

- ***Challenges remain across the National Network itself, particularly with the lack of individual fusion centers' operational activities being universally inclusive of strategic counterterrorism threat analysis.*** Participation in the National Network should carry with it the expectation of National mission partnership, including the production of strategic counterterrorism threat analysis. Mature fusion centers utilize their analytic expertise, understanding of the nuances of their local environment, and unique information to look for potential ties to terrorism, in addition to fulfilling their other State, local, and homeland security missions. However, as a true National partner, fusion centers must fulfill their individual missions in a way that trains and requires analysts to view State and local crime with an eye toward strategic National counterterrorism and threat analysis.

- ***There should be continued enhancement and growth in the areas of analysis, Terrorism Liaison Officer programs, partnerships with first responders and public health officials, and Critical Infrastructure and Key Resources sectors.***

- ***Owned and operated by States and localities, the bulk of Federal investment in fusion centers is limited to funds subgranted to the fusion centers through the DHS preparedness grants,*** specifically the State Homeland Security Grant Program and the Urban Area Security Initiative, and through the deployment of computer systems, training, and personnel, primarily from DHS's Office of Intelligence and Analysis and the Federal Bureau of Investigation (FBI).

- ***Stakeholders must undergo a thorough discussion to determine the next steps to ensure the National Network continues to develop as a partner in the National and Homeland Security Enterprises.*** Lack of action at this juncture could have a negative, and potentially debilitating impact on the National Network, which in turn could undermine homeland security.

  Particularly in light of the current fiscal climate, the National Network is at a crossroads. Many fusion centers are struggling to maintain their operational tempo due to drastically changing annual budgets. As a result, some fusion centers are facing the possibility of closing or having to make significant changes to their staffing or operations. Fusion center directors consistently noted that if Federal grant funding were to disappear their individual fusion center would likely remain, but its focus would turn inward toward exclusively State and local mission needs. This would reduce those fusion centers' potential value to the National homeland security mission, possibly leaving the Homeland less secure.

SUMMARY OF RECOMMENDATIONS

Comprehensive Strategies & Measures of Success

1. ***National Strategy for Fusion Centers and Federal Strategy for Fusion Centers-*** Driven by the State and locals, stakeholder groups should collaborate to establish a National Strategy for Fusion Centers. As a companion to the National Strategy for Fusion Centers, the Federal Government should develop a comprehensive Federal Strategy for Fusion Centers to steer Federal coordination and support to fusion centers and the National Network.

2. ***Performance Metrics-*** Stakeholders, including I&A and the Federal Emergency Management Agency should develop additional performance metrics to further guide fusion center-related grant expenditures within the States, and the Federal resource allocation process. The metrics should be tied to a National Strategy for Fusion Centers and a Federal Strategy for Fusion Centers.

3. ***Fusion Center Information Tracking-*** The FBI and other Federal partners should more fully track their use of information gathered by fusion centers to better understand its affects on Federal counterterrorism and criminal cases at various points in the investigative lifecycle.

Funding

4. ***National Network Funding-*** DHS should engage in a thorough discussion with stakeholders – including but not limited to, the fusion centers, States and Major Urban Areas, the FBI, the Program Manager for the Information Sharing Environment, and Congress – to conclude whether the Federal Government should more directly and/or more fully fund all or a subset of fusion centers. This should be done with guidance from a National Strategy for Fusion Centers.

5. ***Funding Model-*** DHS should carefully examine other grant and funding models to determine if a different model would be more effective to support the long-term needs of the National homeland security mission, as fulfilled by the National Network.

6. ***Period of Performance-*** The Federal Emergency Management Agency should carefully examine the current environment in which the ultimate intended recipient of grants must operate, and determine whether it may be necessary to return the period of performance to three years, or make other changes.

Fusion Center Analysis

7. ***Statewide Analysis-*** In States with multiple fusion centers, one of the fusion centers should be responsible for the integration of analysis from across all fusion centers within the State, establishing a statewide threat picture.

8. ***National Mission Analysis Units-*** Stakeholders should further explore the possible establishment of specialized analytic units within fusion centers to enhance the identification and analysis of information to meet national mission requirements.

9. ***Suspicious Activity Reporting Trend Analysis-*** Fusion centers should increase Suspicious Activity Reporting trend analysis, including the creation and dissemination of such an analytic product to its customers. I&A should then use that State and local analysis to regularly produce Nationwide Suspicious Activity Reporting trend analysis.

10. ***Fusion Center Analyst Career Path & Training Roadmap-*** The National Network and the Federal Government should continue to work with stakeholders to examine options and implement a plan to address the need for State and local analyst career paths and a training roadmap.

11. ***Analytic Coordination Programs-*** Fusion centers should establish formal, regional or statewide analytic coordination programs to enhance collaboration, deconfliction, and planning.

12. ***Critical Infrastructure and Key Resources-*** Fusion centers with limited Critical Infrastructure and Key Resources (CIKR) programs should work to enhance these programs in the short term. Fusion centers not currently engaging in CIKR analysis should make this an immediate priority.

Outreach

13. ***Statewide Outreach-*** In States with a single fusion center, that center should gather and analyze threats from across its entire area of responsibility – presumably the entire State. A robust Terrorism Liaison Officer program and a greater proliferation of fusion center nodes may be methods to achieve this goal.

14. ***Terrorism Liaison Officer Programs-*** The fusion centers and DHS should work together to strengthen Terrorism Liaison Officer (TLO) programs across the National Network. Further, the fusion centers, DHS, the FBI, and other stakeholders should come together and determine what, if anything, may lend itself to further TLO standardization across the National Network. Fusion centers currently lacking a TLO program should work to establish one in the short term.

15. ***Fusion Partnerships-*** Fusion centers lacking robust fusion partnerships outside of the law enforcement community should make this an immediate priority, particularly focusing on partnerships with the fire, emergency medical services, and public health sectors.

Access to Information & Systems

16. ***Security Clearances-*** In order to understand the disparity in security clearances granted to State and local personnel, DHS, the FBI, and the Program Manager for the Information Sharing Environment should complete a thorough review. Federal partners should take steps to further equalize security clearances among the State and locals to foster increased information sharing between Federal, State, and local law enforcement agencies and policymakers.

17. ***White List-*** DHS should identify fusion centers that currently make significant use of classified information and work with them to further test the recently-established procedures to request additional accesses. DHS and the Department of Defense (DOD) should also immediately work to reduce the current best-case timeframe required for access approval. Additionally, DOD, with the help of I&A and fusion centers, and in consultation with other Intelligence Community partners, should be more proactive in identifying information sets that meet fusion centers' missions and further their ability to assist Federal partners.

18. ***FBINet-*** The FBI should undergo a thorough review to understand current State and local access to FBINet, establish standards to support more consistent access to FBINet for fusion center personnel, and ensure a broad awareness of those standards among its homeland security partners. Additionally, the FBI and DHS should work together to establish a formal policy and process regarding I&A Intelligence Officers' (IO) access to FBINet in the field.

19. ***National Sensitive-But-Unclassified System-*** In an effort to establish a National primary Sensitive-But-Unclassified information sharing system, the Executive Branch should work with Congressional oversight committees and State and local stakeholders to determine an appropriate path forward, potentially merging similar Federal systems.

Office of Intelligence and Analysis, Department of Homeland Security

20. ***Analytic Production Approval Process-*** I&A should address issues surrounding the analytic production approval process that inhibits timely joint-seal products with fusion centers.

21. ***Intelligence Officers-*** I&A should continue to work with the fusion centers, other stakeholders, and the Committee to determine what, if any, changes should be made to the IO program as individual fusion centers and the National Network continue to mature.

22. ***Reports Officers-*** I&A should work with Congressional oversight committees to determine whether there are appropriate areas to expand Reports Officers' responsibilities that may benefit both the DHS and National missions.

23. ***Intelligence Analysts-*** I&A should undergo a thorough cost-benefit analysis, and work with Congressional oversight committees, to determine whether restructuring its Office of Analysis to increase intelligence analyst deployment to the field is in the best interest of homeland security.

24. ***Management of Field Officers-*** I&A should examine the current management structure surrounding its field officers – Regional Directors, Intelligence Officers, Reports Officers, Senior Reports Officers, and Intelligence Analysts – to determine whether consolidating field management could be more effective.

Federal Bureau of Investigation

25. ***Information Sharing-*** FBI Headquarters should conduct more stringent oversight, including audits, of information sharing occurring between its field offices and the fusion centers. As an element of that oversight, FBI Headquarters should make a more concerted effort to ensure its field offices are held accountable for robust cooperation and information sharing with fusion centers and State and local law enforcement.

MAJORITY STAFF REPORT ON THE NATIONAL NETWORK OF FUSION CENTERS

> *"[T]he term 'fusion center' means a collaborative effort of 2 or more Federal, State, local, or tribal government agencies that combines resources, expertise, or information with the goal of maximizing the ability of such agencies to detect, prevent, investigate, apprehend, and respond to criminal or terrorist activity."*
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> *- "Homeland Security Act of 2002," As Amended by the "Implementing Recommendations of the 9/11 Commission Act of 2007"*
> *Pub. L. 110-53, Aug. 3, 2007, §511, 121 STAT. 322. Amends Homeland Security Act of 2002 by adding §210A(j).*

BACKGROUND

Between 2003 and 2005, in the aftermath of the information sharing failures leading to the terrorist attacks of September 11, 2001, States and localities stood up what are known individually as State and Major Urban Area Fusion Centers (fusion centers) and collectively as the National Network of Fusion Centers (National Network). Established to break down agency barriers and analyze State and locally held information, the Federal Government identifies fusion centers as the primary conduit to share Federal terrorism-related information with State, local, tribal, and territorial (SLTT) partners. Today, there are 78 designated Fusion Centers that make up the National Network, across 49 States, three territories, and the District of Columbia. Forty-nine of the 78 fusion centers are operating within jurisdictions currently or previously eligible for Urban Area Security Initiative (UASI) funding.[4]

> *"At that time [2004-2005], no standards or guidelines were in existence to assist with interoperability and communication issues with other centers at the state, regional, and federal levels. As a result, centers designed to share information were actually silos of information, incapable of information exchange."*
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> *- Fusion Center Guidelines, 2006*

In January 2006, the Department of Homeland Security (DHS) began direct engagement with fusion centers, including the first deployment of a DHS Office of Intelligence and Analysis (I&A) Intelligence Officer (IO) assigned to the Joint Regional Intelligence Center in Los Angeles, California. By the end of 2006, there were approximately 40 fusion centers across the country, and DHS and the Department of Justice (DOJ) collaborated with stakeholders to develop the

[4] "The UASI program addresses the unique risk driven and capabilities-based planning, organization, equipment, training, exercise needs, of high-threat, high-density Urban Areas based on the THIRA-generated capability targets process and associated assessment efforts, and assists them in building an enhanced and sustainable capacity to prevent, protect against, mitigate, respond to, and recover from acts of terrorism." *Fiscal Year 2013 HSGP Funding Opportunity Announcement*, May 21, 2013, p. 5.

Fusion Center Guidelines, in an effort to help shape fusion center development. This was supplemented by the September 2008 *Baseline Capabilities for State and Major Urban Area Fusion Centers* document.[5]

The term "National Network of Fusion Centers" became common in 2010, and describes the association of individual fusion centers to serve the National homeland security mission, including counterterrorism. Also in 2010, a number of fusion center directors came together to establish the National Fusion Center Association (NFCA) in an effort to increase education and awareness of the National Network and fusion centers.

Legislative History

In July 2007, Congress passed, and in August 2007, the President signed, the *Implementing Recommendations of the 9/11 Commission Act of 2007* (Pub. L. 110-53), which included language amending the *Homeland Security Act of 2002* (Pub. L. 107-296) to establish the "Department of Homeland Security State, Local, and Regional Fusion Center Initiative."[6] In September 2008, Congress passed the *Personnel Reimbursement for Intelligence Cooperation and Enhancement of Homeland Security Act of 2008* (the *PRICE of Homeland Security Act)* (Pub. L. 110-412), clarifying that State Homeland Security Grant Program (SHSGP) and UASI funds could be used for fusion center intelligence analysts.

Additionally, in October 2011 the Committee on Homeland Security in the US House of Representatives (Committee) ordered to be reported H.R. 3116 as amended, the *Department of Homeland Security Authorization Act for Fiscal Year 2012,* which included a provision establishing the "Department of Homeland Security National Network of Fusion Centers Initiative," in recognition of the significant growth and transformation of fusion centers since 2007. The whole House did not consider the bill.

On May 8, 2012 the Committee favorably reported, and on May 30th the House passed, H.R. 3140, the *Mass Transit Intelligence Prioritization Act,* directing the Secretary of Homeland Security to prioritize sending Transportation Security Administration (TSA) officers and intelligence analysts to fusion centers located in high-risk jurisdictions with mass transit systems. However, the bill was not taken up by the Senate during the 112th Congress. Subsequently, this bill (now H.R. 1210) was reintroduced in March 2013 and referred to the Committee's Subcommittee on Counterterrorism and Intelligence.

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[5] National Network stakeholders include, but are not limited to: Federal partners; State and local law enforcement; State and local governments, officials, and agencies; the National Guard; Tribal; the private sector; and representative associations (ex: law enforcement associations, the NFCA, and the National Governors Association).
[6] See Appendix I.

COMMITTEE RESEARCH METHODOLOGY

The Committee has consistently advocated that State and local law enforcement, emergency response providers, and fusion centers are a significant part of the National homeland security mission. Further, the Committee has a long history of oversight over the fusion centers and DHS support to them. During the 112th Congress, under the direction of then-Committee Chairman Peter T. King (now Chairman of the Subcommittee on Counterterrorism and Intelligence), Committee Majority staff designed and executed a comprehensive review of the National Network. This work continued into the 113th Congress under the additional direction of current Committee Chairman Michael T. McCaul. It is important to note that the Committee's study was not intended to be an investigation to uncover waste, fraud, or abuse. Its purpose was to identify and understand the strengths, weaknesses, and gaps in fusion center development, the National Network, and the Federal role.

Specifically, the Committee sought to understand:

- Fusion centers' development individually and as a part of the National Network;
- How well the National Network operates to fulfill a National need, including Federal, State, and local priorities and the National homeland security mission, particularly the counterterrorism mission;
- Changes to fusion centers' overall mission space, and how those changes have affected their ability to meet Federal, State, and local customer requirements;
- The impacts of having 78 designated fusion centers across the country, and multiple fusion centers within a single State;
- The current Federal Government role in the fusion centers' and the National Networks' development, and the role it should play moving forward;
- State and local security clearances and access to classified information;
- Fusion center analysts' training and development, and fusion centers' analytic production;
- Leveraging non-traditional partners as fusion partners, specifically fire, emergency medical services (EMS), and public health;
- The current funding environment and possible future funding models for fusion center and National Network sustainment; and
- DHS's and the Federal Bureau of Investigation's (FBI) relationship with fusion centers.

Between January and August 2012, the Committee visited 32 fusion centers across 20 States and the District of Columbia, logging 147 meeting hours with personnel assigned to the fusion centers. In April 2013, the Committee sent a follow up questionnaire to each of the visited fusion

centers, requesting updated data. Additionally, between January 2012 and July 2013 the Committee received regular briefings from Federal partners, met with various stakeholder groups, and conducted follow-up calls with fusion center directors and personnel. The Committee also held a number of hearings in which it received testimony relevant to the subject of the study.

For a detailed description of the Committee's research methodology, please see Appendix II.

FINDINGS AND RECOMMENDATIONS

"The ultimate goal is to provide a mechanism through which government, law enforcement, public safety, and the private sector can come together with a common purpose and improve the ability to safeguard our homeland and prevent criminal activity. It is critical for government to accomplish more with less."

- Fusion Center Guidelines, 2006

Today, in many States and localities, fusion centers serve a critical Federal, State, local, and regional information sharing and analytic function, and are a force multiplier for the Federal Government to understand local and regional threats in a more holistic way. They are the established tie by which SLTT information can be fused with Federal information and shared with partners to protect the Homeland, while simultaneously protecting citizens' privacy and civil liberties.

"On October 8, 2010, the New York Police Department sent out an advisory concerning a suspicious tractor-trailer whose driver reportedly diverted its route to Times Square in New York City in exchange for $10,000. New York informed several fusion centers in the affected area. Subsequently, the Rhode Island State Fusion Center (RISFC) discovered that the original owner of the truck was a California native and asked the Northern California Regional Intelligence Center (NCRIC) to run a background check based on the owner's information. Within two hours of the advisory's release, information from these two fusion centers was used to coordinate with the Connecticut Intelligence Center (CTIC), which enabled Connecticut State Police to locate the tractor-trailer before it reached its reported target in New York City. The Connecticut State Police searched the vehicle and questioned the driver and passenger. Ultimately, officials concluded that the vehicle was not a threat, but the fact that these fusion centers were able to turn this incident from a Suspicious Activity Report (SAR) to resolution in a matter of three hours shows the value of the National Network of Fusion Centers."

- Provided by the FBI to the Committee, October 23, 2012

There has been significant change and growth across the National Network over the past three years, largely a result of DHS' efforts to assess fusion center capabilities, provide training, technical assistance, dedicate resources to enhance fusion center operations, and target grant funding to mitigate gaps in fusion centers' capabilities.

However, there remain challenges, including the lack of a comprehensive National Strategy for Fusion Centers and a Federal Strategy for Fusion Centers, and the lack of individual fusion centers' operational activities being universally inclusive of strategic counterterrorism threat analysis. Additionally, there is much room for continued enhancement and growth, particularly in the areas of analysis, Terrorism Liaison Officer (TLO) programs, and partnerships with first responders, public health, and the Critical Infrastructure and Key Resources (CIKR) sectors.

The strength of the National Network lies in the diversity of expertise,

individual fusion centers' unique identities, and operational independence from the Federal Government; a cookie-cutter approach would be detrimental to the National Network. However, there must be a greater level of consistency than currently exists in order for individual fusion centers to operate most efficiently and effectively within the National Network, and for the National Network to function most successfully as a National asset. The 2008 *Baseline Capabilities for State and Major Urban Area Fusion Centers* document offers a place to start. It does not establish standardized processes, but rather places a premium on fusion centers developing standard operating procedures in an effort to obtain standardized National Network-wide capability.

A greater level of standardization in strategic homeland security threat analysis, technology, analyst training, TLO programs, security clearances, access to and use of Federally-owned computer networks, and funding would significantly add to the efficiency and effectiveness of individual fusion centers and the National Network as a whole. Additionally, increased commonality in these areas would help to further break down barriers and establish a common language between Federal, State, and local homeland security partners.

The Federal Government should continue to facilitate fusion center development and activities to ensure the capacity to meet National mission needs, but ultimately should not be the primary force behind much of the necessary standardization. The fusion centers must take ownership and be the driving force to achieve much of the necessary commonality across the National Network. The Committee notes that the NFCA's plan to host the 2013 Fusion Center Annual Training Event for the first time, a job previously held by the Federal partners, is a significant milestone in the National Network's development.

The following pages contain detailed research findings and recommendations.

A National Strategy for Fusion Centers & Measuring Success

> *"Although each fusion center will have unique characteristics, it is important for centers to operate under a consistent framework – similar to the construction of a group of buildings where each structure is unique, yet a consistent set of building codes and regulations are adhered to regardless of the size or shape of the building."*
>
> *- Fusion Center Guidelines, 2006*

As stated earlier, the fundamental strength of the National Network is individual fusion centers' unique identities, expertise, experiences, and partnerships coming together, and the State and local vantage point lending itself to the National counterterrorism mission and the broader National homeland security mission. However, if there is to be true growth, there must be

common agreement on what fusion centers are and should be, where the National Network should be headed in the future, and a plan to get there.

Fusion Center Strategies

A number of existing National strategies and policy documents are inclusive of or targeted toward fusion center development.[7] In particular, the 2007 *National Strategy for Information Sharing*'s "Appendix 1: Establishing a National Integrated Network of State and Major Urban Area Fusion Centers" currently serves as a primary source for the limited strategic guidance for the National Network's development. However, there is currently no "one stop shop" articulating all of the strategic and fundamental goals, intentions, objectives, and expectations for fusion centers or the National Network.

The lack of a National Strategy for Fusion Centers (National Strategy) is a significant barrier to the National Network reaching its full potential, and hinders the National Network's sustainment long-term. Closing this gap would allow individual fusion centers and the Federal Government to implement long-term development and investment strategies, founded with nationally agreed-upon goals in mind. A National Strategy would also enable the Federal Government to develop more value-based metrics to understand, guide, and measure its investment in fusion centers. Without a firm foundation, such as a National Strategy, on which to develop performance metrics, it is difficult to determine whether current measures are adequately assessing relevant progress. A National Strategy would answer the question of "what are we progressing toward," and help stakeholders – including Congress – understand actual progress toward a clearly defined set of goals.

As all levels of government continue to face a difficult fiscal environment, calls from State and local stakeholders for Federal sustainment funding for fusion centers have grown louder. However, it is impossible to responsibly engage in a dialogue about sustainment funding until State and local stakeholders – including those chiefs, colonels, sheriffs, and other senior policymakers with authority over fusion centers – and the Federal Government have first articulated, to a greater extent, the value proposition for fusion centers, the specific capabilities needing preservation or development to meet National needs, and the roadmap to get there.

Based upon briefings provided by I&A and discussions with fusion center directors, the Committee is aware that a high level strategic outline for the National Network exists. This is an important first step toward a formal strategy, but it does not go far enough. Led by State and

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[7] Including, but not limited to: *The Homeland Security Act of 2002*, as amended by the *Implementing Recommendations of the 9/11 Commission Act of 2007 (Pub. L. 110-53); The National Criminal Intelligence Sharing Plan*, 2003; *Fusion Center Guidelines,* 2006*; The National Strategy for Information Sharing*, 2007; *Baseline Capabilities for State and Major Urban Area Fusion Centers*, 2008; *CIKR Protection Capabilities for Fusion Centers,* 2008; *Critical Operational Capabilities for State and Major Urban Area Fusion Centers, Short-Term Gap Mitigation Guidebook*, 2010; *Common Competencies for State, Local, and Tribal Intelligence Analysts*, 2010; *DHS/DOJ Fusion Process Technical Assistance Program and Services: Considerations for Fusion Center and Emergency Operation Center Coordination* (Comprehensive Preparedness Guide 502), 2010; *National Security Strategy,* 2010; *ISE-G Federal Resource Allocation Criteria*, 2011; *National Strategy for Information Sharing and Safeguarding*, 2012; and *National Prevention Framework*, 2013.

locals, stakeholders should come together, collaboratively, to establish a formal and comprehensive National Strategy.

While this National Strategy must be developed with the context of the current homeland security threat environment at the forefront, it must establish a system with the agility to adapt to an ever-changing environment. This National Strategy should include a National Network mission statement; long-term goals, objectives, and priorities for fusion centers and the National Network; and Federal expectations for the National Network and visa versa. It should also contain a comprehensive definition of what is and is not a fusion center, which should include a mission space and operational activity that is universally inclusive of strategic counterterrorism threat analysis and National mission partnership. This National Strategy should acknowledge the inherent differences between fusion centers' State and local missions and their National homeland security mission, both of which a mature fusion center in the National Network should serve. The National Strategy should be used to guide resource allocation and planning, and individual fusion center and National Network-wide assessments moving forward. The National Strategy should provide a framework by which to measure success by first defining success.

In conjunction with this State and locally driven National Strategy, Federal Government stakeholders should develop a separate Federal Strategy for Fusion Centers to steer Federal coordination and support to fusion centers. Led by DHS, a Federal Strategy for Fusion Centers should clearly spell out the roles and responsibilities of various Federal agencies; priorities and objectives in their interaction with fusion centers; definitions of success and appropriate measures; and a clear mechanism to hold Federal partners accountable. A Federal Strategy for Fusion Centers should outline how and why the Federal Government will support the National Strategy described above, and help fusion centers meet National mission objectives.

Metrics

The 2010 Baseline Capabilities Assessment was the Federal Government's first attempt to measure progress in the development of fusion centers. In 2011, DHS became the Federal lead for fusion center assessments and introduced a new, annual Fusion Center Assessment (Assessment) to measure identified Critical Operational and Enabling Capabilities. The 2011 Assessment also introduced a National Network Maturity Model (Maturity Model) to measure the development of the National Network.[8] The Maturity Model aligns 46 Attributes to the Critical Operational and Enabling Capabilities.

With the 2012 Assessment, the Committee notes the first time inclusion of performance metrics in addition to the Capability measures. Developed collaboratively between DHS, fusion center directors, and other stakeholders, these new metrics represent a significant step forward in the Federal Government and National Network's ability to understand the maturation of the National Network and individual fusion centers. However, the 2012 performance metrics are limited and highly quantitative. While quantitative metrics are important data points, they alone do not demonstrate success or failure.

[8] See Appendix IV.

Quantitative metrics can provide a level of tangible insight into the relationship between fusion center-gathered information and Federal terrorism and criminal cases. Particularly in the current climate wherein stakeholders are still working to understand not only the full value of fusion centers but also the growth in information sharing and the Homeland Security Enterprise as a whole, the FBI and other Federal partners should make a concerted effort to track the disposition of information received from mission partners. Information from DOJ and the FBI suggests that tracking is done to some extent, but there appear to be significant gaps preventing a clear picture of how fusion center-gathered information affects FBI investigations at various points in the investigative lifecycle. The FBI should take steps to correct this shortcoming in the near term.

Although it's critical that the Assessments continue, it is also imperative that additional value-based performance metrics be developed to further guide Federal investment, including fusion center-related grant expenditures. These metrics should be focused to help Federal stakeholders understand the "bang for the buck." The Committee acknowledges the inherent difficulty in developing qualitative metrics, particularly in the prevention discipline, and recommends that DHS and the fusion centers seek outside expertise to aid in this process. According to a briefing with representatives from I&A and the Federal Emergency Management Agency (FEMA), Assessment results will influence allowable fusion center expenditures of SHSGP and UASI funds, once awarded to the States.[9] The goal is to further target Federal grant funds to identified areas of weakness within individual fusion centers.

The Committee is aware that additional performance metrics are in development for the 2013 Assessment. While the inclusive process and efforts to measure performance are noteworthy and there are undoubtedly standard measures of performance that are common among analytic organizations, the Committee is nonetheless concerned that these metrics are being developed in a partial vacuum. As stated earlier, beyond assessing the Critical Operational and Enabling Capabilities, performance should be measured against long-term strategic goals and objectives, as should be identified in a National Strategy for Fusion Centers and a Federal Strategy for Fusion Centers like those discussed in the *A National Strategy for Fusion Centers & Measuring Success* section of this report. The Committee will continue to work closely with DHS and the National Network to ensure overall developmental goals are met.

[9] FEMA and I&A briefing to the Committee, August 23, 2012.

FUSION CENTERS & THE NATIONAL MISSION

> *Fusion centers "foster a culture that recognizes the importance of fusing 'all crimes with national security implications' and 'all hazards' information (e.g., criminal investigations, terrorism, public health and safety, and emergency response) which often involves identifying criminal activity and other information that might be a precursor to a terrorist plot."*
>
> *- National Strategy for Information Sharing, October 2007*

All Crimes Approach

In recent years, the National Network has seen a mass migration away from individual fusion centers exercising a strict counterterrorism mission focus, as was the case in the early days of fusion centers, and toward an "all crimes" mission space. While all of the 32 visited fusion centers described themselves as having a strong emphasis on counterterrorism, 10 of the 32 visited fusion centers describe themselves as having an "all crimes" mission, while the majority, 21, describe themselves as having an "all crimes-all hazards" mission. Only one of the visited fusion centers described itself as currently having a "counterterrorism" mission with "all crimes" as a secondary mission. This mass movement seems to be a result of several primary factors discussed below.

First, an "all crimes" approach utilizes and expands upon existing State and local law enforcement processes to identify and analyze suspicious activity. According to fusion center personnel, this approach, supplemented with additional training for line officers and first responders, better enables them to support the National homeland security mission. Building on the principle that terrorist plots often include precursor criminal activity (including financing, gathering materials, etc.), fusion centers are able to help identify possible signs of terrorist activity through their analysis of broad criminal information and gathering Suspicious Activity Reports (SAR).

> *"In October 2011, the Alaska Information and Analysis Center (AKIAC), in coordination with the Alaska JTTF, issued an Officer Safety Bulletin on two potentially violent individuals believed to be illegally armed and departing for Canada. The AKIAC used liaisons with the Royal Canadian Mounted Police and U.S. Customs and Border Protection (CBP) to ensure that the Canadian Border Security Agency (CBSA) received this information and was on alert. As a result, CBSA conducted a high-risk inspection at a port of entry, and discovered a weapon. The suspect was denied entry into Canada, turned around, and was then stopped at the CBP checkpoint, where he was arrested by Alaska State Troopers."*
>
> *- Provided by the FBI to the Committee, October 23, 2012*

According to information provided by the FBI and DOJ, 176 SARs entered by fusion centers into the eGuardian or Shared Spaces SAR databases

between December 2008 and December 4, 2012 resulted in the FBI opening a new terrorism investigation.[10] This represents 20% of all those SARs entered into eGuardian or Shared Space resulting in the initiation of a new FBI investigation. ***Additionally, 289 Terrorist Watchlist encounters reported by fusion centers enhanced existing FBI cases.***[11] It is important to note that the Committee's research suggests that, due to the variety of other means by which SARs and other fusion center-gathered information are shared with the FBI, this number is most likely significantly lower than the totality of SARs from fusion centers leading to or enhancing an FBI investigation. As discussed earlier in this report, there does not appear to be any mechanism currently in place that provides a complete picture of how fusion center-gathered information affects Federal terrorism or criminal cases.

Second, fusion center personnel maintain that this expanded mission space increases and encourages awareness of the fusion process across all levels, making law enforcement agencies, first responders, and other non-traditional partners more likely to participate, thereby increasing involvement in the National homeland security mission.

Third, although counterterrorism is a National mission, and thus a shared responsibility of partners across all levels of government, fusion centers' individual customers and supporting agencies have a much broader mission space. The "all crimes" and "all crimes-all hazards" approach is representative of the fusion centers' individual State and local mission space, and their status as partners in broader homeland security mission areas. Fusion centers increase their relevance to their SLTT customers and Federal partners by leveraging the National Network to identify and combat nationwide criminal enterprises and to identify otherwise undetected State, local, regional, or National trends. This relevance can also have a major impact on State and local resources dedicated to the fusion centers. Congress demonstrated support for the fusion centers' engagement in the broader homeland security mission space through the "Border Intelligence Priority," established in the *Implementing Recommendations of the 9/11 Commission Act of 2007* (Pub. L. 110-53), and the 2012 House of Representatives-passed *Mass Transit Intelligence Prioritization Act* (H.R. 3140; reintroduced in 2013 as H.R.1210).

Lastly, this "all crimes" approach enables fusion centers to serve as partners in the broader homeland security mission, beyond the counterterrorism mission. Although DHS – including I&A, TSA, Customs and Border Protection (CBP), Immigrations and Customs Enforcement (ICE), US Coast Guard, US Secret Service, US Citizenship and Immigration Services (USCIS), National Protection and Programs Directorate (NPPD), and the Federal Protective Service – and the FBI are the largest supporting Federal partners, many other Federal agencies appear to have identified fusion centers as valuable mission partners. According to reporting from the thirty-two visited fusion centers, seven are collocated with High Intensity Drug Trafficking Area (HIDTA) analysts. The Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) has personnel assigned to twelve of the fusion centers, and one fusion center is collocated with a local ATF Field Division. Seven fusion centers have representatives assigned from the National Guard or other Department of Defense (DOD) element. The Drug Enforcement Administration (DEA) has representatives assigned to four of the visited fusion centers, and one DEA Division is collocated with a fusion center. Other agencies with representatives assigned to visited fusion

[10] Information provided by DOJ and FBI, December 20, 2012.
[11] *Id.*

centers include, but are not limited to the: US Attorney's Office (3); Department of State (3); US Marshals (2); Internal Revenue Service (1); Treasury Department/FinCEN (1); Social Security Administration (1); National Park Service (1); and Amtrak (1). Nearly all of the fusion centers reported having, at a minimum, close working relationships with Federal partners beyond DHS and the FBI.

Operating fusion centers with an "all crimes" or "all crimes-all hazards" focus is a positive development for the National Network provided that it is done in a way that ultimately encourages and preserves a robust strategic counterterrorism analytic capability. Although individual fusion centers serve State and local needs and play a significant role in the broader National homeland security mission areas, Federal investment in fusion centers has primarily been intended to support the National need to detect and prevent terrorist attacks on the Homeland. Therefore, as National counterterrorism mission partners, mature fusion centers should leverage their "all crimes" focus to understand criminal activity and analyze it in such a way as to identify possible indicators of terrorist activity. Some fusion centers describe this as an "all crimes approach to counterterrorism."

The National Response and Recovery Mission

Twenty-one of the visited fusion centers identified themselves as "all crimes-all hazards" centers. According to fusion center personnel, the formal move to "all crimes-all hazards" reflects a center's growing relationship with first responders and an increasing focus on CIKR. Further, nine of the visited centers (five of which consider themselves as "all crimes-all hazards") are collocated with their State or local Emergency Operations Center (EOC), and stated that they play a supporting role when the EOC is activated. The full extent to which individual fusion centers are involved with their local EOC operations varies.

This expanded mission space provides a clear link between the fusion centers and FEMA's National response and recovery mission. For example, in the aftermath of Hurricane Sandy, New Jersey's fusion center, the Regional Operations Intelligence Center (ROIC), completed Preliminary Damage Assessments (PDAs) of critical infrastructure sites – including police and fire stations, hospitals, and schools – in conjunction with FEMA. Additionally, the ROIC served as the conduit for information flow between the New Jersey EOC, front line officers, and policymakers. Further, briefings and products from the ROIC enabled Federal, State, and local partners to maintain a common operating picture and broad situational awareness in the aftermath of Hurricane Sandy.

In the event of a terrorist attack or natural disaster, all available resources are leveraged to aid in response and recovery. At the Federal level, DHS recently released three of the five National Preparedness System's Frameworks that, among other things, explore options for the integration

of prevention and response efforts.[12] The relationship between fusion centers and State and local response organizations is discussed further in the *Fusion Centers & Emergency Response* section of this report.

National Mission Partnership

> *"[T]errorist financiers are increasingly shifting to criminal activity. Earlier this year, U.S. authorities indicted a vast Hezbollah network for money laundering, cocaine deals and more exposing 30 U.S. –based car dealerships that helped the group move cash …. If this trend continues, it's reasonable to assume that criminal investigations will play an increasingly prominent role in U.S. efforts to counter terror finance."*
>
> *- Jonathan Schanzer, Testifying before the House Committee on Homeland Security, Subcommittee on Counterterrorism and Intelligence, May 18, 2012*

Mature fusion centers utilize their analytic expertise, understanding of the nuances of their local environment, and unique information to serve the National homeland security mission. As discussed in the previous section, a National Strategy for Fusion Centers should require that participation in the National Network carry with it the expectation of National mission partnership.

Of those visited, the more mature fusion centers generally appeared to embrace the idea of an "all crimes approach to counterterrorism." Although the vast majority are still developing their advanced analytic capabilities, fusion centers engage in analysis surrounding prison radicalization, border security, human trafficking and human smuggling, identity theft, gangs, drug trafficking, weapons smuggling, transnational criminal organizations, cigarette smuggling, and cybersecurity, among other things. Through their analysis of criminal enterprises and local crime information, mature fusion centers look for potential ties to terrorism, both foreign and domestic, including pre-operational activities and financing.

As true National partner, fusion centers must fulfill their individual missions in a way that trains and requires analysts to view State and local crime with an eye toward strategic National counterterrorism and threat analysis. The ability to balance State, local, and National needs is a sign of fusion center maturity.

In many small fusion centers the resources simply do not exist to have a large cadre of strategically focused analysts. Further, immature centers have yet to develop a more advanced analytic capability. However, true participation in the National Network requires participation as a National mission partner. Fusion centers should ensure that all of its analysts understand the National mission space, and that it has personnel assigned to perform strategic level homeland security analysis, and particularly counterterrorism analysis.

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[12] On April 8, 2011, the Administration publicly released Presidential Policy Directive-8 (PPD-8). PPD-8 requires that the Secretary of Homeland Security develop a National Preparedness System, including the development of four new National Frameworks – Prevention, Protection, Mitigation, and Recovery – and update the National Response Framework. The Frameworks will help the Nation meet the National Preparedness Goal. DHS released the National Disaster Recovery Framework in September 2001; in May 2013 DHS released the Prevention, Mitigation, and Response Frameworks; and the Protection Framework remains outstanding. DHS recently informed the Committee that the Protection Framework is in the final development stages and will be released in the near future.

At the time of the site visits, a number of fusion centers remained primarily focused on tactical intelligence and investigative support, rather than strategic threat analysis. In most of these cases fusion center leadership acknowledged this as a shortcoming and voiced a desire to continue the move toward more strategic analysis, citing a lack of resources, training, and center immaturity as the primary inhibitors. Further, particularly when a center is fully or near-fully funded by State and/or local funds, the Committee recognizes that it may be difficult for fusion centers to sell a value proposition for participation in the National homeland security mission to their sponsoring agencies. However, awo of the visited fusion centers were so focused on local criminal and tactical analysis and investigative support that they apparently do not engage in strategic threat analysis, nor did they have plans or desire to expand their analysis. This is a significant gap.

Regardless of the reason, strictly inward-looking, tactical or investigative support-focused fusion centers are not genuine fusion centers at all. These are crime analysis centers. The Committee observed that these centers generally have limited partnerships beyond their parent agency, further limiting their ability to conduct strategic, all-source threat analysis. While local crime analysis centers serve an important function for State and local mission partners, these centers are not robust National mission partners. DHS should take fusion centers' partnership in the National homeland security mission into consideration upon the dedication of resources, including SHSGP and UASI funds and assignment of IOs and other personnel.

INFORMATION SHARING

> *"What all these [pre-9/11 Intelligence Community] stories have in common is a system that requires a demonstrated 'need to know' before sharing. This approach assumes it is possible to know, in advance, who will need to use the information. Such a system implicitly assumes that the risk of inadvertent disclosure outweighs the benefits of wider sharing. Those Cold War assumptions are no longer appropriate. The culture of agencies feeling they own the information they gather at taxpayer expense must be replaced by a culture in which the agencies instead feel they have a duty to the information – to repay the taxpayers' investment by making that information available."*
>
> *- The 9/11 Commission Report, 2004*

Although significant strides have been made in information sharing across the Federal, State, and local levels since 2001, information access, collaboration, and sharing continue to be plagued by individuals holding fast to pre-9/11 organizational paradigms. The September 11, 2001 attacks ushered in a period of swift and drastic change across all levels of government, particularly within the areas of intelligence, information sharing, and homeland security. However, as we move further from September 11, 2001, momentum has slowed. As demonstrated most recently in the aftermath of the terrorist attacks in Boston, improvements in information sharing today are often reactive instead of proactive, which can inhibit the necessary continued growth and

refinement. In a couple of isolated instances, the fusion center site visits resulted in concern that the relationships between the Federal, State, and local law enforcement agencies in those areas may even be moving backwards, at least partially the result of a system still dependent upon personal relationships.

Further, the Committee is aware that in the last 18 months the FBI pulled both its analysts and its network connectivity out of four separate fusion centers, including three State primary centers. Although there are legitimate reasons for the FBI to pull out of a given fusion center, the Committee is greatly concerned by this development, particularly in the aftermath of the terrorist attack in Boston. The Committee will continue to closely monitor and conduct oversight of the FBI's engagement with fusion centers, including as part of its ongoing investigation into the terrorist attack in Boston.

Historical distrust and competition between law enforcement agencies continues to stand in the way of truly breaking down the walls between them. In some cases there remains a lack of individuals' understanding and willingness to take part in the symbiotic relationship that can, and should, exist between the fusion centers and the Federal Government. Agencies, at all levels, need to continue moving away from the historical ownership model of information sharing, and toward one focused on what the Program Manager for the Information Sharing Environment (PM-ISE) calls "information stewardship;" the idea that all of the information collected is a National asset.[13]

> *"[P]eople generally will share now, but they will generally share once they determine that something is relevant to a terrorism investigation that someone else might be able to help them on. And that's too late. The fact is, you have to share volumes of information … but there are often disputes about that, because they say, 'Well, it's just travel information. It's not counterterrorism information.' And the answer is, you don't know if it's counterterrorism information until you have it, until you can compare it to other information and find connections between those dots."*
>
> *- Michael Leiter, Former Director, National Counterterrorism Center*
> *Testifying before the House Committee on Homeland Security,*
> *July 10, 2013*

This discussion of an "information stewardship" model was never more timely than in the wake of the recent terrorist attack in Boston. Although the Committee is currently conducting an investigation to fully understand what did and did not happen, it appears clear that local law enforcement was unaware that the FBI was investigating an individual identified as a possible terrorist. The results of the Committee's investigation and final recommendations are pending. However, there must be immediate action to improve the sharing of potentially vital terrorism investigative information with State and local law enforcement and the fusion centers.

A large body of anecdotal evidence suggests that the FBI's, and to some extent even the DHS components', relationship with individual fusion centers remains largely based on personal relationships established in the field. In many cases field leadership appear to have bought in to the idea that partnership is mutually beneficial and serves the greater good. Although excellent

[13] Kshemendra Paul, Program Manager for the Information Sharing Environment, *Statement for the Record*, Testimony before the Subcommittee on Oversight, Investigations, and Management, House Committee on Homeland Security, "Lessons From Fort Hood: Improving our Ability to Connect the Dots." September 14, 2012.

personal relationships have, in most instances, proven to equal excellent working relationships, this is an unsustainable model. A change in leadership in any one organization and the relationships risk collapse. This cannot be the foundation for information sharing in an era that requires robust information sharing to secure the Homeland.

The Committee recognizes the good work being led by the PM-ISE to continue to break down barriers at the National level. It is vital that work continue aggressively, not only at the Federal headquarters' level, but at the field level, and organizational leaders must hold their staffs accountable for sharing information and partnering across the Homeland Security Enterprise. We must not allow the successes made since September 11th to degrade, and we must continue moving forward.

THE NUMBER OF FUSION CENTERS IN THE NATIONAL NETWORK

> *"The Federal Government does not dictate where fusion centers should be built and maintained, nor does it designate fusion centers. However, the Federal Government has a shared responsibility with state and local governments to promote the establishment of a national network of fusion centers to facilitate effective information sharing."*
>
> *- Information Sharing Environment Guidance*
> *Federal Resource Allocation Criteria*
> *June 3, 2011 (ISE-G-112)*
> **See Appendix VII*

As a result of State and local ownership of fusion centers, and the established process by which governors designate centers and establish eligibility for Federal resource support, the Federal Government has limited ability to impact the total number of fusion centers in the National Network.

As of September 1, 2007, 58 fusion centers were either operating or being established.[14] By the end of 2011, there were 77 fusion centers within the National Network, and with the January 2013 designation of a fusion center in Guam, there are now 78: 52 State and territorial and 26 Major Urban Area fusion centers.

There is a strong argument for each State and territory to have a minimum of one fusion center to ensure that individual States' information is leveraged to the fullest extent practicable, and that local, State, and National policymakers have the most complete threat picture possible. Additionally, given the dense population and higher threat risk, it is also reasonable for certain Major Urban Areas to have dedicated fusion centers.

[14] *National Strategy for Information Sharing*, October 2007, p. 20.

However, significant questions remain as to the ideal number of fusion centers that the Federal Government should financially support to meet National homeland security mission objectives.[15] Simply, the questions include: Do we have a stronger National Network by relying on Federal grant dollars to support fusion centers at individual States' and Urban Areas' discretion, as is the case under the current grant structure? Or do we have a stronger National Network by ensuring that a minimum number of fusion centers, in carefully identified locations, can operate on steady financial footing? Does having more fusion centers, although somewhat starving and unfocused on the National mission, yield a safer Homeland than having slightly fewer, but very strong and focused fusion centers?

With limited financial resources, and the significant reduction of SHSGP and UASI funds over the years, DHS should engage in a thorough discussion with stakeholders – including but not limited to the fusion centers themselves, States and Major Urban Areas, the FBI, the PM-ISE, and Congress – to conclude whether it makes more sense for the Federal Government to more directly and/or more fully fund a subset of fusion centers to ensure the "net" is widely cast and is healthy across the entire country, likely with additional funding to supplement areas of higher risk.

The National Network is at a crossroads. If 78 (or more) fusion centers are necessary to fully support National homeland security mission needs, then the funding and resources should be dedicated from a variety of Federal, State, and local sources to fully support them. If 78 fusion centers are deemed unnecessary to carry out the National homeland security mission, then decisions must be made regarding which ones will be left up to States and localities to fully fund or let close. The National Network is far too important to homeland security to allow it to struggle for basic survival, and it must be allowed to realize its full potential. Hard decisions must be made, and they must be made in the short term.

Multi-Fusion Center States

The Committee visited States with multiple fusion centers, in particular California and Texas, in an effort to understand how well those fusion centers coordinate within their States, and the need – or lack thereof – for multiple designated fusion centers within a single State. Prior to visiting all six of California's fusion centers and four of Texas' seven, including two of its newest, the Committee was exceedingly skeptical of the need for six or seven fusion centers in a single State.

Given the sheer size of California and Texas, significant variation exists not only in local partnerships and environment, but also in the nature of the threat itself. ***The Committee concludes that regionalizing fusion centers across large States is reasonable, provided it is done in a thoughtful way, that demands close collaboration, coordination, and deconfliction in an established Statewide network.*** Further, all of the fusion centers in a statewide network must be fully resourced and supported, since it will only be as strong as its weakest link.

[15] Note: This is a separate question than that pertaining to whether the Federal Government should support fusion centers with other resources- HSDN, IOs, intelligence analysts, etc.

- **California:** In 2004, California developed a "State Threat Assessment System" (STAS) seeking to: "create a statewide information sharing network of trusted partners throughout all public safety, public agency, critical infrastructure, and key resource private sector partner organizations within California," and "provide those trusted partners with the training and resources they need to assist the national homeland security enterprise with detecting, deterring, and preventing threats to California and its citizens while protecting their privacy, civil rights, and civil liberties".[16]

  California's STAS consists of four regional fusion centers, a Major Urban Area fusion center, and the State Threat Assessment Center. With a formal concept of operations, the STAS establishes structure for coordination across all six fusion centers within the State. In particular, the statewide TLO training and certification program, and the Lead Analyst Working Group, are highlights of the relationship developed through the STAS.

- **Texas:** Upon the designation of four additional fusion centers, bringing the Texas total to seven, in 2011 the Texas Legislature passed a law establishing general guidelines for fusion centers operating inside the State. Specifically, it establishes that the Texas Fusion Center (the State's primary fusion center), part of the Texas Department of Public Safety (DPS), "shall serve as the state's primary entity for the planning, coordination, and integration of government communications capabilities to help implement the governor's homeland security strategy and ensure an effective response in the event of a homeland security emergency."[17] The law also requires DPS to establish a "Texas Fusion Center Policy Council … to assist the department in monitoring fusion center activities" in Texas.[18] The Council is made up of representatives from all of Texas' designated fusion centers, and is charged with making recommendations to DPS, which is then required to "adopt rules to govern the operations of fusion centers" in Texas.[19]

  At the time of the visits to Texas, the Fusion Center Policy Council had only convened a handful of times, therefore the Committee is unable to comment on its impact. However, the Committee recognizes this as a significant step toward establishing a coordinated statewide network.

In States with multiple fusion centers, it is imperative that there be statewide harmonization. One of the fusion centers should be tasked to integrate analysis from the other centers, creating a statewide threat picture. In turn, this statewide analysis should help drive regional and urban area threat analysis.

Without a strong State center fusing analysis from across an established statewide network, adding to it, and bridging stovepipes within the State, policy makers are left with an incomplete

[16] California State Threat Assessment System, *Concept of Operations*, p. 1.
[17] Tex. Gov. Code §421.082 added by Acts 2003, 78th Leg., ch. 1312, Sec. 1, eff. June 21, 2003. amend. by Acts 2009, 81st Leg., R.S., Ch. 1350, Sec. 1, eff. June 19, 2009; Acts 2011, 82nd Leg., R.S., Ch. 1178, Sec. 5, eff. June 17, 2011.
[18] Tex. Gov. Code §421.083 added by Acts 2011, 82nd Leg., R.S., Ch. 1178, Sec. 6, eff. June 17, 2011.
[19] Tex. Gov. Code §421.084 added by Acts 2011, 82nd Leg., R.S., Ch. 1178, Sec. 6, eff. June 17, 2011.

threat picture. Additionally, a lack of coordination inevitably leads to duplication, redundancy, and an increased likelihood of things falling through the cracks; outcomes that neither the States nor the Federal Government can afford.

Single Fusion Center States and Nodes

In States with a single fusion center, it is not uncommon to find that center located within the most populated area. This causes a tendency for that fusion center to become consumed by the immediate surrounding area rather than looking in depth across the entire State, particularly if the host major metropolitan area is the primary resource partner. Further, single statewide centers generally continue to struggle with outreach into the more remote areas of their State. This is due to a variety of factors, but primarily resource constraints and proximity.

It is imperative that statewide fusion centers find a way to collect and analyze threats from across their entire area of responsibility (AOR). This may be most easily achieved through a robust TLO program and with a greater proliferation of fusion center nodes.

An increase in the identification of nodes, fusion center "satellite offices," would further incorporate outlying areas into the statewide fusion process and, through their linkage with the fusion centers, into the National fusion process. Therefore, rather than establishing additional independent fusion centers, States should consider leveraging existing resources, such as county sheriffs' or cities' intelligence units, and selectively establish small fusion center nodes to help reach outlying areas. These nodes should coordinate TLOs and SAR collection, provide locally tailored analysis, and increase communication and partnerships across the State. Functioning much like a cell phone repeater, nodes can amplify the fusion center message and increase signal strength across a State. These nodes should be part of the organizational structure of the nearest State or Major Urban Area fusion center insomuch as they are carrying out the fusion center's State and National mission, while also respecting the independence of the host agency.

FUNDING

> *"[T]hat's one of the concerns we have. When we look at budgets, there are those who look at things like [fusion centers] as the first thing to go. I don't think it ought to be the first thing to go. I think it ought to be one of the things that we try and make even better. Because in the area of terrorism, as in so much other things, much of the intelligence is gathered by people who weren't looking for terrorists as their first objective.… There are so many more eyes and ears with local law enforcement than there are federal agents. And part of our job is to make sure we give the expertise, share the expertise, on the federal level with those at the local and state level …. And I fear that when we run into these tough budget times that's the first thing to go because it's not a fancy gadget …."*
>
> *- Former Congressman Dan Lungren, Committee on Homeland Security, Full Committee Hearing, September 20, 2012*

Fiscal Year 2012 Fusion Center Funding

Of the 32 fusion centers visited, funding profiles differ across the entire spectrum, from those centers that are predominately funded through State or local funds, to those centers relying heavily on Federal funding for general operating expenses *(See Figures 1 & 2)*.[20]

In fiscal year 2012, all of the visited centers expended State and/or local funds. Additionally, most fusion centers expended Federal funds, allocated through DHS preparedness grants, HIDTAs, and several DOJ grant programs. Two fusion centers expended solely State and/or local funds in fiscal year 2012. SHSGP and UASI grants were used to cover 23% of the combined total expended operating funds of the 32 visited fusion centers.[21]

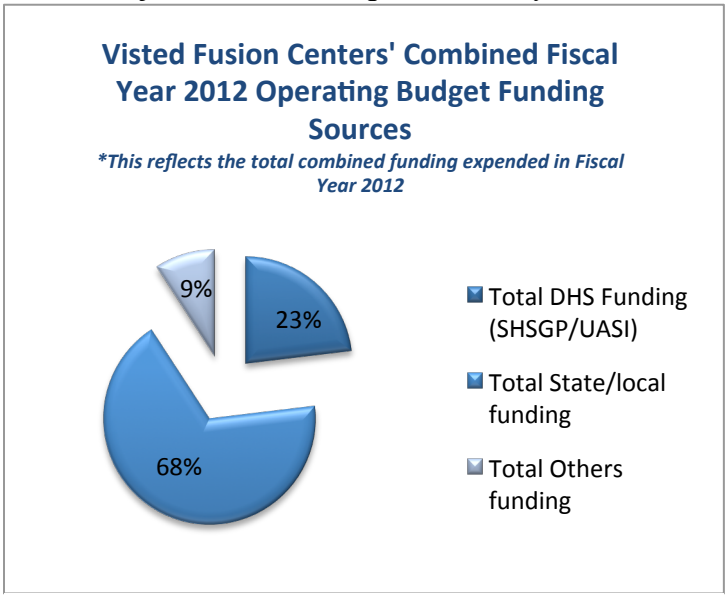

Figure 1

Three of the visited fusion centers are located in areas that were eligible to receive fiscal year 2012 UASI funds, but will no longer be eligible to receive funding under the new fiscal year 2013 UASI structure (five fusion centers in the National Network fall into this category). These fusion centers will consequently lose this as a future funding source. Since fiscal year 2010

[20] The Committee received fusion centers' fiscal year 2012 funding information on April 18, 2013.
[21] The calculated total of combined operating budgets reflects the funds expended by the fusion centers in fiscal year 2012.

and as of fiscal year 2013, 28 fusion centers within the National Network have lost UASI as a funding source.

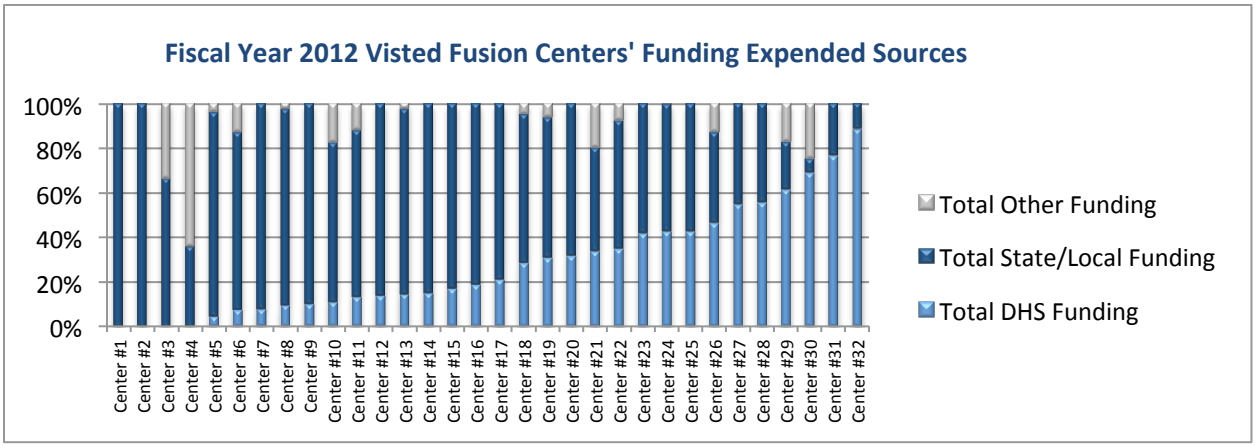

Figure 2

The Current Grant Process

Since 2005, grantees have been able to expend SHSGP and UASI funds to support fusion centers. Beginning in fiscal year 2007, and in each successive year, grant guidance has recognized fusion center enhancement as a priority, and the Federal Government has used the grant process to drive certain initiatives.

In fiscal year 2010, the SHSGP and UASI guidance included strict language prohibiting the use of those funds to support a fusion center, "unless the fusion center is able to certify that privacy and civil rights/civil liberties (CR/CL) protections are in place that are determined to be at least as comprehensive as the *ISE Privacy Guidelines* by the ISE Privacy Guidelines Committees *within 6 months of the award date on this FY10 award.*"[22]

In fiscal years 2011 and 2012, the grant guidance required States applying for SHSGP funds and urban areas applying for UASI to include at least one investment justification (IJ) directed toward the State or urban area's fusion center, if one exists. Additionally, fusion center IJs submitted for fiscal years 2011 and 2012 were specifically required to prioritize the allocation of funds to any gaps in Critical Operational or Enabling Capabilities, identified during the 2010 Baseline Capabilities Assessment or 2011 Assessment.[23]

In the recently released fiscal year 2013 grant guidance, DHS continues to place fusion center maturation and enhancement among the Nation's priorities for SHSGP and UASI funds. Similar to fiscal years 2011 and 2012, the fiscal year 2013 guidance requires grantees to work with fusion centers to ensure that the IJ is directly aligned to capability gaps identified during the center's 2012 Assessment. Additionally, the fiscal year 2013 guidance recommends that fusion centers continue to mature their analytic capabilities.

[22] See Appendix III.
[23] Id.

In a briefing provided to the Committee, representatives from FEMA's Grant Programs Directorate (GPD) stated that since adding the IJ requirement, grant dollars requested for fusion centers have increased.[24] ***However, FEMA has long acknowledged significant gaps in its ability to provide an accurate accounting of grant funding going to fusion centers. FEMA's inability to accurately account for these funds is unacceptable, and the Committee has been closely monitoring FEMA's progress to correct this serious deficiency.***

In fiscal year 2011, FEMA, in coordination with I&A, developed a new function in the Grant Reporting Tool allowing grantees to check a box indicating projects that support fusion centers. According to GPD, this additional check box improves accuracy and provides a more complete picture of grant funds expended on fusion centers.[25] Unfortunately, while an improvement over previous years, this "self reporting" check box still does not accurately reflect the total amount of grant funds allocated to fusion centers. The Committee is extremely disappointed with these results and will continue to work with FEMA to ensure further improvement in accounting.

In addition to the check box, the fiscal year 2013 grant guidance requires States and urban areas to consolidate all fusion center related projects into a single IJ. The Committee hopes that this new requirement will further enhance FEMA's ability to provide an accurate accounting of grant funds allocated to fusion centers.

Funding Challenges

The Committee spent significant time during the site visits discussing the challenges faced by individual fusion centers due to the current grant process, the most common of which are identified below.

- **Uncertainty of Funding**: The principal budgetary challenge cited by fusion center personnel was uncertainty of funding. Although all of the fusion centers recognize the difficult budget climate at both the State and Federal levels, the inability to budget with a reliable expectation of a fusion center's top line operating budget from year to year reduces the ability to engage in strategic or long term budget planning, or introduce new capabilities into the center.

  Personnel from three fusion centers told the Committee that when their fusion center opened, they immediately implemented a plan to reduce, and eventually eliminate, dependence on Federal grants over a period of years. However, significant, unexpected cuts to the grants were a "shock to the system" and, in at least two of those cases, the States did not have the ability to provide additional funding to make up for the reduced Federal funds. Therefore, a reduction in fusion center capability was the only available solution.

[24] FEMA and I&A briefing to the Committee, August 23, 2012.
[25] Information provided by FEMA GPD, June 20, 2013.

The continued maturation of the National Network, and its ability to meet the National mission needs, requires a level of sustained base funding to ensure that individual fusion centers are able to grow and maintain capabilities, and adapt to the changing nature of the threat environment. As discussed in *The Number of Fusion Centers in the National Network* section of this report, the Federal Government should undergo a thorough examination to determine whether grant funds should be targeted to a narrower subset of fusion centers.

> *"It is vital to the security of our homeland that States and localities are able to continue to receive funding for the participation of State and local analysts in fusion centers…. While fusion centers are increasingly seen as national assets given their central role in sharing information across the country, the cost of their operation has been a continuing concern…. Congress, in the Implementing Recommendations of the 9/11 Commission Act of 2007 (P.L. 110-53) … recognized that sustainment funding for fusion centers necessarily involves Federal support for the hiring and retention of intelligence analyst at fusion centers."*
>
> *- House Committee on Homeland Security's Committee Report on the "PRICE of Homeland Security Act" House Report 110-752, July 10, 2008*

Additionally, DHS should carefully examine other grant and funding models to determine if another would be more effective.

- **Period of Performance:** In fiscal year 2012, FEMA reduced the period of performance for SHSGP and UASI from three years to two in an effort to expedite the drawdown of funds. Due to internal State processes, personnel from many fusion centers stated that they often do not receive grant funds until 10 to 12 months after the grant is awarded. Further, in order for State and local grant managers to meet their deadlines, the subgrantees (i.e. the fusion centers) are often required to close their books one to two months prior to the official period end. According to fusion center personnel, this leaves centers with a year or less to actually expend the funds. For many fusion centers, this prohibits or inhibits the ability to use grant funds to hire contract analysts or engage in service agreements, particularly once contract approval time is factored in, which could, in reality, leave only months. Despite the concerns raised by many stakeholders, FEMA kept the period of performance at two years for fiscal year 2013.

  It is unclear what other unintended consequences grantees and subgrantees may be experiencing from the change in the period of performance. FEMA should carefully examine the current environment in which the ultimate intended recipient of grants must operate, to determine whether a return to a three-year period of performance, or other changes, may be necessary. At a minimum, FEMA should guarantee that fusion centers will receive waivers for analyst expenditures.

- **Grant Distribution Process:** According to fusion center personnel, one of the biggest challenges they face is their State's individual processes for SHSGP and UASI fund competition and distribution. Fusion centers are by their very nature in the "prevention business." However, the District of Columbia and 12 of the 20 States visited (representing

19 fusion centers) have emergency management agencies serving as the State Administrative Agency (SAA), the agency designated by the governor to administer homeland security grants.[26] According to personnel at many of the fusion centers, the result has been a tendency to favor response and recovery over prevention and protection in State grant distribution processes.

DHS's recent grant guidance shows a clear desire to recommit Federal funds to prevention and protection, in addition to response and recovery. However, many fusion center personnel suggested that while the current grant guidance is good, it is not strong enough to ensure fusion centers are fully supported by the States. For example, the guidance requires that one IJ be directed to fusion centers, but does not require a specific amount or percentage of funds to be expended. Therefore, in theory, a State that provides just $1.00 to its fusion center will be in compliance with this requirement.

Fusion centers that have a close relationship with their State's SAA, and those with SAAs who are well-educated about what the fusion center is and does, appear to fare better in the State grant process. Fusion centers should do everything possible to ensure the SAA is fully educated as to the fusion center's mission and value to the State and/or urban area. The National Network should continue to make education and outreach to State leadership a priority.

- **Future Grant Cycles:** The President's fiscal year 2013 budget request for FEMA proposed a new, consolidated, National Preparedness Grant Program (NPGP). This program would replace a number of the terrorism preparedness grant programs, including SHSGP and UASI. However, the proposal lacked sufficient detail on how high risk urban areas would apply for funding, a major concern for fusion centers currently receiving UASI funding. The lack of clarity raised further questions as to whether or not fusion centers would remain a National priority under the NPGP.

  Given the insufficient level of detail in both the request and further discussions with FEMA officials, and the lack of stakeholder engagement in the proposal's development, there was bicameral, bipartisan concern in Congress with, and opposition to, the NPGP proposal. As a result, the *Consolidated and Further Continuing Appropriations Act of 2013* (Pub. L. 113-6) prohibited FEMA from implementing the NPGP in the absence of authorization by Congress.

  Despite this explicit instruction, the Committee was frustrated to see that the President's fiscal year 2014 budget request re-proposed the NPGP, again failing to provide sufficient detail or proposed legislative language for the program's authorization. As a result, the *Fiscal Year 2014 Department of Homeland Security Appropriations Act* (H.R. 2217), which passed the House on June 6, 2013, again prohibits FEMA from using funds to implement this program.

[26] The SAAs for three States and the District of Columbia oversee both the State's homeland security and emergency management agencies.

Moving forward, FEMA needs to conduct proper outreach to all stakeholders, including law enforcement agencies and Congress, when considering whether to restructure the grant program. Further, in the coming years, and whether or not there are changes to the grant program, it is imperative that fusion centers remain a National priority in the grant guidance.

Other Grant Sources

With the reduction in available SHSGP, UASI, and State funding, some fusion centers have started to explore non-DHS grant sources. For example, four of the visited centers receive grants from DOJ's Bureau of Justice Assistance. Because of its public health representatives, one fusion center qualifies for Centers for Disease Control and Prevention grants. Further, five of the visited fusion centers benefit from funding through collocation with HIDTA analysts.[27]

The Committee was surprised to learn that many fusion centers had not explored grant sources beyond SHSGP and UASI. The National Network should establish a mechanism by which the individual fusion centers are able to share information regarding nontraditional funding sources.

ANALYSIS & TRAINING

> *"[T]he successful use of the legal system to address the first World Trade Center bombing had the side effect of obscuring the need to examine the character and extent of the new threat facing the United States…. The law enforcement process is concerned with proving the guilt of persons apprehend and charged…. The process was meant, by its nature, to mark for the public the events as finished … It was not designed to ask if the events might be harbingers of worse to come. Nor did it allow for aggregating and analyzing facts to see if they could provide clues to terrorist tactics more generally – methods of entry and finance, and mode of operation inside the United States."*
>
> *- The 9/11 Commission Report, 2004*

Analysis is an area that continues to need significant attention across the National Network. In addition to a generally recognized need to increase the caliber of State and local analysis, healthy and mature fusion centers should look beyond local crime analysis, local criminal investigative support, and the traditional "law enforcement process." As vital players in the Homeland Security Enterprise, and the strategic intelligence component of a given State or region, fusion centers engaging in crime analysis to support tactical and operational intelligence needs, should do so through a lens of strategic threat analysis. As members of the National

[27] Types of HIDTA funding benefiting fusion centers include: staffing; information systems and technologies; training and exercises; and management and administration.

Network, fusion centers' strategic threat analysis should ultimately be driven by and include a counterterrorism focus.

Fusion centers should be hubs of State and local strategic analysis, "aggregating and analyzing facts to see if they could provide clues to terrorist tactics," asking if events "might be harbingers of worse to come."[28] Ultimately, it is the FBI's responsibility to conduct counterterrorism investigations. However, no single government entity has the mission and capacity to coordinate, gather, and look comprehensively across the massive volume of State and locally owned crime data and SARs and connect those "dots," particularly those related to local crime and, potentially, the nexus between those criminal activities and terrorist activity. This is the principal value proposition for the National Network.

National Mission Analysis

As discussed earlier in this report, membership in the National Network must carry with it certain requirements and expectations; most importantly a partnership in the National mission. ***However, many fusion centers struggle to strike the right balance between meeting State and local mission priorities and National ones, often leaning more heavily toward the State and local priorities. As a result, the National Network, the Federal Government, and therefore the National mission, are not receiving the maximum potential benefit from many of the fusion centers.***

The Committee is aware of stakeholder discussions regarding the possible establishment of special analytic units within fusion centers in an attempt to increase the value derived for the National mission from State and locally held information. The idea of some form of specialized analytic unit has merit as a possible means to achieve greater concentration on National mission areas, provided it could be accomplished without establishing artificial barriers between the fusion center mission sets. The success of any such unit would be contingent upon a mature and healthy fusion center foundation, and any special analytic unit should remain fully entwined with the host fusion center's broader mission space. Such a unit could serve as the primary focal point within the fusion center to engage on Intelligence Community (IC) issues and priorities, while leveraging existing capabilities, resources, and expertise resident in the center. Prior to standing up any such specialized units, stakeholders should comprehensively map out the concept, path forward, and desired end state, and determine metrics to demonstrate success. The Committee will continue to work with stakeholders, to determine whether this or a similar concept, would benefit the National mission.

Further, as discussed in the *DHS and the Fusion Centers* section of this report, the Committee believes that deployment of additional I&A Intelligence Analysts to the fusion centers may enhance National mission-focused analysis derived from State and locally-held information.

[28] *Final Report of the National Commission on Terrorist Attacks Upon the United States* (The 9/11 Commission Report), July 2004, p. 73.

Areas for Increased Analytic Focus

As noted earlier, many fusion centers must move beyond tactical analysis and toward greater strategic and counterterrorism analysis, and the need remains for further development of general analytic capability and tradecraft. There is, none-the-less, marked improvement in the analysis performed and products produced by fusion centers in recent years. Two specific areas where the National Network should increase its analytic focus are SAR trend analysis, and CIKR threat and vulnerability analysis. SAR trend analysis is discussed below and CIKR is discussed in the *CIKR, Cybersecurity, & Private Sector Outreach* section of this report.

Suspicious Activity Reporting Trend Analysis

Fusion centers are in the best position to perform SAR trend analysis for their AOR and, ideally, work with other centers regionally to form a comprehensive picture. Most of the fusion centers visited receive and vet SARs in a clearinghouse fashion and, if a potential nexus to terrorism is identified, pass them along to the FBI for possible investigation. While a number of those fusion centers visited regularly publish a "SAR Report," highlighting SARs for law enforcement and first responders, only three engage in more advanced SAR analysis and reporting.[29] SAR trend analysis is an important next phase in fusion center analytic development. I&A should then use that State and local analysis to regularly produce National SAR trend analysis.

To highlight one regional developing best practice, the four fusion centers covering the National Capital Region (NCR) – the Virginia Fusion Center, Northern Virginia Regional Intelligence Center, Washington Regional Threat and Analysis Center, and the Maryland Coordination and Analysis Center – partner to publish a monthly SAR awareness report for the entire NCR. Importantly, given the high threat nature of the region and the high volume of Federal, State, and local law enforcement agencies operating in extremely close proximity, this product helps to provide common situational awareness.

SAR collection is discussed in the *Terrorism Liaison Officer Programs & Suspicious Activity Reporting Collection* section of this report.

Fusion Center Production

The overwhelming majority of visited fusion centers publish specific product lines on a regular basis. Many have a wide variety of products ranging from general situational awareness to officer safety bulletins. In more advanced centers, production includes strategic pieces focusing on terrorist groups, gangs, drugs, and SARs, and their relevance to the fusion centers' AOR.

Not surprisingly, the analysis produced by more mature fusion centers is often more strategic, maintains a more balanced production approach, and demonstrates greater depth than the analysis produced by less mature centers. Generally speaking, the more mature fusion centers

[29] Based upon data collected during site visits, January-August 2012.

are also partnering more frequently with DHS and the FBI to produce joint products, both classified and unclassified.

According to the *2012 National Network of Fusion Centers, Final Report*, (*2012 Final Report*), which published the findings of the 2012 Assessment,"77.9% of the National Network (60 fusion centers) have analytic production plans," an increase from 68.1% in 2011.[30] Formal planning is a significant accomplishment in a fusion center's maturation, and demonstrates a more deliberative approach to analysis. ***These plans should be oriented to ensure that fusion centers' production serves their State and local missions as well as the National counterterrorism and broader homeland security missions, and should encourage the continued growth and development of strategic analysis.***

In an effort to increase and encourage fusion centers' use of common information sharing platforms, in fiscal year 2013, centers that are leveraging SHSGP and/or UASI funds will be "evaluated based upon compliance with … [posting] 100 percent (100%) of distributable analytic products (as defined by the annual Assessment process) to the Homeland Security Information Network's (HSIN's) Homeland Security State & Local Intelligence Community of Interest (HS SLIC) as well as any other applicable portals, such as LEO, RISS, their agency portal, etc."[31] The Committee notes DHS's use of the grant guidance to enhance standardization and further improve information sharing across the National Network, and encourages the fusion centers to comply with this requirement in the short term.

Fusion Center Analytic Training

> *"This environment also requires analysts to have the necessary experience, expertise, and training on crime and intelligence analysis functions; tactical, operational, and strategic products; and Intelligence Community oversight of the use of data from sensitive sources."*
>
> *- Common Competencies for State, Local, and Tribal Intelligence Analysts, June 2010*

According to the *2012 Final Report*, the National Network has, as a whole, reached the second stage in the Maturity Model, the "Emerging Stage."[32] Although this demonstrates growth in the National Network since 2011, some fusion centers have reached more advanced stages of analytic capability, and require specialized training to sustain and continue to grow their workforce. ***Additionally, many fusion centers still require a significant basic training on analytic tradecraft to improve basic competencies. When asked, fusion center personnel most often stated that the training provided by I&A is excellent, but more is needed, particularly advanced analytic training.***

I&A currently deploys a number of select courses across the country via its Mobile Training Teams (MTT). However, budgetary constraints have limited I&A's ability to deploy the MTTs

[30] *2012 National Network of Fusion Centers, Final Report,* June 2013, p. 16; *2011 National Network of Fusion Centers, Final Report*, May 2012, p. 14.
[31] *FY2013 Homeland Security Grant Program (HSGP) Funding Opportunity Announcement*, p. 42.
[32] According to the Maturity Model, the "Emerging Stage" is reached when 75% of fusion centers in the National Network have the systems, mechanisms, and processes needed to implement the plans, policies, or SOPs and the COCs and ECs as a whole. See Appendix IV.

more broadly. Fusion center analysis will not continue to grow to fully meet National needs without additional and advanced analyst training.

Limited numbers of State and local fusion center analysts have attended the Washington, DC-based in-residence Basic Intelligence Threat Analysis and Mid-level Intelligence Threat Analysis Courses (BITAC & MITAC), developed by I&A primarily for DHS intelligence analysts. Further, I&A has worked with the IC to make some IC-wide training opportunities available to State and local analysts.

Having State and local intelligence analysts trained to Federal analytic standards will go a long way in continuing to break down the divide between Federal and State and local analysis, and would likely increase the utility of fusion center analysis to the National homeland security mission. However, the ability for fusion center analysts to travel to Washington, DC for training can be an obstacle. I&A should continue working with National Network representatives to determine whether alternate combinations of in-residence and virtual coursework, or other models, would better serve the needs of fusion center analysts. The Committee was encouraged to learn recently of I&A's plan to pilot the BITAC as a combination online and in-residence course in fiscal year 2013, and looks forward to learning the results of that pilot.

Fusion center personnel expressed a need for increased Federal training opportunities in CIKR threat and risk analysis and cybersecurity analysis. DHS should explore further incorporating fusion center analysts into DHS's broader cybersecurity workforce training programs, and developing supplementary CIKR training modules to ensure the fusion centers have the capability to be full mission partners.

Fusion Center Analyst Career Path and Training Roadmap

State and local intelligence analysts come from a wide variety of backgrounds including sworn officers, crime analysts, recent graduates, contract analysts, and seasoned former DOD and IC analysts. ***However, as with any career, the best and brightest are often poached by agencies offering more money and greater career advancement potential. In many cases it appears the fusion centers have become a training ground for future Federal intelligence analysts.***

Throughout the visits, the Committee heard consistent pleas for aid to increase the quality, pool, and retention of fusion center analysts. Increased and advanced training opportunities and analyst career paths are essential to achieve National Network analytic capability and capacity improvements. Further, established State and local intelligence analyst career paths are necessary to grow and retain talented fusion center analysts, and develop future fusion center leaders.

The Federal Government and stakeholders should continue efforts to examine options and implement a plan to address these issues. Federal assistance could include further expansion of training opportunities and guidance in establishing an analyst training roadmap defining analytic competencies. Any such roadmap should be focused to ensure a level of commonality and interoperability between Federal, State, and local intelligence analysts. The National Network is

also encouraged to develop its own specialized, training programs for fusion center analysts nationwide.

Partnerships and Coordination

An important opportunity for growth in the National Network is the partnership between analysts in different fusion centers. Sharing locally-gathered information between analysts, bringing together expertise, and challenging assumptions are at the heart of intelligence analysis. There are many ongoing joint projects, not only among fusion centers in a single region, but also across the country. More should be done to increase and encourage these partnerships.

Opportunities for analytic mentorship both within and between fusion centers should be exploited to the fullest extent possible and formalized across the National Network. Although not a complete substitute, paring senior analysts with junior analysts, and establishing analytic partnerships between mature and immature fusion centers could go a long way toward mitigating current training gaps.

Organized analytic coordination between fusion centers is an area beginning to show growth within the National Network, and should be further enhanced. The Northeast Fusion Center Region's effort, where all nine fusion centers are working to establish a program of analysis to identify regional threats and guide production, should serve as a model for regional coordination. The program facilitates collaboration and deconfliction, while also serving as a mechanism to ensure regional threats are analyzed by assigning fusion center "leads" to specific topics. California's Lead Analyst Working Group serves a similar function across the State's six fusion centers. Other regions should consider similar models.

TERRORISM LIAISON OFFICER PROGRAMS & SUSPICIOUS ACTIVITY REPORT COLLECTION

> *"TLOs are a vital link in keeping those engaged in public safety professions aware of current terrorist tactics, techniques, and practices. Through the diligent performance of their duties, public safety personnel are alerted to terrorism indicators and warnings that might otherwise go unreported."*
>
> *- Terrorism Liaison Officer Information Network*
> *Joint Regional Intelligence Center, www.TLO.org*

Terrorism Liaison Officers

One of the greatest value propositions for the National Network, and also an area recommended for immediate growth, are the TLO, and TLO-like, programs.[33] TLO programs are vehicles that enable police officers, emergency response providers, public health officials, the private sector, and other fusion partners to achieve broader situational awareness and become formally trained partners in the National counterterrorism mission. TLOs are the conduit between the fusion centers and their home agencies, and should ultimately number enough to cover all of a fusion centers' AOR. Further, some fusion centers also leverage their TLO network to serve broader homeland security mission needs. TLO networks can be an effective tool for communication and information sharing, although counterterrorism should remain the primary focus of the TLO programs.

In addition to quantity and training, diversity is key to strong and effective TLO programs. Law enforcement is the most well represented constituency in the majority of TLO programs, primarily a result of fusion centers' law enforcement roots. However, fusion centers that do not incorporate other, non-law enforcement, sectors into their TLO program are leaving a significant gap. TLO programs should include fire, EMS, public health, and the private sectors. Given that a primary National Network function is outreach to, and two-way communication with, the front lines, it is impossible for fusion centers to be robust National counterterrorism mission partners without a strong TLO program. In the most basic programs, TLOs serve as a point of contact to disseminate fusion center information and products to the field. This is a first step in TLO program development. In many States, TLOs are also the primary link to report SARs to the fusion centers. In more advanced programs, TLOs receive significantly more training to educate their home agencies on threats and trends, and conduct outreach to critical infrastructure owners and community groups.

The Committee observed a number of very strong TLO programs and identified best practices, but notes that many TLO programs are in their infancy, have been slow to roll out, are too small to provide adequate coverage, or are limited in the sectors involved (i.e. only law enforcement). At the time of the site visits, seven fusion centers were in the very early stages of developing their TLO programs.

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[33] TLOs are also known as Fusion Liaison Officers (FLO), Intelligence Liaison Officers (ILO), or by other names unique to individual host fusion centers.

Additionally, six fusion centers do not have a formal TLO program and also do not appear to have plans to develop one.[34] Further, some centers with formal programs had not conducted the broad outreach necessary to establish TLOs throughout their entire AOR.

The disparity in TLO programs, including training requirements that range from a single course that lasts only a few hours, to one that lasts several days and includes frequent supplemental training, would likely benefit from a thorough Network-wide review. There may be opportunities for States to combine training elements, reduce costs, and increase overall effectiveness and awareness of best practices.

Given the Federal benefit from a strong nationwide network of TLOs, the Federal Government should continue to work with fusion centers to strengthen the TLO programs across the National Network. The Committee notes current Federal efforts in this regard – including sponsoring the March 2012 National Fusion Liaison Officer Program Workshop, the Fusion Liaison Officer (FLO) Technical Assistance Program, and bimonthly calls with FLO coordinators – as a step forward in this effort. The fusion centers, DHS, the FBI, and other stakeholders should come together and determine what, if anything, may lend itself to TLO standardization across the National Network. This is also an area DHS could explore as a possible initiative in future years' grant guidance.

"In June 2011, the Lakewood, Colorado Police Department received information that an individual had placed two improvised explosive devices at a Borders bookstore at the Colorado Mills Mall. Due to the nature of the crime, the Lakewood Police Department notified the FBI of the incident, who in turn activated the JTTF. Agents from the JTTF and the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) responded to the scene and began collecting information, which they passed to the Colorado Information Analysis Center (CIAC). A few hours later, the CIAC sent information to fusion centers nationwide and Terrorism Liaison Officers (TLO) statewide, requesting information that may relate to the incident. Less than 15 minutes after sending this information to Colorado TLOs, the CIAC received vital information from a State Trooper. Approximately twenty-four hours earlier, the suspect crashed his vehicle and was taken into custody for Felony Menacing and Driving Under the Influence of Alcohol. After receiving the information from the CIAC, the arresting officer believed the suspect he arrested was also the suspect in the bookstore-bombing attempt. Concurrently, and while the investigation was still active, the CIAC received another lead from a different TLO which linked the suspect to yet another device that partially detonated near a hotel a short distance from the bookstore. The CIAC in turn passed this information to the FBI JTTF to further support the investigation and the subject was arrested."

- Provided by the FBI to the Committee, October 23, 2012

Although best practices can be drawn from elements of many different TLO programs, a few highlights are below:

[34] One of the fusion centers reporting that they do not have a TLO program did report an informal liaison program within its AOR.

- Central Florida Intelligence Exchange (CFIX) Intelligence Liaison Officers' (ILOs) responsibilities include further analyzing CFIX products and tailoring them to the ILOs' individual county prior to further distribution. Additionally, the CFIX assigns ILO Coordinators to track ILO work and ensure they are, in fact, further disseminating CFIX information. CFIX ILOs are nominated and selected based on gaps in a discipline (law enforcement, fire, health, etc.) to ensure broad coverage. Florida is currently in the final stages of developing a statewide concept of operations to harmonize ILO programs across the State.

- California's STAS includes a coordinated statewide TLO program. Although TLOs are recruited by individual fusion centers, training and certification are managed jointly across the STAS, increasing opportunities for all.

- The New Hampshire Information & Analysis Center (NHIAC) ties its ILO program to grant expenditures. ILOs' home agencies receive salary reimbursements for the certified time their officers spend working with the NHIAC in an ILO capacity, namely improving information sharing between the NHIAC and the ILOs' home agencies in line with National priorities and capabilities.

- Robust TLO programs should recruit beyond traditional law enforcement, and incorporate partners from a variety of disciplines. Many fusion centers have, or are in the early stages of incorporating, fire services and EMS TLOs. Of the fusion centers visited, 15 have emergency response TLOs (fire, EMS, health, and emergency managers). Nine fusion centers have programs that train private sector/CIKR representatives in a similar capacity, and seven have also partnered with DOD.

- As standard operating procedure, the vast majority of visited fusion centers consistently reach back to TLOs in an effort to "close the loop" following receipt and vetting of SARs. Letting TLOs (or other reporting agencies) know the disposition of SARs is vital to maintaining an active TLO Network and encourages further reporting and information sharing. This should be standard practice across the National Network, and those fusion centers not currently doing so should immediately take steps to conduct this follow-up.

    - This recommendation also applies to the FBI when it receives SARs passed from the fusion centers. Closing the loop is an important practice to maintain strong partnerships. Additionally, this type of feedback may help the FBI establish a more detailed tracking methodology for the disposition of information it receives from the fusion centers or other State and local partners.

Suspicious Activity Reporting Collection and Vetting

Enabled by robust TLO programs, SAR collection and vetting, awareness bulletins, and trend analysis are an important part of fusion center operations. No single government entity has the capacity or mission to vet the volume and broad array of SARs reported nationwide by State and locals. Although the FBI is ultimately responsible for investigating terrorism-related SARs,

incoming reporting to fusion centers also includes drug, gang, and other crime-related activities that fall within the fusion centers' jurisdiction. ***Therefore, fusion centers should be the primary collection point and should be staffed to vet all incoming SARs within their AOR.*** It is absolutely vital, however, that a system be in place to ensure that the FBI immediately receives any SAR deemed to have a possible nexus to terrorism. Insofar as the Committee assessed, timely transmission of SARs to the FBI appears to be occurring in all of the visited fusion centers.

During the site visits, 30 fusion centers were identified as the primary collection point for SARs in their area, and two had limited or no official SAR collection, vetting, or analysis program. Subsequently, as of the April 2013 survey, one of those two fusion centers had taken steps toward developing a SAR collection and vetting program. The Committee is extremely concerned that a lack of SAR collection, vetting, and analysis by fusion centers may result in missed opportunities and a heightened security risk.

As noted in the *Analysis & Training* section of this report, SAR trend analysis is an area needing increased fusion center attention.

Shared Space and eGuardian

Ongoing FBI and Nationwide SAR Initiative (NSI)-Program Management Office (PMO) efforts to address interoperability challenges between eGuardian and the Shared Spaces appear to be having a positive effect. During the site visits, the Committee noted significant remaining challenges, particularly ensuring that information entered into one system fully populated into the other. Additionally, due to individual State laws regarding retention of information or relationships with the FBI, several fusion centers had chosen to exclusively enter SARs into one system over the other. The result appeared to be a continued risk that neither the Shared Spaces nor eGuardian included all vetted SARs, despite efforts to eliminate that risk, which the Committee then-noted as a significant gap.

At the time of the Committee's site visits, 15 fusion centers reported entering SARs into both systems; 11 reported entering SARs into only one of the two systems, for various reasons; and five did not enter SARs into either system. According to survey data received in April 2013, 17 fusion centers reported that they now enter SARs into both systems; 12 enter SARs into one of the two systems; and three still do not enter into either system.

Based upon information received from DOJ and the FBI on July 15, 2013, the NSI-PMO and the FBI's Guardian Management Unit appear to have fully addressed the concerns noted above by recently fully automating the push of SARs between the systems.[35] The Committee notes this as a significant milestone in breaking down barriers to information sharing.

DHS, DOJ, and stakeholders demonstrated a significant effort to improve commonality in SAR reporting and sharing through the development of "A Call To Action: A Unified Message

[35] Information provided by FBI and DOJ to the Committee, July 15, 2013.

Regarding the Need to Support Suspicious Activity Reporting and Training."[36] Nonetheless, the Committee continues to question the prudence of having two separate systems for sharing terrorism-related SARs. In December 2011, then-Chairman King, along with Ranking Member Bennie Thompson, and Senate Committee on Homeland Security and Governmental Affairs Chairman Joseph Lieberman and Ranking Member Susan Collins, asked the Government Accountability Office (GAO) to review the NSI, including Shared Space and eGuardian. The results of that study were published in March 2013.[37]

The Committee is aware that the NSI is currently undergoing a significant overhaul, with an anticipated plan release expected in the August-September 2013 timeframe. The Committee looks forward to receiving a briefing on the new proposal, and will continue to conduct oversight of the NSI to ensure SARs are being collected, shared, and disposed of in the most effective and efficient manner to protect the Homeland.

CUSTOMERS & LEVERAGING THE POWER OF THE NATIONAL NETWORK

Individual Fusion Centers

The diversity of individual fusion centers' customer sets varies widely. The Committee observed that fusion centers "owned" by a single organization, with little outside representation in the center, are often narrowly focused on a small subset of customers or even a single primary customer. These fusion centers also tend to be more focused on tactical crime analysis and investigative support rather than strategic threat analysis. ***As these fusion centers continue to mature they should incorporate nontraditional partners, thereby strengthening and expanding their analysis and its applicability to additional customers.***

A mature fusion center should be incorporated into its State's broader statewide information sharing plan, and its customer base should be multi-layered to include State and local leadership, law enforcement, emergency response providers, critical infrastructure, the private sector, the National Network, and the Federal Government. In the case of States with a single statewide fusion center, that center must include not only its immediate local area, but the entire State within its customer set. A wide variety of relevant customers leads to an increased general awareness of the fusion center and its mission. Many fusion centers have seen this yield increased formal partnerships, and greater information sharing and reporting to the fusion center. In many cases, this appears to have also led to an increase in resources dedicated to the fusion center from State and local fusion partners.

Fusion center threat analysis should be used to assist State and local leaders in prevention and preparedness resource allocation. Since many governors, State homeland security advisors, and local law enforcement leaders hold security clearances, fusion centers should not shy away from

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[36] "*A Call to Action: A Unified Message Regarding the Need to Support Suspicious Activity Reporting and Training*," 2011. http://nsi.ncirc.gov/documents/A_Call_to_Action.pdf

[37] See Appendix V.

utilizing the classified information available to them to create the most comprehensive threat picture possible for cleared customers.

The extent to which fusion centers should utilize classified information and publish classified products continues to be a subject of some debate, and is discussed further in the *Access To and Use Of Classified Networks and Information* section of this report.

The National Network

The National Network's customer set should mirror that of individual fusion centers. Meaning, the entire Network can and should be leveraged for the benefit of all those operating within it. ***Participation in the National Network as a true National mission partner should mean having the power of the other 77 fusion centers across the country readily available and accessible to any individual center.***

When asked about their interactions with other centers, fusion center personnel consistently gave a strong, positive response. Most fusion center personnel noted a subset of other centers they partnered with more frequently than others, often due to shared analytic interest, expertise, or threat. Fusion center personnel frequently commented that even without a personal relationship with another center, participation in the National Network means having a trusted partner on the other end of the phone.

The National Network should continue its efforts to strengthen partnerships between fusion centers, to include joint training opportunities and analytic collaboration across the National Network, like that discussed in the *Analysis & Training* section of this report.

SECURITY CLEARANCES

> *"Results from the 2012 Assessment indicate that all 77 fusion centers (100%) have personnel with at least a Secret-level security clearance. Furthermore, of the 1,966 SLTT personnel identified by fusion centers as needing security clearances, 1,618 (82.3%) have been granted a clearances. Of the remaining SLTT personnel identified as needing a clearance, 210 (10.7%) have submitted clearance requests and are awaiting final adjudication. Despite their success in clearing staff and retaining cleared staff, fusion centers reported that they anticipate the need to submit approximately 500 new SLTT clearance requests within the next 12 months, mainly because of staff turnover."*
>
> *- 2012 National Network of Fusion Centers, Final Report June 2013*

All of the 32 visited fusion centers have State and/or local analysts cleared to at least the Secret level, while 18 have at least one State and/or local staff member cleared to Top Secret (TS) or TS//SCI.[38] At least two of the fusion center directors did not currently hold a security clearance, but were in process of applying at the time of the Committee visit. In at least seven instances, the fusion center director holds a lower level clearance than individuals reporting to him or her, usually occurring when local detectives assigned to the Joint Terrorism Task Force (JTTF) fall within the fusion center chain of command. Additionally, due to a recent high turnover of fusion center directors across the National Network, the Committee believes the number of directors currently without a clearance, or holding a lower level clearance, may be much higher.

DHS appears to be doing a capable job clearing State and local fusion center personnel to the Secret level; the Committee heard surprisingly few complaints about the process from fusion center personnel. As a matter of general policy, DHS does not clear any fusion center staff higher than the Secret level; when granted, it is the FBI that provides TS or TS//SCI clearances to fusion center personnel. Insofar as the Committee could ascertain from field research, these higher-level clearances are generally sponsored as a result of a positive existing relationship between the fusion center and the local FBI, rather than a concerted effort from FBI Headquarters to clear fusion center personnel.

The Committee requested additional information from FBI Headquarters regarding the formal policies surrounding granting TS and TS//SCI clearances to fusion center personnel. However, there appears to be a significant disconnect between the information provided by FBI Headquarters and the field situation described by fusion center personnel. The Committee will work closely with the FBI and fusion centers to ensure a common policy is implemented, and stakeholders are aware of that policy.

Additionally, as a matter of practice, DHS grants governors and State homeland security advisors TS clearances, further expanding a gap in information sharing with the very organizations designed to support State and local policymakers- the fusion centers. DHS should revisit its

[38] The total number of fusion centers with State and local personnel cleared to TS//SCI includes State or local personnel falling within the fusion center chain of command but are assigned to the local Joint Terrorism Task Force.

State and local clearance policies to determine whether it has inadvertently set up a wall between the fusion centers and policymakers, making it more difficult for fusion centers to fully support State leadership.

Given the complexity of threats facing the Nation, and the need for collaboration across all levels of government, it seems reasonable for at least one individual within each fusion center, ostensibly the director, to hold a TS or TS//SCI clearance. This would allow increased awareness of threats and encourage greater interaction and information exchange between State and local leadership and the FBI field offices and JTTFs. Even if fusion center directors are unable to further disseminate the detailed information to their analysts, enhanced awareness would allow them to better focus their center's analysis and resources to address current threats, better support their customers, and serve as stronger National mission partners.

In an effort to understand the disparity in security clearances granted to State and local personnel and therefore their access to classified information, DHS, the FBI, and the PM-ISE should complete a thorough review of security clearances held not only by fusion center personnel, but also by all State and local government personnel. Additionally, TS and TS//SCI security clearances for State and local fusion center personnel, and consistent and enhanced access to classified information, should be part of the conversation surrounding the National Strategy for Fusion Centers and the Federal Strategy for Fusion Centers, discussed in the *A National Strategy for Fusion Centers & Measuring Success* section of this report.

Access To and Use Of Classified Networks and Information

> *"[T]he biggest impediment to all-source analysis – to a greater likelihood of connecting the dots – is the human or systemic resistance to sharing information."*
>
> *- The 9/11 Commission Report, 2004*

The Wikileaks case remind us that the post-9/11 era's vital "need to share" must be carefully balanced with accountability, reasonable restrictions on information sharing. The Committee is cognizant of the extreme difficulty in achieving this balance, both in terms of general policy and technological hurdles. ***However, although greatly improved since September 11, 2001, State and local access to, and use of, classified information continues to be a challenge.***

Not surprisingly, advanced fusion centers with well-trained, career intelligence analysts – many former IC or DOD analysts – voiced the greatest concern over the limitations of classified information access in the fusion centers. Additionally, and troublingly, several of the fusion centers visited make little or no regular use of classified information in their analysis. Some fusion center personnel went so far as to note that they see little value in it beyond general

situational awareness, because they are operating at the Unclassified or Sensitive-But-Unclassified (SBU) level to serve their uncleared law enforcement customers.

Although fusion centers should operate primarily at the Unclassified or SBU level to meet the majority of their customers' needs, the ability to utilize classified information to guide analytic priorities, shape Unclassified or SBU production, and create classified threat analysis, is a sign of fusion center maturity. Fusion centers should ensure analysts understand how to use classified information in developing a comprehensive threat picture for State and local leadership and National mission partners. This local picture should then be fused with other information to create statewide and multi-State regional analysis, and used by I&A, the FBI, and other Federal partners to develop a National threat picture.

Homeland Secure Data Network (HSDN)

Twenty-nine of the visited fusion centers have DHS' HSDN Secret network installed on site, and two others have off-site access due to recent facilities moves. As of July 15, 2013, 66 fusion centers across the National Network currently have access to HSDN either within the center or onsite.[39]

Fusion centers without HSDN, or other classified network connectivity, are at a disadvantage and are a weak link in the National Network. It not only leaves State and local personnel without classified access, but also leaves the IO without onsite access, thus compounding the information gap. IOs at those fusion centers have creatively developed workarounds (for example, coordinating with local Federal field offices for classified connectivity), but they are cumbersome and far less than ideal.

Given a variety of factors, DHS is currently unable to predict when it will complete HSDN deployment to the fusion centers, although it has tentative plans to deploy HSDN to five additional centers across fiscal years 2013 and 2014.[40] DHS should work to further prioritize and accelerate the HSDN deployment schedule, and achieve full installation at fusion centers as quickly as possible. DHS should also continue rigorous development of analytic and collaborative tools, and requisite training, to further encourage the use of classified information for advanced analysis.

The White List

At nearly every fusion center visited, the Committee heard concerns about the "White List" – a relatively short list of classified webpages accessible by cleared State and local fusion center personnel via the HSDN interconnection to DOD's Secret network, SIPRNet.

[39] Information provided by DHS to the Committee, July 15, 2013.
[40] *2012 National Network of Fusion Centers, Final Report*, June 2013, p13; DHS is unable to provide a final deployment timeline since deployment requires certified secure space and other requirements.

The Committee received a briefing from DHS and DOD regarding efforts underway to increase State and local access to information on SIPRNet.[41] As laid out, between the DHS vetting and DOD approval processes, each request will take approximately four weeks before users are granted access (if granted), assuming there aren't extenuating circumstances requiring additional steps. The Committee recognizes the difficult hurdles DOD faces in clearing information with content managers and originators, but believes this delay is potentially dangerous to homeland security. In many cases, waiting a month for access may be a frustration, but not a problem. In other instances, information may be of depreciating value as time passes, or potentially cause an increased risk to the Nation. By its very nature, intelligence is perishable. Although there are important reasons to restrict access, there is clear value in well-trained State and local intelligence analysts having access to a broader subset of Federally-held classified information than is currently available to them.

DHS should identify fusion centers that currently maximize classified information in its analysis and work with them to test the new access request system. Additionally, DHS and DOD should immediately work to reduce the current best-case timeframe required for access approval.

Further, DOD, with the help of I&A, and in consultation with other IC partners, should be more proactive in identifying information sets residing on SIPRNet that meet fusion centers' National mission objectives, and further their ability to assist Federal partners. DOD should also consult experienced fusion center analysts (particularly those former-IC and former DOD intelligence analysts), and the new Joint Counterterrorism Assessment Team for assistance in identifying relevant information.[42]

Following an apparent breakdown earlier this year, the Committee understands that DOD and DHS are again making progress to improve the process, and notes the recent addition of several sites to the White List. The Committee expects to receive a briefing on the updated process in the coming weeks, and will continue to exercise rigorous oversight over the White List processes to ensure its effectiveness in information sharing.

FBINet

According to the June 2012 *Information Sharing Environment, Annual Report to the Congress,* the FBI's Secret network, FBINet, is installed in 47 fusion centers.[43] ***However, the Committee found that direct State and local access is inconsistent across the 32 visited fusion centers.***

According to data provided by DHS that was collected as part of the 2012 Assessment, 17 of the visited fusion centers have at least one State and local partner with access to FBINet. However, the data collected as part of the Assessment process does not differentiate between State and

[41] DOD and I&A briefing to the Committee, September 6, 2012.
[42] The Joint Counterterrorism Assessment Team (JCAT) – a coordinated effort between the NCTC, I&A, and FBI – collaborates with members of the IC "to research, produce, and disseminate counterterrorism intelligence products for federal, state, local, and tribal government agencies and the private sector and advocate for the counterterrorism intelligence requirements and needs of these partners throughout the Intelligence Community." www.nctc.gov/jcat/jcat_roles_and_responsibilities.html
[43] *Information Sharing Environment, Annual Report to the Congress,* June 2012, p.4.

local personnel working in a fusion center and fusion center personnel assigned to a JTTF. This is a gap in understanding fusion center access to FBINet. Due to restrictions in information sharing outside of the JTTFs and the disparity in security clearances, State and local access to FBINet within a JTTF is not equivalent to fusion center personnel having onsite access. The Committee is continuing to investigate information sharing processes between the FBI and the fusion centers as part of its ongoing investigation into the recent terrorist attack in Boston.

The Committee heard at least three different versions of what fusion center personnel believe to be the "Official FBI Headquarters Policy" for State and local access to FBINet. Specifically: State and local access requires that the individual be deputized as a JTTF Task Force Officer; access requires direct line supervision of an FBI analyst (for example, if a fusion center's lead analyst is an FBI analyst, then local analysts falling in that chain of command could have access); or no one other than an FBI analyst or agent is allowed direct access to FBINet.

A similar disparity existed in IO access to FBINet located within the visited fusion centers. In some cases the IO was allowed to complete requisite training and access FBINet. In other cases, there appeared to be no mechanism for the IO to be granted access. This leads the Committee to conclude that the personal relationships between State, locals, DHS, and FBI in the field continue to be a driving factor in information sharing between them. The Committee applauds those individuals who continue to initiate information sharing improvements but, as noted earlier in this report, personal relationships cannot be the foundation for vital homeland security information sharing.

In an effort to ensure pre-9/11 paradigms and personal biases do not stand in the way of information sharing, the FBI should undergo a thorough review to understand current State and local access to FBINet. Further, the FBI, in consultation with State and local partners, DHS, and the PM-ISE, should establish standards to support more consistent access to FBINet for fusion center personnel and ensure a broad awareness of those standards among its homeland security partners. Additionally, the FBI and DHS should work together to establish a formal policy and process regarding IO access to FBINet in the field.

HSIN AND TECHNOLOGY STANDARDIZATION

Homeland Security Information Network

DHS is currently in the process of rolling out "HSIN 3.0." In June 2013, DHS completed full migration of State, local, and territorial users onto the new HSIN platform, and is currently working to complete the migration of Federal users. DHS anticipates complete migration of all users by July 31, 2013.[44]

> *"The mission of HSIN is to provide stakeholders across the Homeland Security Enterprise with effective and efficient collaboration tools for decision making, secure access to data, and accurate, timely information sharing and situational awareness."*
>
> *- DHS Briefing to the Committee April 2012*

[44] Information provided by DHS to the Committee, July15, 2013.

It is well known that HSIN was plagued by constant criticism from its inception and DHS continues to work toward significant improvement. ***To date, however, the Committee has received word of relatively few issues following the recent user migration, despite inquires to a number of State and local fusion center representatives.***

At the time of the site visits, the majority of visited fusion centers utilized HSIN, but to varying degrees. Some fusion centers queried it as an information source only, others maintained a local portal, and for others HSIN is their primary information sharing and analytic platform. Only a few fusion centers stated that they made little to no use of HSIN because of the system's historic problems.

Almost all fusion centers expressed concern about the ongoing HSIN issues at the time of the site visits, but those familiar with the HSIN 3.0 pilot seemed hopeful for the future. Many fusion centers said that they would consider increasing their HSIN usage, potentially even migrating from their current systems to HSIN, but were waiting to be sure HSIN 3.0 delivers all of the necessary capabilities.

By most State and local accounts, DHS has done significant outreach to the fusion centers over the past 18-24 months to solicit user feedback on HSIN capabilities. DHS must continue its efforts to ensure that all users are fully trained on its use and new capabilities, and solicit user feedback. DHS should further leverage its field representatives currently working with fusion centers – particularly the IOs and I&A's Regional Directors (RD), component intelligence analysts, and Protective Security Advisors (PSA) – to serve as HSIN mission advocates.

The Committee heard from some fusion centers that had realized significant cost savings by increasing HSIN usage; for example, utilizing the virtual meeting capability in order to cut down on travel costs. There may be ways to leverage HSIN capability, for both cost savings and programmatic outreach, that fusion centers simply have not considered. Fusion centers are encouraged to highlight their unique uses and cost savings to inform and educate other fusion centers across the National Network.

According to DHS, it is working to develop measures of HSIN success. The Committee is gratified to know that the HSIN Program Management Office recognizes that numbers of users alone does not measure the platform's viability and value to its users.[45] The Committee looks forward to receiving updates from DHS and stakeholders on its use and growth across the National Network.

Technology Standardization

A level of technology standardization is necessary to allow interoperability between Federal, State, and local analysts. The proliferation of fusion center investments in proprietary software and systems has grown considerably over the years. Many private companies have developed fixes to a lack of interoperability and disparate datasets, and many fusion centers have purchased

[45] HSIN Program Management Office briefing to the Committee, April 15, 2013.

one of any number of those fixes. Some centers have even developed their own in house, closed, statewide information sharing system while others primarily utilize Federal systems.

The situation is not significantly different at the Federal level, where any number of information sharing systems exist across all classification levels. Agencies developed similar yet different systems with the stated goal of enhancing information sharing and break down stovepipes, but this has resulted in there being no single National system for comprehensive nationwide counterterrorism and threat information sharing.

There are clear technological hurdles involved with user access controls, data security, and privacy protection requirements that would come from merging systems. However, in the current fiscal climate, Federal, State, and local governments cannot afford to fund and maintain numerous nearly duplicative systems. Additionally, the continued proliferation of databases and information sharing platforms continues to challenge intelligence analysts at all levels and, in the end, makes the Homeland less safe.

The Committee notes the inclusion of a single SBU platform as an Attribute of a "mature" National Network in the Maturity Model, and agrees that this must be a goal.[46] However, fusion centers likely cannot achieve this on their own, and the need for real leadership is clear. The Executive Branch should work with Congressional oversight committees and State and local stakeholders to determine an appropriate path forward, potentially merging similar Federal systems.

FUSION CENTERS & EMERGENCY RESPONSE

> *"The need for first responders to receive vital intelligence information to mitigate, respond to, and recover from terrorist attacks or natural disasters is far too great to limit the Intelligence and Information Sharing core capability to the prevention and protection frameworks."*
>
> *- Chairman Peter T. King, Congressman Gus Bilirakis, & Former Congressman Robert Turner, June 27,2012 Letter to Secretary Janet Napolitano, advocating for the inclusion of the intelligence and information sharing core capability to the Mitigation, Response, and Recovery Frameworks required by Presidential Policy Directive - 8*

First Responders & Public Health in the Fusion Centers

The value of incorporating the first responder and public health communities into fusion centers must not be understated. The fire, EMS, and public health sectors can be invaluable fusion partners, proving tailored expertise as analysts, and distinctive insight as TLOs.

[46] *2011 National Network of Fusion Centers, Final Report*, May 2012, p. 53.

Further, the situational awareness and safety information provided by the fusion centers should be an important factor in emergency planning and response.

Given that most fusion centers were born out of law enforcement agencies, the inclusion of fire analysts, fire liaisons, and public health officials in fusion centers is a relatively new phenomenon. While the vast majority of the visited fusion centers are taking steps to partner with local fire services and some are also partnering with their local health sector, the Committee was disheartened that a small handful of fusion centers remain resistant to establishing those partnerships. At one fusion center, personnel went so far as to note that because they do not consider themselves an "all hazards" center, fire and EMS are not necessary fusion partners. This is shortsighted.

By their nature, fusion centers are intended to gather, analyze, and share information from and with a variety of sources. Further, given the wide range of threats and terrorist tactics for which the Homeland must be prepared, fusions centers should not so easily dismiss nontraditional partners such as fire or EMS. Fusion centers lacking robust partnerships outside of the law enforcement community should make obtaining such partnerships an immediate priority.

Of the 32 visited fusion centers, 21 currently have at least one fire analyst or representative assigned either part or full time to the fusion center and 13 have at least one part- or full-time public health analyst assigned. As noted earlier, 15 fusion centers have emergency services TLOs (fire, EMS, public health, and emergency management). The Committee identified the exceptionally strong relationship between law enforcement and fire services existing at the Orange County Intelligence Assessment Center as a best practice.

Several visited fusion centers regularly publish products for the emergency services community, including descriptions of events and their applicability to fire and EMS, and articles specifically tailored for their operating environment. The Committee identified bulletins published by the San Diego Law Enforcement Coordination Center and the Northern Virginia Regional Intelligence Center among current best practices.

Fusion centers should work to increase outreach to the fire, EMS, and public health sectors, and bring them into the centers as full fusion partners. Fusion centers should also work with first responders to increase suspicious activity recognition and reporting, while protecting privacy and civil liberties.

> *"When I served as US Attorney for the Southern District of Indiana, I very proudly helped establish the Indiana Intelligence Fusion Center. I recently had the opportunity to visit it again as a Member of Congress. I was then, and I remain, a firm believer in the value of both individual fusion centers and the National Network of Fusion Centers. Fusion centers are a vital partner in the vast national homeland security mission space including, in many cases, a partner in emergency response and recovery efforts."*
>
> *- Congresswoman Susan W. Brooks, Question for the Record, Committee on Homeland Security, Full Committee Hearing, April 18, 2013*

Disaster Response & Recovery

As noted in the *Fusion Centers & the National Mission* section of this report, some fusion centers have become an important part of State and local disaster response and recovery efforts. For example, the New Jersey ROIC – which is collocated with the New Jersey EOC – recently played a significant role in information sharing and establishing a common operating picture for New Jersey's Hurricane Sandy response and recovery efforts.

According to information provided by the ROIC, FEMA, and I&A, during New Jersey's Hurricane Sandy response the fusion center became more aligned with the EOC and the State leveraged the fusion center's established communications channels – including the FLO program – to distribute information from the EOC to law enforcement, first responders, public health, and State and local emergency managers. The ROIC disseminated over 700 situational awareness reports to over 9,000 customers in the three weeks immediately following the hurricane, on topics ranging from providing the location of operational gas stations, shelters, and food distributions sites, to gathering and analyzing information on storm-related criminal activities, with the goal of enabling a more effective deployment of resources.

The Committee notes the Colorado Information Analysis Center's (CIAC) significant role in response and recovery efforts during the State's 2012 wildfires as another best practice. According to information provided by the CIAC, in June 2012 the CIAC deployed two Mobile Analytical Response Teams to Incident Command Posts around the High Park Fire and Waldo Canyon Fire. These teams helped streamline the communications flow, providing decision-makers with timely information. Additionally, these teams produced tailored "Flash Reports" summarizing Incident Command Post briefings, and disseminated them to the decision-makers, including the Governor's office. Further, during the wildfires emergency managers and firefighters from the affected and surrounding areas, who were not already TLOs, were added to CIAC dissemination lists to improve the information flow. Over the course of the 2012 wildfire season, CIAC analysts produced and disseminated over 300 Flash Reports.

The CIAC noted that Mobile Analytic Response Teams also supported the arson investigations surrounding some of the wildfires. According to the CIAC, these deployed analysts utilized information gathered from tips, leads, and Incident Command Post briefings to produce predictive analysis that assisted law enforcement officials during the investigation.

> *"The goal is to rapidly identify emerging threats; support multidisciplinary, proactive, and community-focused problem-solving activities; support predictive analysis capabilities; and improve the delivery of emergency and nonemergency services."*
>
> *- Fusion Center Guidelines, 2006*

A lack of communication and coordination between prevention and response organizations can impede the Nation's preparedness and response efforts. Although many fusion centers and emergency managers are actively working to establish or improve these relationships, there are still many States and urban areas where there appears to be a continued general lack of understanding of how these disciplines can come together to better serve their communities. In addition to the analytic collaboration described above, it is essential to the Nation's preparedness that fusion centers and State and local emergency managers clearly define – in

advance – the roles and responsibilities of each participating partner in an active disaster or steady state. Even those States and urban areas maintaining strictly counterterrorism or "all crimes" analytic fusion centers may find it helpful to explore the potential benefits of a formal response and recovery engagement strategy between their fusion center and emergency response agencies.

The Committee will continue to work with fusion centers, I&A, FEMA, and other stakeholders to better understand the current and potential relationship between prevention and response agencies at the Federal, State, and local levels, during both a steady state and active disasters, and explore how various levels of integration or coordination may affect response and recovery efforts nationwide. At a minimum, it appears that even non-"all hazards," purely analytic-focused, fusion centers – perhaps through their TLO networks – could help facilitate an additional level of communications and outreach with law enforcement and first responders during the response and recovery phases of a natural disaster or terrorist attack. The Committee was encouraged to learn of plans for an upcoming meeting, hosted by I&A and FEMA, to bring fusion center directors together with emergency managers to discuss best practices, challenges, and opportunities for enhanced collaboration. The Committee looks forward to receiving an after action report from this meeting.

Stakeholders should explore these relationships and fusion centers' potential role when establishing a National Strategy for Fusion Centers and Federal Strategy for Fusion Center, discussed in the *A National Strategy for Fusion Centers & Measuring Success* section of this report.

CIKR, Cybersecurity, & Private Sector Outreach

> *"CIKR-related capabilities in the fusion center should center on the development of analytical products, such as risk and trend analysis. This analysis should combine CIKR-specific information with federal, state, and local criminal and homeland security information and intelligence and will contribute not only to protection of CIKR but to the combined missions of federal, state, and local partners within each center."*
>
> *- CIKR Protection Capabilities for Fusion Centers*
> *December 2008*

Critical Infrastructure and Key Resources

The *Homeland Security Act of 2002* (Pub. L. 107-296) charges DHS with reducing the vulnerability of the United States to terrorism. Guided by the *National Strategy for Physical Protection of Critical Infrastructure and Key Assets* and the *National Infrastructure Protection Plan (NIPP),* DHS's Office of Infrastructure Protection leads the National effort to reduce the risk and vulnerability posed to CIKR. However, if elements of the *NIPP* or the *National*

Strategy for Physical Protection of Critical Infrastructure and Key Assets are to be executed to the fullest, fusion centers must be a key part of the effort.

CIKR coordination and partnership between DHS and fusion centers can lead to a more effective effort overall, and further National goals. First, critical infrastructure within a fusion centers' AOR is significantly more than that which is included in any of the National plans. DHS simply is not, nor should it be, resourced to meet all CIKR analytic needs across the country. Further, fusion centers' operating environments enable the development of the State and local relationships necessary to gather and properly contextualize threat and vulnerability information. This serves their State and local customers, and adds to a pool of analysis that can be fused nationally. One fusion center director called CIKR the "sweet spot for fusion center analysis." Of the visited fusion centers, 26 stated that they have at least 1 analyst working CIKR; a number of those have a single part time analyst.

Fusion centers with limited CIKR programs should work to enhance these programs in the near-term. Fusion centers not currently engaging in CIKR analysis should make this an immediate priority. As noted in the *Analysis & Training* section of this report, DHS should make additional CIKR threat and vulnerability training opportunities available to fusion center analysts.

Cybersecurity

Cybersecurity is a relatively new addition as a fusion center analytic discipline, and a major focus area for the Committee in the 113th Congress. Twelve of those fusion centers visited currently have an established cyber program, and 14 are in the process of developing or implementing a cyber program or partnership. It should be noted that six out of the fourteen centers that are developing or implementing a cyber program currently have a dedicated cyber analyst. As noted earlier, in an effort to establish a common operational and analytic language and strengthened partnerships, DHS should explore the further incorporation of fusion center analysts into DHS broader cybersecurity workforce training programs.

As part of the Committee's ongoing focus on cybersecurity, it will seek to gain a deeper understanding of fusion centers' developing cybersecurity programs and how State and local analysts fit into the broader National homeland security cyber mission.

Private Sector Outreach

In addition to work with CIKR on vulnerability assessments, private sector outreach is a valuable fusion center contribution to both the National homeland security mission and State and local missions. This is an area needing further growth across the National Network.

As of April 2013, 27 of the visited fusion centers have outreach programs in place, to varying degrees, aimed at information sharing and situational awareness; an increase from the 22 that were identified during the January-August 2012 site visits. These programs generally include tailored, unclassified, private sector bulletins, and many fusion centers hosted regular private

sector threat briefings, usually in partnership with the IO and the local DHS PSA. Making private partners aware of sector-specific threats should be a key objective for every fusion center.

Nine of the visited fusion centers have private sector TLOs, and some centers have developed training specifically for the private sector (versus law enforcement). This specialized training is an important step to maintain the line between what is asked of law enforcement TLOs versus the private sector.

At the time of the site visits, the Committee noted a lack of private sector outreach programs at 10 of the visited fusion centers, suggesting that this may be a significant gap across the entire National Network. Upon receipt of supplemental data in April 2013, that number had reduced to five among visited fusion centers, demonstrating significant improvement. Fusion centers cannot wait until a problem arises to begin the dialogue with the private sector; those relationships must be established early and built on a history of trust. Fusion centers should make private sector outreach an immediate priority.

TRIBAL FUSION

> *"There continue to be some recognized gaps in tribal information sharing. PM-ISE's efforts are focused on addressing and improving some of the foundational policy, governance, relationship, and capacity issue related to tribal information sharing. While not all fusion centers allow tribal representation at this point in time, progress in this area continues."*
>
> *- Information Sharing Environment, Annual Report to the Congress, June 2012*

Although the PM-ISE, DHS, the former Interagency Threat Assessment Coordination Group, and others have taken active steps to improve information sharing between the Federal Government and tribes, it remains a significant gap.

There are 56.2 million acres of tribal lands (representing 566 separate Federally recognized tribes and 326 Federally administered Indian reservations) inside the United States, including 200 linear miles along the Northern, Southwest, and maritime borders. Eleven of the States visited have 193 Federally-recognized tribes within their borders. At the time of the site visits, none of the fusion centers visited had a tribal representative on staff. Furthermore, only four of the visited fusion centers (of the fifteen with tribes in their AOR) actively engage in significant outreach efforts with the tribal community.

The *2011 Final Report* states that 31.9% of the then-72 fusion centers have access to tribal subject matter experts; the 2012 Assessment and *2012 Final Report* do not include this specific

measure.[47] The 2011 metric does not, however, measure the level of actual interaction, engagement, or information sharing. The Committee's research suggests that across the National Network significant interaction and information sharing is severely lacking. Of those fifteen visited centers with tribes within the vicinity of their AOR, only four stated that they currently have tribal representation within their TLO program. As of April 2013, only one fusion center currently has embedded tribal representation. That same center also hosts a specialized tribal TLO training course and is the only center with tribal representation on its executive board.

> *"The Arizona Counter Terrorism Information Center (ACTIC) supported a five-month investigation led by a tribal partner, the Tohono O'odham Nation (TON) Police Department and the Bureau of Indian Affairs Division of Drug Enforcement. This investigation led to the arrest of 10 suspects and the apprehension of weapons, cash, vehicles, cocaine, marijuana, and ecstasy in May 2010 – the largest drug enforcement operation in TON history. The investigation marked a key opportunity to collaborate with tribal partners and opened information sharing initiatives between several other agencies, including the FBI, ATF, and other police departments in the area."*
>
> *Provided by the FBI to the Committee, October 23, 2012*

The Committee recognizes that there are significant challenges that inhibit or prevent fusion centers' attempts to partner with sovereign tribal nations. However, those challenges should not be allowed to stand in the way of attempts to develop strong relationships. The Committee was encouraged to learn of the upcoming fusion center-tribal partners roundtable exchange meeting planned for this fall, and looks forward to receiving an after action report. The PM-ISE and DHS should continue to work with fusion centers to further encourage and enhance outreach to tribes. Additionally, stakeholders should include tribal outreach as part of the National Strategy for Fusion Centers, discussed in the *A National Strategy for Fusion Centers & Measuring Success* section of this report.

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[47] *2011 National Network of Fusion Centers, Final Report*, May 2012, p. 15.

PRIVACY, CIVIL RIGHTS, & CIVIL LIBERTIES PROTECTIONS

> *"[T]hank you for recognizing the importance of information sharing; Fusion Centers. Mr. Keating, my Ranking Member, we've both looked at Fusion Centers. Sometimes they're given a bit of a bad name. And I think that privacy protection piece is important to preserve the integrity of what -- the work that they're doing. And to make sure that privacy interests are protected."*
>
> *- Chairman Michael T. McCaul, Committee on Homeland Security Subcommittee on Oversight, Investigations, and Management Hearing September 14, 2012*

Over the past three years, the Federal Government utilized the grant programs as a way to drive privacy, civil rights, and civil liberties (P/CRCL) standardization and compliance across the National Network.

In 2010, the SHSGP and UASI guidance required fusion centers to have a DHS-certified privacy policy in place that is at least as comprehensive as the Federal Information Sharing Environment (ISE) guidelines, as a prerequisite to the receipt of grant funds. Fusion centers that failed to meet that requirement were only permitted to spend fiscal year 2010 SHSGP or UASI funds to establish a privacy policy.[48] ***All fusion centers at that time met the deadline, and today all of the current 78 fusion centers have approved privacy policies in place.***[49]

Following the identification in the 2011 Assessment that only 34 (47.2% of then-72 centers) fusion centers "underwent annual P/CRCL compliance review," the 2012 SHSGP and UASI guidance further required that all fusion centers "conduct an annual audit of their P/CRCL policy in accordance with the Privacy Civil Rights and Civil Liberties Compliance Verification for the Intelligence Enterprise."[50] According to the 2012 Assessment, 54 (70.1% of 77 centers) fusion centers conducted a compliance review between August 1, 2011 and July 31, 2012.[51]

It is imperative that DHS and the Federal Government continue to work with fusion centers to ensure compliance to National P/CRCL minimum standards, including the provision of training for fusion center personnel.

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[48] See Appendix III.
[49] I&A briefing to the Committee, April 15, 2013.
[50] *2011 National Network of Fusion Centers, Final Report*, May 2012, p. 22; and *Fiscal Year 2012 HSGP Funding Opportunity Announcement*, February 2012, p. 32.
[51] *2012 National Network of Fusion Centers, Final Report*, June 2013, p. 48.

DHS AND THE FUSION CENTERS

> *"The Federal Government may need to provide financial and technical assistance, as well as human resource support, to these fusion centers if they are to achieve and sustain a baseline level capability."*
>
> *- National Strategy for Information Sharing, October 2007*

Almost without exception, State and local fusion center personnel were exceedingly complementary of the work, dedication, and contribution of the I&A IOs, RDs, Reports Officers (RO), and Intelligence Analysts (IA) assigned to their individual fusion centers. The Committee held lengthy private conversations with State and local fusion center personnel to understand their perspectives on DHS support to the National Network. General observations and findings are included below.

Intelligence Officers [52]

> *"It's a homerun for I&A when they have the right IO assigned to a fusion center."*
>
> *- A Fusion Center Director*

IOs appear to be successfully serving as the primary intelligence linkage between State and local law enforcement, DHS, and the IC, as the IO program intends. In nearly all cases, fusion center personnel said that they could not operate as effectively without their resident IO. Some fusion center directors went so far as to state that they "would be lost" without the IO, and that the IO program is "the best thing DHS has ever done." As of the date of this report's publication, there are 69 IOs deployed to the field.

Notably, I&A has left a level of discretion in the roles and responsibilities for IOs in the field. This allows them the vital flexibility to adapt to the particular operating environment and needs of each unique fusion center and other State and local homeland security partners. Although flexibility is necessary, the IO's primary focus should remain DHS's homeland security mission space, particularly its counterterrorism mission; capacity building; and the facilitation of intelligence and information sharing between the Federal, State, and local levels.

The Committee believes that the IOs' role in the development of individual fusion centers has been vital to the National Network's growth. ***However, as fusion centers' capacity and information sharing processes continue to mature, it may be in the mission's best interest to refine the IOs' job description and restructure the program, particularly in light of the current fiscal climate.*** For example, I&A might consider some form of regionalization with the IOs

[52] Description provided by DHS: IO - I&A State and Local Program Office employee physically located at a fusion centers or other field site location, who is responsible for facilitating intelligence and information sharing relationships with federal, state, local, tribal, territorial and private sector stakeholders within their area of responsibility (AOR). IOs are the onsite lead for all I&A personnel within the assigned fusion center and AOR. The IO manages all functions of the intelligence cycle in a specific geography; supports fusion center directors' intelligence, information and resource requirements as they relate to Baseline Capabilities, especially Critical Operational Capabilities; and regularly conducts outreach to cultivate or strengthen relationships between I&A, DHS components, and State, Local, Tribal, Territorial personnel.

serving a number of mature fusion centers and State leadership, while maintaining a surge capacity to provide onsite fulltime assistance to less mature centers for a set period of time, or to fulfill a special need. I&A could then couple the above with a significantly increased number of deployed IAs and ROs in an effort to further increase homeland security mission value. I&A should continue to work with the fusion centers, other stakeholders, and the Committee to determine what, if any, changes should be made to the IO program moving forward. In any case, the IOs' duties should be reflective of and tied to the National Strategy for Fusion Centers and the Federal Strategy for Fusion Centers outlined in the *A National Strategy for Fusion Centers & Measuring Success* section of this report.

"In late 2010, a DHS Intelligence Officer, with the assistance of fusion center analysts assigned to the Alaska Information and Analysis Center (AKIAC), analyzed and reported on a series of threats being made against government officials and law enforcement by an Alaska militia leader. This information proved crucial to the subsequent investigation and arrest of the militia leader and several associates by the Anchorage JTTF on suspicion of plotting the murder of State police officers and municipal judges."

Provided by the FBI to the Committee, October 23, 2012

Regional Directors[53]

I&A's RDs are DHS's most senior field intelligence officers. The Committee observed that individual RDs have a tremendous impact on the growth of fusion centers and on relationships between fusion centers in their assigned region. In addition to their management responsibilities, these individuals are positioned to support fusion centers' policy development and implementation, identify best practices, and help drive increased coordination and collaboration between fusion centers. It is important that the RDs continue to keep an open dialogue amongst themselves and with I&A Headquarters to increase National coordination and continue to drive regional collaboration.

Reports Officers [54]

I&A ROs are an important addition to DHS' field presence. However, they are likely too few in number (18 at the time of this report's publication) to fully accomplish the mission. ***Further, the***

[53] Description provided by DHS: RD - Supervisory government employee assigned to the State and Local Program Office and physically located at a fusion center or other field site location. RDs are responsible for the development, direction, and facilitation of I&A goals and objectives within their respective areas of responsibility. As the senior I&A manager within a geographic region, the RD manages all assigned personnel, processes, and technologies to enable the National Network of Fusion Centers to meet U.S. Intelligence Community, DHS, and State, Local, Tribal, and Territorial requirements.

[54] Description provided by DHS: RO - An I&A Collections and Requirements Division Reporting Branch employee who is responsible for producing raw intelligence reports for dissemination to the Intelligence Community and other appropriate DHS stakeholders. The RO reviews, categorizes, stores, and retrieves highly sensitive information used in national security efforts. The RO writes, edits, vets, and disseminates raw intelligence reports based on information obtained through interaction with federal, state, local, tribal, territorial and private-sector partners in a geographic region.

Committee questions whether their scope may be too limited, particularly with respect to their interaction with DHS components and access to the components' information. There are significant questions as to whether component reports officers are adequately representing IC requirements in their reporting, given their limited resources and need to meet component tactical requirements. Given their unique role in the IC, I&A ROs may be able to offer additional expertise and value to DHS component-gathered and held information. Therefore, I&A should work with Congressional oversight committees to determine whether there are appropriate areas to expand I&A RO training and responsibilities, as well as their access to and reporting of component-held information, which may benefit both the DHS and National missions.

The Committee will continue to work with DHS on the development of its RO's, both within I&A and the DHS components.

Intelligence Analysts[55]

Fusion centers consistently highlighted a need for an IA of which only two are currently deployed from I&A's Office of Analysis. Whether to almost exclusively house IAs at I&A Headquarters, as is currently the case, or forward-deploy them en masse, has been a topic of debate for years.

As I&A continues to refine its mission and its unique contribution to its State, local, DHS, IC, and private sector customers, it should fully explore the possibility of expanding its analytic footprint in the field, presumably reducing the number of analysts assigned to I&A Headquarters. ***I&A may better meet its overall analytic mission objectives with significant numbers of IAs forward-deployed.*** Further, the Committee feels strongly that I&A should increase its use of State and local information in its analysis and believes that an expanded analytic presence in the field would significantly aid in this effort. Embedding Federally trained analysts alongside State and local analysts may also have a secondary effect of helping to improve fusion center analysis.

Given I&A's mission to analyze intelligence and threats specific to the Homeland, and its role in the IC as the primary linkage with SLTT information and intelligence functions, I&A should undergo a thorough cost-benefit analysis and work with Congressional oversight committees to determine whether a restructuring of the Office of Analysis is in the best interest of homeland security moving forward.

I&A Management of Field Officers

I&A forward-deployed staff all report to different divisions within the organization. Specifically, the IOs and RDs report to I&A's State and Local Program Office (SLPO), the ROs

[55] Description from information provided by DHS: IA - The two IAs assigned to fusion centers are responsible for organizing, planning, and conducting substantive, in-depth research and producing operational and strategic analysis that reflect regional subject matter knowledge. One of the IAs focuses strictly on border security analysis, and the other conducts broader homeland security analysis.

and Senior ROs report to the Collections and Requirements Division, and the IAs report to the Office of Analysis. The Committee is concerned that this disparate structure perpetuates the very lack of mission unity that I&A is working to correct. Further, the Committee heard anecdotal evidence that the current structure causes a lack of cohesion among I&A's officers in the field. It seems logical that a more consolidated structure would help harmonize I&A's field activities and increase effectiveness. I&A should carefully examine the current model to determine whether further consolidating field management might be more effective.

I&A Analytic Production

During the site visits, the Committee heard a combination of praise and concern regarding I&A products distributed to the fusion centers. ***The many contradictory comments regarding I&A's products reveals I&A's significant challenge in meeting all of its customers' analytic needs and expectations.*** For example, some fusion centers noted a decline in the number of products distributed, stating that they need more. In contrast, other fusion centers had the opposite perspective and noted that I&A, quite simply, produces *too many* products. Some fusion center personnel commented that I&A's products were always extremely helpful and very timely, while others stated that product utility was hit and miss or rarely helpful, and that I&A needed to be more timely in their releases. In general, the DHS-FBI Joint Intelligence Bulletins and threat briefings delivered by the IOs received praise from the fusion centers.

The Committee notes and shares the widespread concern among the fusion centers that I&A's production approval process greatly inhibits fusion centers' ability to produce joint-seal products with I&A. The Committee is cognizant of the history behind I&A's internal process, and acknowledges I&A's extreme caution in the protection of individuals' privacy and civil liberties, and its efforts to meet analytic tradecraft standards. However, changes should be considered to enable more expeditious approval for joint field production.

The Committee will continue to conduct rigorous oversight and work with I&A to address analytic production concerns, and ensure its products meet the needs of its State, local, DHS, IC, and private sector customers, recognizing that these partners all have different expectations and requirements.

Field Analytic Support Taskforce (FAST)

In an effort to increase collaboration and analytic focus on its State and local partners' homeland security intelligence requirements, I&A recently established the FAST at I&A Headquarters.[56] Under the current design, the FAST consists of a full time Federal Government employee serving as the director, and staffing from SLTT fellows and personnel from I&A's Office of Analysis and SLPO. Additionally, I&A's FAST analysts are deployable on temporary duty to work directly with State and locals in the field on joint analytic products.

[56] I&A briefings to the Committee, November 19, 2012 & April 15, 2013.

It is laudable that I&A is working to improve its ability to meet mission objectives, particularly given that I&A's mission to support and produce analysis relevant to its State and local partners is second only to its mission to support the Secretary of Homeland Security. There is significant value in direct State and local input into I&A's National analytic production process, and also in State and local analysts having the experience of a rotation at I&A Headquarters. It is also noteworthy that the FAST is not being established as a separate division but as a taskforce, which implies some level of flexibility in function and staffing.

The Committee has heard anecdotally that the FAST is already yielding positive returns for I&A's State and local customers. However, questions remain as to whether the FAST will serve to truly integrate I&A across its own divisions and enhance its focus on State and local analytic requirements, or further segregate I&A's divisions from one another, and establish an artificial barrier between its State and local mission and Departmental intelligence support mission. It is also unclear that State and local partners are able to support the FAST to the level necessary to enable its full functionality long-term. The Committee will closely monitor the development of the FAST to ensure it provides actual benefit, and improves I&A's focus on its State and local analytic and information sharing mission space.

Protective Security Advisors[57]

There are currently 93 PSAs deployed across the 50 states and Puerto Rico. The Committee heard from many fusion centers that the assigned PSA coordinates closely with their CIKR analysts, not only deconflicting site assessments but also often conducting joint site surveys, thus reducing the disruption to infrastructure owners and operators. One fusion center noted that, at the host State's request, CIKR assessments were coordinated through the State's primary fusion center, allowing full visibility into CIKR efforts and coordination across the State, and maximization of resources. This is a model that other States and DHS may wish to explore.

Nine of the visited fusion centers noted having little to no interaction with the area's assigned PSA. The DHS Office of Infrastructure Protection should ensure that all PSAs work with the fusion centers to avoid duplication of effort, burden on the private sector, and to make the most of limited resources.

[57] Description provided by DHS: PSA – Employees of DHS's National Protection and Programs Directorate's Office of Infrastructure Protection, PSAs are trained critical infrastructure protection and vulnerability mitigation subject matter experts who work with critical infrastructure owners and operators on a voluntary basis. Overall, the PSAs focus on the Nation's most critical infrastructure as defined by the Level 1/Level 2 list. PSAs provide an on-the-ground perspective to the DHS national risk picture, facilitate information sharing among all levels of government and the private sector, conduct briefings and outreach meetings with critical infrastructure protection partners, support local exercises and planning initiatives, and disseminate critical infrastructure-related information. PSAs also coordinate requests from owners and operators concerning DHS programs and assistance, arrange for risk mitigation training, prepare critical infrastructure analytical reports and verification, and conduct security and resilience assessments.

DHS Components in the Fusion Centers

The relationship between fusion centers and the DHS component agencies in the field – specifically CBP, ICE, TSA, USCIS, US Secret Service, and the US Coast Guard – continues to be inconsistent. At the time of the site visits, 15 of the 32 fusion centers had personnel assigned at least part time from a non-I&A DHS component. Data collected in April 2013 indicated that number had grown to 24; 12 of those 24 fusion centers having more than one component represented either part or full time.

In some cases, the component officials assigned are not representatives from the components' intelligence offices, but from operational divisions. Although this interaction is valuable, the components should prioritize placing trained intelligence analysts in the fusion centers, and the strategic collocation of DHS component personnel within the fusion centers should be further enhanced in general.

Additionally, a close working relationship between component field intelligence officers and IOs, and between I&A ROs and component ROs, is extremely important to ensure coordinated DHS messaging, information sharing, and reporting. Yet, site visits revealed a number of instances where that coordination does not regularly occur. In one location, the Committee was even presented with anecdotal evidence of component field intelligence personnel *refusing* to partner with an IO. If true, this is inexcusable. DHS cannot operate with hostility towards itself in the field, and must immediately work to improve these relationships.

Numerous fusion center personnel noted that, from their perspective, DHS as a whole is dysfunctional and driving in too many directions. While DHS is charged with an extraordinarily difficult task of coordinating across its multitude of mission areas, this on-the-ground perspective from DHS partners and customers is noteworthy. DHS, regardless of the component or headquarters element, is one department, and must present itself as such even while fulfilling its diverse mission sets.

The Committee will continue to research this issue, examining, in particular, the extent to which components' field intelligence staffs and ROs, and I&A's IOs and ROs partner, coordinate, and collaborate, and determine whether legislative action may be necessary to compel closer coordination.

THE FBI & FUSION CENTERS

> *"The Federal Bureau of Investigation (FBI) has approximately 100 personnel (Special Agents and Intelligence Analysts) assigned to 55 fusion centers nationwide, 16 of which are co-located within the FBI's Joint Terrorism Task Forces (JTTF) … or Field Intelligence Groups (FIG). The FBI's classified computer network (FBINet) is installed in 47 fusion centers."*
>
> *- Information Sharing Environment, Annual Report to the Congress, June 2012*

With more than 18,000 State and local law enforcement agencies in the United States, the FBI should embrace the fusion centers' capabilities, and look on them as assets and law enforcement force multipliers.[58]

FBI Headquarters has frequently and publicly stated the value proposition brought by fusion centers, and the importance of strong, positive FBI-fusion center relationships. Unfortunately, the Committee's research suggests this message has not been universally embraced in the field, leaving the Federal Government without the full benefit of a State and local partnership, and some fusion centers without the benefit of FBI expertise and analytic mentorship and, more strikingly, the full value of Federal information relevant to potential threats to their AOR.

Of the 32 fusion centers visited, 22 have one or more FBI agent, analyst, or reports officer assigned either full time or part time, and 9 of those centers have two or more FBI employees embedded. Additionally, two of the visited fusion centers told the Committee that they were in the process of onboarding an FBI analyst. Further, one of the fusion centers visited is among the four previously noted within the National Network as having recently lost their FBI onsite presence. Relationships between the visited fusion centers and the FBI varied wildly.

> *"The FBI continues to recognize the importance and commitment of sharing intelligence with our federal, state, local, tribal, territorial and private partners. Through the network of state and local fusion centers, we work together to ensure information is shared between these partners and the FBI, especially the FBI's Joint Terrorism Task Forces. The FBI supports the fusion centers through close interaction and an everyday working relationship."*
>
> *- FBI Headquarters email to FBI Field Offices October 10, 2012*

In general, the most effective FBI-fusion center relationships appear to be those in which:

- The fusion center retains its autonomy from the local FBI field office and JTTF;
- At least one FBI analyst is assigned to the fusion center full time;
- FBI and State and local fusion center analysts have onsite access to FBINet;

[58] U.S. Department of Justice, Bureau of Justice Statistics, www.bjs.gov/index.cfm?ty=tp&tid=71

- The local FBI leadership encourages and empowers its personnel to engage in proactive information sharing with fusion center personnel, and the assigned analyst takes the initiative to do so;
- Regular meetings or briefings with local FBI leadership and analysts are held to discuss current threats and relevant, ongoing and closed cases;
- The local FBI and fusion center deconflict and assist each other with ongoing threat analysis; and
- The FBI and fusion center both receive mission-value in having an FBI analyst and/or agent embedded in the fusion center.

It should not be understated that in the majority of the fusion centers visited, the FBI-fusion center relationships, while often needing improvement, outwardly appeared to be on a positive path forward. ***There has clearly been a lot of headway made in recent years, and the FBI and State and local partners should be applauded for that. However, that is not the case everywhere, and there are still considerable gaps that suggest a serious disconnect between FBI Headquarters' public policy statements and the field, and suggest that FBI Headquarters may not be doing enough to hold field offices accountable.***

Additionally, some of the visited fusion centers appear, on first glance, to have particularly healthy relationships with the local FBI field office: constant interaction, collocation, and robust information sharing and collaboration. However, a few of those fusion centers left the Committee concerned that the FBI and the fusion center are so closely tied together that there may be suppression of the independent State and local perspective. The greatest value of a mature fusion center is gained through a close collaboration with the Federal Government, but in an environment where the fusion center maintains its autonomy and ability to contribute as a fully independent, equal partner.

In one instance, the fusion center-FBI relationship is best described as toxic. The animosity and distrust from both sides is pervasive and has created a thoroughly dysfunctional and ineffective relationship, even with an FBI analyst assigned to the fusion center. During a separate visit, a different fusion center director noted that his center is "doing good work despite the FBI."

In still another visited location, where the fusion center and FBI field office had historically been collocated, the FBI moved out of the building. In doing so, the FBI not only took all of its personnel, but also pulled all of the cable for its computer networks. The Committee acknowledges the security rationale behind pulling the cable when it removed its staff, but the result remains that if the FBI were to decide to put an analyst back at the fusion center, it would have to start from scratch to provide system access. According to fusion center personnel, the fusion center and the FBI had regularly published joint products, but that ceased when the FBI moved. Upon further inquiry to the FBI, the Committee was told that the move was required to collocate FBI personnel in the area. However, it remains unclear why the FBI did not leave a single analyst at the fusion center, even part time, and apparently does not have any plan to assign anyone to the center in the foreseeable future.

There is certainly blame to go around, and the Committee recognizes these examples are extremes. However, these anecdotes demonstrate that the situation is still far from perfect. It just takes one terrorist to slip through, or one plot to fall through the cracks to put the Homeland in danger. FBI Headquarters should make a more concerted effort to ensure its field offices and JTTFs are held accountable for robust cooperation and information sharing with fusion centers. Strongly worded statements are not enough to assure field compliance or continued improvement to information sharing and analytic partnerships.

Since concluding the site visits in August 2012, the FBI has pulled out of three additional fusion centers within the National Network; three of these four fusion centers are State primary centers, and two were from one State. As noted earlier, the Committee fully agrees – as the FBI responded upon inquiry – that the mission value of a detailed FBI agent must be reciprocal.[59] However, the Committee is greatly concerned that this may be an indication of a rising trend. In light of the current threat environment, the Federal Government should be leaning further forward to work with State and locals, not backward.

The Committee strongly encourages the FBI and State and local law enforcement leaders and policy makers to continue building bridges between their organizations, and reminds all stakeholders that the relationships between the Federal Government and fusion centers should be a symbiotic partnership with the common goal of securing the Homeland.

The Committee again stresses the need for a National Strategy for Fusion Centers and Federal Strategy for Fusion Centers as outlined in the *A National Strategy for Fusion Centers & Measuring Success* section of this report, to help deconflict mission requirements, expectations, and better guide Federal resource support to individual fusion centers and the National Network.

Joint Regional Intelligence Groups (JRIG)

The Committee notes the recent establishment of JRIGs, overseen by the FBI. In addition to numerous discussions with Federal, State, and local stakeholders involved in the development process, the Committee received formal briefings from the FBI, DHS, and the Office of the Director of National Intelligence.[60]

Given that the JRIGs are expected to enhance stakeholders' understanding of regional threats, there are still significant concerns that the JRIGs will not be sufficiently aligned with fusion centers. A lack of alignment would increase the likelihood of redundancy, information stovepiping, lack of coordination with State and local partners, and potential degradation of the very local-level analytic infrastructure that the JRIGs would theoretically depend upon for their own analysis.

[59] FBI briefing to the Committee, May 28, 2013.
[60] FBI briefing to the Committee, August 21, 2012; I&A briefing to the Committee, September 5, 2012; FBI, I&A, & ODNI briefing to the Committee, January 24, 2013.

The Committee will continue asserting a high degree of scrutiny over JRIG program development, including how it uniquely improves counterterrorism and domestic security information sharing and analysis.

I&A & FBI in the Field

> *"There is an uneasy truce between DHS and the FBI."*
>
> *- A Fusion Center Director*

In most fusion centers, the assigned IO and FBI analyst relationship was described as good or excellent: working together, holding joint briefings, and sharing information between them. ***However, even in centers where the assigned individuals get along, the prevailing perspective of the fusion center personnel is that DHS and the FBI are in constant battle.*** In one fusion center, this allegedly goes so far as the FBI analyst withholding information and refusing to brief fusion center personnel if the IO is in the room.

DHS and FBI Headquarters must hold the field accountable and send a clear, unmistakable message that internal disputes threaten the security of the Homeland, and will not be tolerated. The Committee will continue rigorous oversight to ensure the Federal Government is not perpetuating or returning to pre-9/11 turf wars.

CONCLUSION

> *"After [the Boston Marathon bombings], a point was made – there was no chatter, there was no international intelligence coming. I think that's going to be the wave of the future is going to be attacks that are under the radar screen, and it's more important than ever that the local police be involved, because no one has a better feel for the community than the local police."*
>
> *- Congressman Peter T. King, Committee on Homeland Security*
> *Full Committee Hearing, May 9, 2013*

The terrorist attacks of September 11, 2001 ushered in an era that dramatically changed the United States' approach to securing the Homeland. We have come to understand that homeland security, including counterterrorism efforts, must be a National responsibility – a true and equal partnership across all levels of government, and inclusive of the American people themselves. A top down, wholly Federal approach simply does not and cannot suffice. The surge of homegrown radicalization in the United States over the last several years reinforces that this new approach is an imperative. As threats to the Homeland become more diverse and decentralized, the full participation of State and local law enforcement is critical to prevention. The April 2013 terrorist attacks in Boston demonstrate just how far we have come and how far we have yet to go.

In the wake of this horrible attack that left 4 dead and 260 wounded, Boston's response serves as a National model. By all accounts, training, exercises, and communications and emergency response equipment – significantly funded through the Homeland Security Grant Program – saved perhaps hundreds of lives that day as people lay severely wounded on Boylston Street, steps from the Boston Marathon finish line. However, the revelation that Federally-held information about one of the would-be bombers wasn't shared with local law enforcement demonstrates a continued substantial gap in information sharing.

There is currently no evidence indicating that local awareness of the would-be bomber would have affected the outcome. However, it is certainly possible that additional scrutiny would have been applied to the information, if only by virtue of inviting another organization's perspective. As former National Counterterrorism Center Director Mike Leiter recently stated, "people generally will share now, but they will generally share once they determine that something is relevant to a terrorism investigation that someone else might be able to help them on. And that's too late…. [Y]ou don't know if it's counterterrorism information until you have it, until you can compare it to other information and find connections between those dots."[61] The terrorist attack in Boston demonstrates that there is still a long way to go before all parties are viewed as truly equal members of the team and information sharing reaches its full potential.

No one agency has the capability or capacity to single-handedly detect, deter, or prevent all potential terrorist attacks or other threats to the Homeland. It requires a comprehensive, National

[61] Michael Leiter, Former National Counterterrorism Center Director, testifying before the House Committee on Homeland Security, July 10, 2013.

effort, from the boots on the ground local law enforcement, to emergency response providers, to Federal law enforcement and intelligence agencies. The ability to gather, analyze, and share critical information between partners, in a secure and timely matter, is essential. In the post-9/11 Homeland we cannot afford to let information slip by unnoticed and unanalyzed. Comprehensively sharing threat information with fusion centers, and fusion centers analyzing that information in a local context must become the norm. Fusion centers are uniquely positioned to be the facilitator of information sharing between the Federal Government and State and local officials, and analyze threat information in a local context. The Federal Government must continue to increase its commitment to improving information sharing. Without fulsome analysis that can only be achieved through robust information sharing, prevention and protection will be a constant hurdle.

The National Network has been built from the ground up since September 11, 2001, and the newest fusion center was designated only seven months ago. There is unquestionably significant room for improvement, particularly as it relates to fusion centers' support to the National counterterrorism mission. At this stage, Federal support to the fusion centers and the National Network remains as focused on capability and capacity building, as it is about building partnerships and information sharing.

Although much work remains to enhance their capability and refine the careful balance between fusion centers' State and local, and National missions, the ability to analyze and understand State and local information in a National homeland security mission context is vital. Further, ensuring that State and local partners have the intelligence capability necessary to enhance line officers' ability to serve as mission partners is essential in today's ever-changing threat environment.

The progress made in fusion centers' and the National Network's development is critical to the Nation's prevention efforts, and fusion centers closing or withdrawing as National mission partners due to budget constraints could be a detriment to our Nation's security. The Federal Government and State and local stakeholders must continue to provide the support that fusion centers require to continue to grow and develop, enabling the National Network to reach its full potential as a National asset and homeland security partner.

APPENDIX I

"Department of Homeland Security State, Local, and Regional Fusion Center Initiative," from the Implementing Recommendations of the 9/11 Commission Act of 2007 (Pub. L. 110-53)

Subtitle B--Homeland Security Information Sharing Partnerships

SEC. 511. DEPARTMENT OF HOMELAND SECURITY STATE, LOCAL, AND REGIONAL FUSION CENTER INITIATIVE.

(a) In General- Subtitle A of title II of the Homeland Security Act of 2002 (6 U.S.C. 121 et seq.) is further amended by adding at the end the following:

SEC. 210A. DEPARTMENT OF HOMELAND SECURITY STATE, LOCAL, AND REGIONAL FUSION CENTER INITIATIVE.

(a) Establishment- The Secretary, in consultation with the program manager of the information sharing environment established under section 1016 of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 485), the Attorney General, the Privacy Officer of the Department, the Officer for Civil Rights and Civil Liberties of the Department, and the Privacy and Civil Liberties Oversight Board established under section 1061 of the Intelligence Reform and Terrorism Prevention Act of 2004 (5 U.S.C. 601 note), shall establish a Department of Homeland Security State, Local, and Regional Fusion Center Initiative to establish partnerships with State, local, and regional fusion centers.

(b) Department Support and Coordination- Through the Department of Homeland Security State, Local, and Regional Fusion Center Initiative, and in coordination with the principal officials of participating State, local, or regional fusion centers and the officers designated as the Homeland Security Advisors of the States, the Secretary shall--

(1) provide operational and intelligence advice and assistance to State, local, and regional fusion centers;

(2) support efforts to include State, local, and regional fusion centers into efforts to establish an information sharing environment;

(3) conduct tabletop and live training exercises to regularly assess the capability of individual and regional networks of State, local, and regional fusion centers to integrate the efforts of such networks with the efforts of the Department;

(4) coordinate with other relevant Federal entities engaged in homeland security-related activities;

(5) provide analytic and reporting advice and assistance to State, local, and regional fusion centers;

(6) review information within the scope of the information sharing environment, including homeland security information, terrorism information, and weapons of mass destruction information, that is gathered by State, local, and regional fusion centers, and to incorporate such information, as appropriate, into the Department's own such information;

(7) provide management assistance to State, local, and regional fusion centers;

(8) serve as a point of contact to ensure the dissemination of information within the scope of the information sharing environment, including homeland security information, terrorism information, and weapons of mass destruction information;

(9) facilitate close communication and coordination between State, local, and regional fusion centers and the Department;

(10) provide State, local, and regional fusion centers with expertise on Department resources and operations;

(11) provide training to State, local, and regional fusion centers and encourage such fusion centers to participate in terrorism threat-related exercises conducted by the Department; and

(12) carry out such other duties as the Secretary determines are appropriate.

(c) Personnel Assignment-

(1) IN GENERAL- The Under Secretary for Intelligence and Analysis shall, to the maximum extent practicable, assign officers and intelligence analysts from components of the Department to participating State, local, and regional fusion centers.
(2) PERSONNEL SOURCES- Officers and intelligence analysts assigned to participating fusion centers under this subsection may be assigned from the following Department components, in coordination with the respective component head and in consultation with the principal officials of participating fusion centers:
(A) Office of Intelligence and Analysis.
(B) Office of Infrastructure Protection.
(C) Transportation Security Administration.
(D) United States Customs and Border Protection.
(E) United States Immigration and Customs Enforcement.
(F) United States Coast Guard.
(G) Other components of the Department, as determined by the Secretary.
(3) QUALIFYING CRITERIA-
(A) IN GENERAL- The Secretary shall develop qualifying criteria for a fusion center to participate in the assigning of Department officers or intelligence analysts under this section.
(B) CRITERIA- Any criteria developed under subparagraph (A) may include--
(i) whether the fusion center, through its mission and governance structure, focuses on a broad counterterrorism approach, and whether that broad approach is pervasive through all levels of the organization;
(ii) whether the fusion center has sufficient numbers of adequately trained personnel to support a broad counterterrorism mission;
(iii) whether the fusion center has--
(I) access to relevant law enforcement, emergency response, private sector, open source, and national security data; and
(II) the ability to share and analytically utilize that data for lawful purposes;
(iv) whether the fusion center is adequately funded by the State, local, or regional government to support its counterterrorism mission; and
(v) the relevancy of the mission of the fusion center to the particular source component of Department officers or intelligence analysts.
(4) PREREQUISITE-
(A) INTELLIGENCE ANALYSIS, PRIVACY, AND CIVIL LIBERTIES TRAINING- Before being assigned to a fusion center under this section, an officer or intelligence analyst shall undergo--
(i) appropriate intelligence analysis or information sharing training using an intelligence-led policing curriculum that is consistent with--
(I) standard training and education programs offered to Department law enforcement and intelligence personnel; and
(II) the Criminal Intelligence Systems Operating Policies under part 23 of title 28, Code of Federal Regulations (or any corresponding similar rule or regulation);
(ii) appropriate privacy and civil liberties training that is developed, supported, or sponsored by the Privacy Officer appointed under section 222 and the Officer for Civil Rights and Civil Liberties of the Department, in consultation with the Privacy and Civil Liberties Oversight Board established under section 1061 of the Intelligence Reform and Terrorism Prevention Act of 2004 (5 U.S.C. 601 note); and
(iii) such other training prescribed by the Under Secretary for Intelligence and Analysis.
(B) PRIOR WORK EXPERIENCE IN AREA- In determining the eligibility of an officer or intelligence analyst to be assigned to a fusion center under this section, the Under Secretary for Intelligence and Analysis shall consider the familiarity of the officer or

intelligence analyst with the State, locality, or region, as determined by such factors as whether the officer or intelligence analyst--

(i) has been previously assigned in the geographic area; or

(ii) has previously worked with intelligence officials or law enforcement or other emergency response providers from that State, locality, or region.

(5) EXPEDITED SECURITY CLEARANCE PROCESSING- The Under Secretary for Intelligence and Analysis--

(A) shall ensure that each officer or intelligence analyst assigned to a fusion center under this section has the appropriate security clearance to contribute effectively to the mission of the fusion center; and

(B) may request that security clearance processing be expedited for each such officer or intelligence analyst and may use available funds for such purpose.

(6) FURTHER QUALIFICATIONS- Each officer or intelligence analyst assigned to a fusion center under this section shall satisfy any other qualifications the Under Secretary for Intelligence and Analysis may prescribe.

(d) Responsibilities- An officer or intelligence analyst assigned to a fusion center under this section shall--

(1) assist law enforcement agencies and other emergency response providers of State, local, and tribal governments and fusion center personnel in using information within the scope of the information sharing environment, including homeland security information, terrorism information, and weapons of mass destruction information, to develop a comprehensive and accurate threat picture;

(2) review homeland security-relevant information from law enforcement agencies and other emergency response providers of State, local, and tribal government;

(3) create intelligence and other information products derived from such information and other homeland security-relevant information provided by the Department; and

(4) assist in the dissemination of such products, as coordinated by the Under Secretary for Intelligence and Analysis, to law enforcement agencies and other emergency response providers of State, local, and tribal government, other fusion centers, and appropriate Federal agencies.

(e) Border Intelligence Priority-

(1) IN GENERAL- The Secretary shall make it a priority to assign officers and intelligence analysts under this section from United States Customs and Border Protection, United States Immigration and Customs Enforcement, and the Coast Guard to participating State, local, and regional fusion centers located in jurisdictions along land or maritime borders of the United States in order to enhance the integrity of and security at such borders by helping Federal, State, local, and tribal law enforcement authorities to identify, investigate, and otherwise interdict persons, weapons, and related contraband that pose a threat to homeland security.

(2) BORDER INTELLIGENCE PRODUCTS- When performing the responsibilities described in subsection (d), officers and intelligence analysts assigned to participating State, local, and regional fusion centers under this section shall have, as a primary responsibility, the creation of border intelligence products that--

(A) assist State, local, and tribal law enforcement agencies in deploying their resources most efficiently to help detect and interdict terrorists, weapons of mass destruction, and related contraband at land or maritime borders of the United States;

(B) promote more consistent and timely sharing of border security-relevant information among jurisdictions along land or maritime borders of the United States; and

(C) enhance the Department's situational awareness of the threat of acts of terrorism at or involving the land or maritime borders of the United States.

(f) Database Access- In order to fulfill the objectives described under subsection (d), each officer or intelligence analyst assigned to a fusion center under this section shall have appropriate access to all relevant Federal databases and information systems, consistent with any policies, guidelines, procedures, instructions, or standards established by the President or, as appropriate, the program manager of the information sharing environment for the implementation and management of that environment.

(g) Consumer Feedback-

(1) IN GENERAL- The Secretary shall create a voluntary mechanism for any State, local, or tribal law enforcement officer or other emergency response provider who is a consumer of the

intelligence or other information products referred to in subsection (d) to provide feedback to the Department on the quality and utility of such intelligence products.

(2) REPORT- Not later than one year after the date of the enactment of the Implementing Recommendations of the 9/11 Commission Act of 2007, and annually thereafter, the Secretary shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security of the House of Representatives a report that includes a description of the consumer feedback obtained under paragraph (1) and, if applicable, how the Department has adjusted its production of intelligence products in response to that consumer feedback.

(h) Rule of Construction-

(1) IN GENERAL- The authorities granted under this section shall supplement the authorities granted under section 201(d) and nothing in this section shall be construed to abrogate the authorities granted under section 201(d).

(2) PARTICIPATION- Nothing in this section shall be construed to require a State, local, or regional government or entity to accept the assignment of officers or intelligence analysts of the Department into the fusion center of that State, locality, or region.

(i) Guidelines- The Secretary, in consultation with the Attorney General, shall establish guidelines for fusion centers created and operated by State and local governments, to include standards that any such fusion center shall--

(1) collaboratively develop a mission statement, identify expectations and goals, measure performance, and determine effectiveness for that fusion center;

(2) create a representative governance structure that includes law enforcement officers and other emergency response providers and, as appropriate, the private sector;

(3) create a collaborative environment for the sharing of intelligence and information among Federal, State, local, and tribal government agencies (including law enforcement officers and other emergency response providers), the private sector, and the public, consistent with any policies, guidelines, procedures, instructions, or standards established by the President or, as appropriate, the program manager of the information sharing environment;

(4) leverage the databases, systems, and networks available from public and private sector entities, in accordance with all applicable laws, to maximize information sharing;

(5) develop, publish, and adhere to a privacy and civil liberties policy consistent with Federal, State, and local law;

(6) provide, in coordination with the Privacy Officer of the Department and the Officer for Civil Rights and Civil Liberties of the Department, appropriate privacy and civil liberties training for all State, local, tribal, and private sector representatives at the fusion center;

(7) ensure appropriate security measures are in place for the facility, data, and personnel;

(8) select and train personnel based on the needs, mission, goals, and functions of that fusion center;

(9) offer a variety of intelligence and information services and products to recipients of fusion center intelligence and information; and

(10) incorporate law enforcement officers, other emergency response providers, and, as appropriate, the private sector, into all relevant phases of the intelligence and fusion process, consistent with the mission statement developed under paragraph (1), either through full time representatives or liaison relationships with the fusion center to enable the receipt and sharing of information and intelligence.

(j) Definitions- In this section--

(1) the term `fusion center' means a collaborative effort of 2 or more Federal, State, local, or tribal government agencies that combines resources, expertise, or information with the goal of maximizing the ability of such agencies to detect, prevent, investigate, apprehend, and respond to criminal or terrorist activity;

(2) the term `information sharing environment' means the information sharing environment established under section 1016 of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 485);

(3) the term `intelligence analyst' means an individual who regularly advises, administers, supervises, or performs work in the collection, gathering, analysis, evaluation, reporting, production, or dissemination of information on political, economic, social, cultural, physical,

geographical, scientific, or military conditions, trends, or forces in foreign or domestic areas that directly or indirectly affect national security;

(4) the term `intelligence-led policing' means the collection and analysis of information to produce an intelligence end product designed to inform law enforcement decision making at the tactical and strategic levels; and

(5) the term `terrorism information' has the meaning given that term in section 1016 of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 485).

(k) Authorization of Appropriations- There is authorized to be appropriated $10,000,000 for each of fiscal years 2008 through 2012, to carry out this section, except for subsection (i), including for hiring officers and intelligence analysts to replace officers and intelligence analysts who are assigned to fusion centers under this section.'.

(b) Training for Predeployed Officers and Analysts- An officer or analyst assigned to a fusion center by the Secretary of Homeland Security before the date of the enactment of this Act shall undergo the training described in section 210A(c)(4)(A) of the Homeland Security Act of 2002, as added by subsection (a), by not later than 6 months after such date.

(c) Technical and Conforming Amendment- The table of contents in section 1(b) of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is further amended by inserting after the item relating to section 210 the following:

Sec. 210A. Department of Homeland Security State, Local, and Regional Information Fusion Center Initiative.'.

(d) Reports-

(1) CONCEPT OF OPERATIONS- Not later than 90 days after the date of enactment of this Act and before the Department of Homeland Security State, Local, and Regional Fusion Center Initiative under section 210A of the Homeland Security Act of 2002, as added by subsection (a), (in this section referred to as the `program') has been implemented, the Secretary, in consultation with the Privacy Officer of the Department, the Officer for Civil Rights and Civil Liberties of the Department, and the Privacy and Civil Liberties Oversight Board established under section 1061 of the Intelligence Reform and Terrorism Prevention Act of 2004 (5 U.S.C. 601 note), shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security of the House of Representatives a report that contains a concept of operations for the program, which shall--

(A) include a clear articulation of the purposes, goals, and specific objectives for which the program is being developed;

(B) identify stakeholders in the program and provide an assessment of their needs;

(C) contain a developed set of quantitative metrics to measure, to the extent possible, program output;

(D) contain a developed set of qualitative instruments (including surveys and expert interviews) to assess the extent to which stakeholders believe their needs are being met; and

(E) include a privacy and civil liberties impact assessment.

(2) PRIVACY AND CIVIL LIBERTIES- Not later than 1 year after the date of the enactment of this Act, the Privacy Officer of the Department of Homeland Security and the Officer for Civil Liberties and Civil Rights of the Department of Homeland Security, consistent with any policies of the Privacy and Civil Liberties Oversight Board established under section 1061 of the Intelligence Reform and Terrorism Prevention Act of 2004 (5 U.S.C. 601 note), shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security of the House of Representatives, the Secretary of Homeland Security, the Under Secretary of Homeland Security for Intelligence and Analysis, and the Privacy and Civil Liberties Oversight Board a report on the privacy and civil liberties impact of the program.

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APPENDIX II

COMMITTEE RESEARCH METHODOLOGY

The Committee has consistently advocated that State and local law enforcement, emergency response providers, and the fusion centers are a significant part of the National counterterrorism and broader homeland security mission. Under the direction of then-Committee Chairman Peter T. King, now Subcommittee on Counterterrorism and Intelligence Chairman, Committee Majority staff worked to identify and understand the strengths, weaknesses, and gaps in fusion center development, the National Network of Fusion Centers (National Network), and the Federal role. This work continued into the 113th Congress under the additional direction of current Committee Chairman Michael T. McCaul.

Specifically, the Committee sought to understand:

- Fusion centers' development individually and as a part of the National Network;
- How well the National Network operates to fulfill a National need, including Federal, State, and local priorities and the National homeland security mission, particularly the counterterrorism mission;
- Changes to fusion centers' overall mission space, and how those changes have affected their ability to meet Federal, State, and local customers' requirements;
- The impacts of having 78 designated fusion centers across the country, and multiple fusion centers within a single State;
- The current Federal Government role in the fusion centers' and the National Networks' development, and the role it should play moving forward;
- State and local security clearances and access to classified information;
- Fusion center analysts' training and development, and fusion centers' analytic production;
- Leveraging non-traditional partners as fusion partners, specifically fire, emergency medical services (EMS), and public health;
- The current funding environment and possible future funding models for fusion center and National Network sustainment; and
- The Department of Homeland Security (DHS) and the Federal Bureau of Investigation's (FBI) relationship with fusion centers.

The findings and recommendations discussed in this report are based on the following series of official meetings and the Committee's history of fusion center, DHS Office of Intelligence and Analysis (I&A), and the DHS Intelligence Enterprise programmatic oversight.

Between January 2012 and August 2012, the Committee visited 32 fusion centers across 20 States and the District of Columbia *(See Figure 3)*, specifically:

- Tennessee Fusion Center, Tennessee;
- Georgia Information and Strategic Analysis Center, Georgia;
- Ohio Strategic Analysis and Information Center, Ohio;
- Cincinnati/Hamilton County Regional Terrorism Early Warning Group, Ohio;
- Indiana Intelligence Fusion Center, Indiana;
- Arizona Counterterrorism Information Center, Arizona;
- Maryland Coordination and Analysis Center, Maryland;
- New Jersey Regional Operations Intelligence Center, New Jersey;
- Pennsylvania Criminal Intelligence Center, Pennsylvania;
- Rhode Island Fusion Center, Rhode Island;
- Massachusetts Commonwealth Fusion Center, Massachusetts;
- Boston Regional Intelligence Center, Massachusetts;
- New Hampshire Information and Intelligence Analysis Center, New Hampshire;
- New York State Intelligence Center, New York;
- Northern California Regional Intelligence Center, California;
- Central California Intelligence Center, California;
- California State Threat Assessment Center, California;
- Los Angeles Joint Regional Intelligence Center, California;
- Orange County Intelligence Assessment Center, California;
- San Diego Law Enforcement Coordination Center, California;
- Virginia Fusion Center, Virginia;
- Washington Regional Threat Analysis Center, District of Columbia;
- Chicago Crime Prevention and Information Center, Illinois;
- South Eastern Wisconsin Threat Analysis Center, Wisconsin;
- Northern Virginia Regional Intelligence Center, Virginia;
- Washington State Fusion Center, Washington;
- Colorado Information Analysis Center, Colorado;
- Central Florida Intelligence Exchange, Florida;
- Southwest Texas Fusion Center, Texas;
- Austin Regional Intelligence Center, Texas;
- Texas Fusion Center, Texas; and
- Houston Regional Information Service Center, Texas.

These specific fusion centers were chosen to achieve an understanding of a representative sample, based on a variety of factors including, but not limited to: at least one fusion center in each of the nine fusion center regions; a mixture of small, medium, and large-sized fusion centers; collocation with a Federal agency field office; collocation with a State emergency

management agency and/or emergency operations center; varying host agencies (law enforcement; emergency management; or no single "parent" agency); fusion center age; centers located within an Urban Area Security Initiative (UASI)-eligible urban area; centers located within an urban area that was previously deemed eligible for UASI funding; and States with multiple centers.

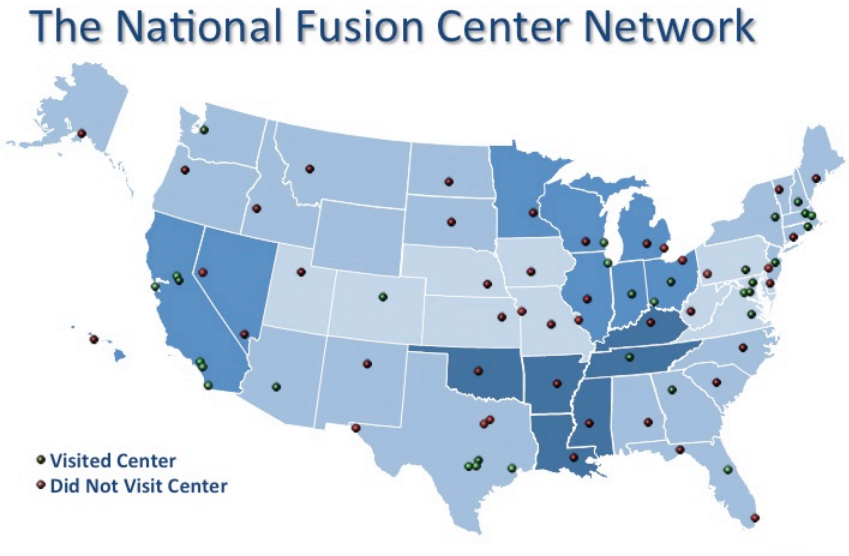

Figure 3 Location of visited centers

Individual visits ranged between 2.5 hours to 7.5 hours in length, for a total of 147 meeting hours and an average of 4.6 meeting hours per fusion center.

State and local representation at each meeting varied, but generally included the: fusion center director; lead analyst(s); grants specialist; privacy officer; security officer; fire service analyst; critical infrastructure & key resource analyst(s); I&A Intelligence Officer; I&A Regional Director; I&A Reports Officer (RO) or Senior RO, if assigned; I&A Intelligence Analyst, if assigned; and the FBI analyst or agent(s), if assigned.

Some of the meetings additionally included the: State Homeland Security Advisor; DHS Protective Security Advisor; emergency management agency director or deputy; and/or additional members of a fusion center's governance board. In a few instances, the Committee had the opportunity to meet with all personnel assigned to the given fusion center.

During all visits, the Committee met with State and local fusion center representatives and Federal partners (DHS, FBI, etc.) jointly, as well as with State and local fusion center representatives privately. In most cases, the Committee also had the opportunity to meet with DHS and/or other Federal representatives privately. Additionally, in three locations the Committee had the opportunity to meet with the local FBI Special Agent in Charge.

Between January 2012 and July 2013, the Committee received regular briefings from officials in the DHS I&A State and Local Program Office. Additionally, the Committee received briefings from the Federal Emergency Management Agency Grant Programs Directorate; DHS Chief Information Office (CIO); I&A CIO; I&A Office of Analysis; DHS National Security Systems Joint Program Management Office (PMO); Homeland Security Information Network PMO; Department of Defense; FBI; the Program Manager for the Information Sharing Environment; and the Government Accountability Office

In April 2013, the Committee sent a follow up questionnaire to each of the visited fusion centers, requesting data to update information previously collected as part of the site visits. The Committee also received data collected by I&A as part of the 2012 annual Assessment process, and data collected by the National Fusion Center Association (NFCA). Additionally, the Committee met on numerous occasions with various members of the NFCA Board of Directors, and held follow-up telephone conversations with fusion center directors and personnel, and the Office of the Director of National Intelligence.

Further, from April 2-5, 2012, Committee staff attended the National Fusion Center Training Event, in Phoenix, Arizona.

The Committee also held a number of hearings in 2012 and 2013 in which it received testimony relevant to the subject of the study, including:

- Subcommittee on Counterterrorism and Intelligence: *Federal Government Intelligence Sharing with State, Local and Tribal Law Enforcement: An Assessment Ten Years After 9/11*, February 28, 2012;
- Subcommittee on Emergency Preparedness, Response, and Communications: *Ensuring the Transparency, Efficiency, and Effectiveness of Homeland Security Grants (Part 1 and Part 2),* March 20, 2013 and April 26, 2012;
- Subcommittee on Emergency Preparedness, Response, and Communications: *The National Preparedness Report: Assessing the State of Preparedness*, June 6, 2012;
- Subcommittee on Oversight, Investigations, and Management: *Lessons From Fort Hood: Improving our Ability to Connect the Dots,* September 14, 2012;
- Full Committee: *The Department of Homeland Security: An Assessment of the Department and a Roadmap for its Future*, September 20, 2012;
- Subcommittee on Emergency Preparedness, Response, and Communications: *Homeland Security Grants: Measuring Our Investments*, March 19, 2013;
- Subcommittee on Counterterrorism and Intelligence: *Counterterrorism Efforts to Combat a Chemical, Biological, Radiological, and Nuclear (CBRN) Attack on the Homeland*¸ April 25, 2013;
- Full Committee: *The Boston Bombings: A First Look,* May 9, 2013;
- Full Committee: *Assessing Attacks on the Homeland: From Fort Hood to Boston*, July 10, 2013

On December 9, 2011, then-Chairman King, joined by Ranking Member Bennie Thompson, and the Senate Homeland Security and Governmental Affairs Committee Chairman Joseph Lieberman and Ranking Member Susan Collins, requested that the Government Accountability Office (GAO) examine the Nationwide Suspicious Activity Reporting Initiative, including a look at the relationship between the Shared Space and eGuardian systems.[1]

[1] See Appendix V.

On June 4, 2012, then-Chairman King, joined by Chairman Lieberman, Ranking Member Thompson, and Congressmen Patrick Meehan and Brian Higgins, requested that the GAO examine field intelligence organizations – specifically High Intensity Drug Trafficking Areas, Joint Terrorism Task Forces, FBI Field Intelligence Groups, and State and Major Urban Area Fusion Centers – in an effort to further understand the relationships between each, and identify areas of actual mission duplication or overlap. [2]

On April 24, 2012, now-Committee Chairman Michael McCaul joined Senator Tom Coburn in his request that the GAO examine intelligence analysis within the DHS Intelligence Enterprise.

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[2] See Appendix VI.

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APPENDIX III

FISCAL YEAR 2011 HSGP GUIDANCE

Fusion Center Investment. As maturation of the national network of fusion centers is one of the Department's highest priorities in FY 2011, DHS is requiring that at least one (1) fusion center Investment from a State to provide funding support to the State's primary fusion center, as designated by the Governor. Additionally, FY 2011 eligible UASI applicants will be required to provide an Investment to the DHS-recognized fusion center within the Urban Area. Grantees must coordinate with the fusion center when developing a fusion center Investment prior to submission.

Priority Three – Maturation and Enhancement of State and Major Urban Area Fusion Centers

One of the Department's priorities in FY 2011 is to support recognized State and major Urban Area fusion centers and the maturation of the Information Sharing Environment (ISE). Fusion centers serve as focal points within the State and local environment for the receipt, analysis, gathering, and sharing of threat-related information between the Federal government and State, local, Tribal, territorial (SLTT) and private sector partners. Building a National Network of Fusion Centers (National Network) empowers law enforcement and homeland security personnel by helping them understand local implications of national intelligence, thus enabling them to better protect their communities.

A National Network also provides a mechanism for the Federal government to receive information from SLTT partners, which helps create a more complete intelligence picture at the National level. With timely, accurate information on potential terrorist threats, fusion centers can also directly contribute to and inform investigations initiated and conducted by Federal entities, such as the Joint Terrorism Task Forces led by the Federal Bureau of Investigation (FBI). The *2010 National Security Strategy* identifies fusion centers as critical in enlisting all of our intelligence, law enforcement, and homeland security capabilities to prevent acts of terrorism on American soil.

In support of this strategic vision, the Department is requiring recognized State and Major Urban Area fusion centers to participate in an annual assessment of their achievement of baseline capabilities, as outlined in the Global Justice Information Sharing Initiative's (Global) *Baseline Capabilities for State and Major Urban Area Fusion Centers.* The results from this assessment will help fusion centers identify gaps in their operational capabilities.

As maturation of the National Network is one of the Department's highest priorities in FY 2011, DHS is requiring that at least one (1) of the Investment for State or Urban Areas, in which the 72 DHS-recognized fusion centers reside, address funding support for the recognized fusion center. Grantees must coordinate with the fusion center when developing a fusion center Investment prior to submission. All efforts should be made to address gaps that are identified by taking advantage of the service deliveries made available through the joint DHS and Department of Justice Fusion Process Technical Assistance Program. Additionally, any jurisdiction or agency

that leverages HSGP-related funds to support intelligence- or fusion process-related activities (i.e., intelligence unit, real time crime information and analysis centers, etc.) must ensure these efforts are integrated and/or coordinated with the respective recognized State or Urban Area fusion centers.

Background

The *Baseline Capabilities for State and Major Urban Area Fusion Centers* (September 2008) identifies the baseline capabilities for fusion centers and the operational standards necessary to achieve each of the capabilities across the National Network of Fusion Centers. Fusion centers, in partnership with the Federal Government, prioritized four critical operational capabilities (COCs)1, which align to the steps in the intelligence cycle. During the Baseline Capabilities Assessment (BCA)2, fusion centers are assessed on their ability to perform the COCs.

Objective One

Baseline Capabilities. Fusion centers leveraging SHSP and/or UASI grant funds must prioritize the allocation of these grant funds to address any capability gaps identified as a result of the BCA. This will ensure the implementation of common and consistent operational standards across the National Network of Fusion Centers.

Fusion center priorities for FY 2011 focus on enhancing and maintaining their ability to execute the COCs at a fundamental level, which means that, at a minimum, fusion centers have approved plans, policies, or standard operating procedures (SOPs) for each COC that codify their business processes. No two localities are exactly alike, so each center should tailor its procedures to meet its local needs. However, it is essential that DHS gain a National perspective of fusion center network capabilities. To achieve that end, individual fusion center SOPs, plans, and policies must be developed in a standardized fashion. Those centers that have approved plans, policies, or SOPs for
each COC should also continue to fully implement these plans, policies, or SOPs, as well as other gaps identified during the fusion center‘s baseline capability assessment. FY 2011 fusion center priorities also focus specifically on maturing analytic capabilities as part of COC 2: Analyze.

Fusion centers leveraging SHSP and/or UASI grant funds are required to demonstrate, at a minimum, the following fundamental capabilities:

- *Receive:* A written plan, policy or SOP describing fusion center business processes for the receipt, handling, and storage of classified (SECRET) and unclassified information from Federal partners
- *Analyze:* A written plan, policy, or SOP describing fusion center business processes for assessing the local implications of threat-related information provided by Federal partners (DHS, FBI, etc.) through a formal risk analysis process. This process should determine what critical information needs to be provided to State, local, Tribal, and territorial (SLTT) and private sector partners to support prevention, protection, and other response-related operational planning efforts, and to inform these partners of behaviors and circumstances that may serve as pre-incident indicators of an emerging threat
- *Disseminate:* A written plan, policy, or SOP describing fusion center business processes

for disseminating critical information to SLTT and private sector partners in the fusion center's area of responsibility

- *Gather:* A written plan, policy, or SOP describing fusion center business processes for gathering locally generated information, participating in the NSI, and sharing pertinent information with the local JTTF for investigation and DHS for further analysis
- *Privacy, Civil Rights, and Civil Liberties (P/CRCL) Protections:* An approved P/CRCL policy to ensure that P/CRCL protections are in place that are at least as comprehensive as the *ISE Privacy Guidelines*, and that all staff receive training on both the center's P/CRCL policies and 28 CFR Part §23. The development and updating of such policies provide an opportunity to engage the whole community

Measurement Methods

- Percentage of fusion centers with documented plans, policies, or SOPs describing fusion center business processes for receiving, handling, and storing classified and unclassified information in accordance with the metrics established by the DHS Office of Intelligence and Analysis (I&A)
- Percentage of fusion centers with documented plans, policies, or SOPs describing fusion center business processes for assessing local implications of threat-related information in accordance with the metrics established by the DHS I&A
- Percentage of fusion centers with documented plans, policies, or SOPs describing fusion center business processes for disseminating information to SLTT and private sector partners in accordance with the metrics established by the DHS I&A
- Percentage of fusion centers with documented plans, policies, or SOPs describing fusion center business processes for gathering locally generated information and participating in the NSI in accordance with the metrics established by the DHS I&A
- Percentage of fusion centers with an approved P/CRCL policy
- Percentage of fusion centers that have conducted a audit of their P/CRCL policy in accordance with the *Privacy Civil Rights and Civil Liberties Compliance Verification for the Intelligence Enterprise4*

Reporting

- Achievement of these capabilities will be evaluated through the following methods:
    - IJ will be based upon the courses of action to fill identified gaps from the BCA, and these assessment results must be included as part of the IJ
    - The SAA must certify the fusion center's participation in the annual BCA process by reporting:
        - Percentage compliance with executing the critical operational capabilities at a fundamental level as a part of the IJ
        - Percentage of achievement of the critical operational

capabilities must be regularly reported in the BSIR

- Exercises to evaluate the implementation of COCs and analytical proficiency, which will occur every two years. The SAA must certify the fusion center's participation in these exercises. This certification would be made to GPD as part of regular BSIR reporting.

Objective Two

Analytic Capabilities. All fusion center analytic personnel must demonstrate qualifications that meet or exceed competencies identified in the *Common Competencies for State, Local, and Tribal Intelligence Analysts.* In addition to these training requirements, fusion centers should also continue to mature their analytic capabilities by addressing gaps in analytic capability identified during the fusion center's BCA.

Measurement Methods

- Percentage of fusion center analytic personnel funded out of SHSP and UASI that have received/participated in training deemed to be compliant with the *Common Competencies for State, Local, and Tribal Intelligence Analysts*
- Percentage of fusion center analysts that require SECRET clearances have them (or have submitted requests for them)
- Percentage of fusion center analysts with access to sensitive but unclassified (SBU) systems
- Percentage of fusion center analysts trained on 28 CFR Part §23
- Percentage of fusion center analyst with access to tools identified in the Analyst Toolbox6

Reporting

- Assessed through reporting methods identified in **Objective 1**

FISCAL YEAR 2012 HSGP GUIDANCE

Priority Three: Maturation and Enhancement of State and Major Urban Area Fusion Centers

One of the Department's highest priorities in FY 2012 remains support for recognized State and major Urban Area fusion centers and the maturation of the Information Sharing Environment (ISE). Fusion centers serve as focal points within the State and local environment for the receipt, analysis, gathering, and sharing of threat-related information between the Federal government and State, local, tribal, territorial (SLTT) and private sector partners. Building a National Network of Fusion Centers (National Network) empowers law enforcement, fire, emergency management and homeland security personnel by helping them understand local implications of national intelligence, thus enabling them to better protect their communities.

A National Network also provides a mechanism for the Federal government to receive information from SLTT partners, which helps create a more complete intelligence picture at the National level. With timely, accurate information on potential terrorist threats, fusion centers can also directly contribute to and inform investigations initiated and conducted by Federal entities, such as the Joint Terrorism Task Forces led by the Federal Bureau of Investigation (FBI). The 2010 National Security Strategy identifies fusion centers as critical in enlisting all of our intelligence, law enforcement, fire, emergency, management, and homeland security capabilities to prevent acts of terrorism on American soil.

In support of this strategic vision, the Department is requiring recognized State and major Urban Area fusion centers to participate in an annual assessment of their achievement of Critical Operational Capabilities (COCs) and Enabling Capabilities (ECs), as based upon the Global Justice Information Sharing Initiative's (Global) Baseline Capabilities for State and Major Urban Area Fusion Centers. The four COCs are: receive; analyze; disseminate; and gather. The four ECs are: Privacy, Civil Rights, and Civil Liberties (P/CRCL) Protection; Sustainment Strategy; Communications and Outreach; and Security. The results from this assessment will help fusion centers identify gaps in their operational and enabling capabilities. Mitigating these gaps will enhance fusion centers' capacity to improve the nation's ability to safeguard the homeland and prevent terrorist and criminal activity, while enabling local officials to better protect their communities.

As maturation of the National Network is one of the Department's highest priorities in FY 2012, DHS is requiring that all fusion center related funding requests be consolidated into a single (1) Investment for States or Urban Areas, in which recognized fusion centers reside, and this Investment must address funding support for the recognized fusion center. Grantees must coordinate with the fusion center when developing a fusion center Investment prior to submission, and Investment requests must directly align to and reference any capability gaps identified during the center's individual 2011 Fusion Center Assessment Report. In particular, each proposed project included in the fusion center Investment must reference the corresponding COC or EC, as well as associated attribute(s), the funding investment is intended to address. Additionally, any jurisdiction or agency that leverages HSGP funds to support intelligence- or fusion process-related activities (i.e., intelligence unit, real time crime information and analysis centers, etc.) must ensure these efforts are integrated and/or coordinated with the respective State or major Urban Area fusion center(s).

Background: The Baseline Capabilities for State and Major Urban Area Fusion Centers (September 2008) identifies the baseline capabilities for fusion centers and the operational standards necessary to achieve each of the capabilities across the National Network. Fusion centers, in partnership with the Federal Government, prioritized four COCs, which reflect the operational priorities of the National Network, and four ECs, which provide a foundation for the fusion process. During the annual fusion center assessment, fusion centers are assessed on their ability to execute the COCs and ECs.

> **Objective One:** Baseline Capabilities. Fusion centers leveraging SHSP and/or UASI grant funds must prioritize the allocation of these grant funds to any capability gaps identified as a result of the 2011 Fusion Center Assessment and, only after identified

capability gaps have been addressed, maintain and enhance capabilities in execution of the COCs and ECs. This will ensure the implementation of common and consistent operational standards across the National Network.

Objective Two: Analytic Capabilities. All fusion center analytic personnel must demonstrate qualifications that meet or exceed competencies identified in the Common Competencies for State, Local, and Tribal Intelligence Analysts. In addition to these training requirements, fusion centers should also continue to mature their analytic capabilities by addressing gaps in analytic capability identified during the annual fusion center assessment.

Measurement Methods (Fusion Center Reporting and Compliance)

In order to effectively measure implementation of this priority, recognized State and major Urban Area fusion centers leveraging SHSP and/or UASI grant funds will be evaluated based upon compliance with the following:

- Successful completion of the annual Fusion Center Assessment Program managed by the DHS Office of Intelligence and Analysis (I&A). The Fusion Center Assessment Program is comprised of the self assessment, validation, staffing and product tables, and cost assessment data and will evaluate each Fusion Center against the four COCs
- Have approved plans, policies, or SOPs and, per the Fusion Center Assessment Program, demonstrate improvement in each of the four COCs
- Have an approved P/CRCL policy that is determined to be at least as comprehensive as the ISE Privacy Guidelines
- Conduct an annual audit of their P/CRCL policy in accordance with the Privacy Civil Rights and Civil Liberties Compliance Verification for the Intelligence Enterprise (http://it.ojp.gov/docdownloader.aspx?ddid=1285)
- Ensure all staff receive annual training on both the center's P/CRCL policies and 28 CFR Part 23
- All fusion center analytic personnel must meet designated competencies, as identified in the *Common Competencies for State, Local, and Tribal Intelligence Analysts*, that have been acquired through experience or training courses Successfully complete an exercise to evaluate the implementation of the four COCs at least once every two years and address any corrective actions arising from the successfully completed exercises

Reporting

- For SHSP and UASI, fusion centers will report on the achievement of capabilities and compliance with measurement requirements within the Maturation and Enhancement of State and Major Urban Area Fusion Centers priority through the annual Fusion Center Assessment Program managed by DHS I&A and reported to FEMA

Priority Three: Maturation and Enhancement of State and Major Urban Area Fusion Centers

DHS preparedness grants continue to support designated State and major Urban Area fusion centers (see *http://www.dhs.gov/fusion-center-locations-and-contact-information*) and the maturation of the Information Sharing Environment (ISE). Fusion centers, a critical component of our Nation's distributed homeland security and counterterrorism architecture, provide grassroots intelligence and analytic capabilities within the state and local environment. Fusion centers contribute to the ISE through their role in receiving threat information from the Federal government; analyzing that information in the context of their local environment; disseminating that information to local agencies; and gathering tips, leads, and SAR initiatives from local agencies and the public. Enhancing and sustaining these capabilities across the National Network of Fusion Centers (National Network) helps to empower law enforcement, fire service/emergency medical services (EMS), emergency management, public health and other public safety and homeland security personnel by helping them understand local implications of national intelligence, thus enabling them to better protect their communities.

A National Network also provides a mechanism for the Federal government to receive information from SLTT partners, which helps create a more complete threat picture at the National level. Participating in the Nationwide SAR Initiative enables fusion centers to receive and analyze suspicious activity reporting from frontline public safety personnel, the private sector, and the public, and ensure the sharing of SAR with the Federal Bureau of Investigation-led Joint Terrorism Task Forces for further investigation. The *2010 National Security Strategy* identifies fusion centers as critical in enlisting all of our intelligence, law enforcement, fire service, emergency management, and homeland security capabilities to prevent acts of terrorism on American soil.

In support of this strategic vision, the Department of Homeland Security's Office of Intelligence & Analysis (DHS I&A) is requiring designated State and major Urban Area fusion centers to participate in an annual assessment of their achievement of Critical Operational Capabilities (COCs) and Enabling Capabilities (ECs), as detailed in the Global Justice Information Sharing Initiative's (Global) *Baseline Capabilities for State and Major Urban Area Fusion Centers*. The results from this assessment, to be conducted in the fall of 2013, will help fusion centers identify gaps in their COCs and ECs and focus Federal investment so resources are targeted to mitigate any identified capability gaps and shortfalls and sustain existing capabilities. This will enhance fusion centers' capacity to improve the nation's ability to safeguard the homeland and prevent terrorist and criminal activity, while enabling local officials to better protect their communities.

As maturation of the National Network continues to be a high priority in FY 2013, DHS is requiring that all fusion center related funding requests be consolidated into a single (1) Investment for States or Urban Areas in which designated fusion centers reside, and this Investment must address funding support for the designated fusion center. The single Investment provides state and urban areas a means to centrally manage and report on fusion center related activities. **Grantees must coordinate with the fusion center when developing a fusion center**

Investment prior to submission, and the Investment must directly align to and reference any capability gaps and shortfalls identified during the center's individual 2012 Fusion Center Assessment Report. In particular, each proposed project included in the fusion center Investment must reference the corresponding COC or EC, as well as associated attribute(s), the funding investment is intended to address. Additionally, any jurisdiction or agency that leverages HSGP funds to support intelligence- or fusion process-related activities (i.e., intelligence unit, real time crime information and analysis centers, etc.) must ensure these efforts are integrated and/or coordinated with the respective designated State or major Urban Area fusion center(s).

Background: The *Baseline Capabilities for State and Major Urban Area Fusion Centers* (September 2008) (http://www.dhs.gov/national-network-fusion-centers-fact-sheet) identifies the baseline capabilities for fusion centers and the operational standards necessary to achieve each of the capabilities across the National Network. Federal partners, in coordination with fusion center directors, prioritized four COCs, which reflect the operational priorities of the National NetworkNetwork, and four ECs, which provide a foundation for the fusion process. Enhancing and sustaining these capabilities across the National Network creates a national capacity to gather, process, analyze, and share information in support of efforts to protect the country. During the annual fusion center assessment, fusion centers are assessed on their ability to execute the COCs and ECs.

> ***Objective One: Baseline Capabilities.*** Fusion centers leveraging SHSP and/or UASI grant funds must prioritize the allocation of these grant funds to address any capability gaps and shortfalls identified as a result of the 2012 Fusion Center Assessment and maintain and enhance capabilities in execution of the COCs and ECs. This will ensure the implementation of common and consistent operational standards across the National Network.
>
> ***Objective Two: Analytic Capabilities.*** All fusion center analytic personnel must demonstrate qualifications that meet or exceed competencies identified in the *Common Competencies for State, Local, and Tribal Intelligence Analysts*. In addition to these training requirements, fusion centers should also continue to mature their analytic capabilities by addressing gaps and shortfalls in analytic capability identified during the annual fusion center assessment.

Measurement Methods (Fusion Center Reporting and Compliance)
In order to effectively measure implementation of this priority, designated State and major Urban Area fusion centers leveraging SHSP and/or UASI grant funds will be evaluated based upon compliance with the following:

- Successful completion of the annual Fusion Center Assessment Program managed by the DHS I&A. The Fusion Center Assessment Program evaluates each Fusion Center against the COCs and ECs and is comprised of the self-assessment questions, staffing, product, and cost assessment data tables, and validation
- Maintain approved plans, policies, or SOPs and, per the Fusion Center Assessment Program, and, when applicable, demonstrate improvement in each of the four COCs

- Maintain an approved Privacy, Civil Rights, and Civil Liberties (P/CRCL) policy that is determined to be at least as comprehensive as the *ISE Privacy Guidelines*
- Conduct a compliance review of their P/CRCL policy in accordance with the *Privacy Civil Rights and Civil Liberties Compliance Verification for the Intelligence Enterprise (http://it.ojp.gov/docdownloader.aspx?ddid=1285*)
- Ensure all staff receive annual training on the center's P/CRCL policies
- Ensure all staff are trained on 28 CFR Part 23
- Ensure all Federally funded criminal intelligence databases comply with 28 CFR Part 23
- All fusion center analytic personnel must meet designated competencies, as identified in the *Common Competencies for State, Local, and Tribal Intelligence Analysts,* that have been acquired through experience or training courses
- Successfully complete an exercise to evaluate the implementation of the COCs at least once every two years and address any corrective actions arising from the successfully completed exercises within the timeframe identified in the each exercise' AAR
- Post 100 percent (100%) of distributable analytic products (as defined by the annual assessment process) to the Homeland Security Information Network's (HSIN's) Homeland Security State & Local Intelligence Community of Interest (HS SLIC) as well as any other applicable portals, such as LEO, RISS, their agency portal, etc.
- Have formalized process (as defined by the annual assessment process) to track incoming and outgoing Requests for Information (RFI), including send/recipient and actions taken
- For States that have multiple designated fusion centers, the primary fusion center has documented a plan that governs the coordination and interactions of all fusion centers within the state

Reporting

For SHSP and UASI, fusion centers will report on the achievement of capabilities and compliance with measurement requirements within the Maturation and Enhancement of State and Major Urban Area Fusion Centers priority through the annual Fusion Center Assessment Program managed by DHS I&A and reported to FEMA

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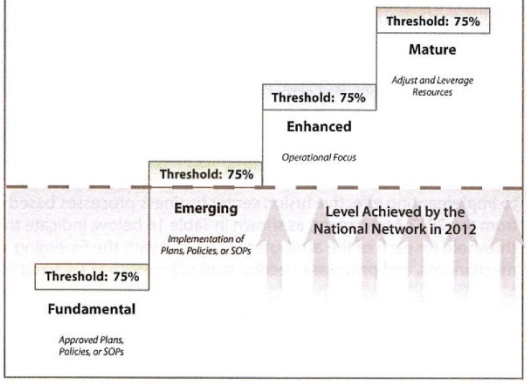
APPENDIX IV

NATIONAL NETWORK MATURITY MODEL: Excerpt from the 2012 National Network of Fusion Centers Final Report, p. 37.

National Network Maturity Model

The National Network Maturity Model (Maturity Model) is a multistage framework designed to evaluate and categorize the overall progress of the National Network as a whole—as opposed to individual fusion centers—in achieving the COCs and ECs. It defines a path for the National Network to move from the current state to a desired end state where a fully integrated, mature, and sustainable National Network strengthens efforts to protect the homeland. Using the Maturity Model, the fusion center stakeholder community can target resources and strategic planning efforts to support National Network capability maturation towards a defined goal with discrete intermediate capability targets.

Figure 14: The National Network of Fusion Centers has reached the Emerging Stage



The Maturity Model consists of 46 attributes aligned to four distinct stages: Fundamental, Emerging, Enhanced, and Mature. For each stage of the Maturity Model, the fusion center stakeholder community established an outcome-oriented, qualitative definition and aligned capability attributes based on each attribute's contribution to the defined outcome for that maturity stage. Some of the attributes associated with the Maturity Model differ from those attributes aligned to individual fusion centers because the attributes needed for a fully capable fusion center are different from those needed for a fully capable National Network.

The National Network advances through each of the four stages of the Maturity Model when 75% of fusion centers achieve the attributes associated with that level of the Maturity Model. Each stage is equally important to achieving a fully integrated National Network.

Fundamental (Approved Plans, Policies, or SOPs): Fusion centers across the National Network have approved plans, policies, or SOPs for each of the four COCs and EC 1.

Emerging (Implementation of Plans, Policies, or SOPs): The National Network has the systems, mechanisms, and processes needed to implement the plans, policies, or SOPs and the COCs and ECs as a whole.

Enhanced (Operational Focus): The National Network has the operational capability to produce products and provide services to federal, state, and local customers.

Mature (Adjust and Leverage Resources): The National Network has the full capability to leverage the collective resources among individual fusion centers and adjust to both the changing threat environment and evolving requirements.

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APPENDIX V

EXECUTIVE SUMMARY: GAO STUDY ON THE NATIONWIDE SAR INITIATIVE, MARCH 2013

GAO
Accountability * Integrity * Reliability

Highlights

Highlights of GAO-13-233, a report to congressional requesters

Why GAO Did This Study

In 2007, DOJ and its federal partners developed the Nationwide Suspicious Activity Reporting Initiative to establish a capability to gather and share terrorism-related suspicious activity reports. GAO was asked to examine the initiative's progress and performance. This report addresses the extent to which (1) federal agencies have made progress in implementing the initiative, and what challenges, if any, remain; (2) the technical means used to collect and share reports overlap or duplicate each other; (3) training has met objectives and been completed; and (4) federal agencies are assessing the initiative's performance and results. GAO analyzed relevant documents and interviewed federal officials responsible for implementing the initiative and stakeholders from seven states (chosen based on their geographic location and other factors). The interviews are not generalizable but provided insight on progress and challenges.

What GAO Recommends

GAO recommends that DOJ implement formalized mechanisms to provide stakeholders feedback on the suspicious activity reports they submit, mitigate risks from supporting two systems to collect and share reports that may result in the FBI not receiving needed information, more fully assess if training for line officers meets their needs, and establish plans and time frames for implementing measures that assess the homeland security results the initiative has achieved. DOJ agreed with these recommendations and identified actions taken or planned to implement them.

View GAO-13-233. For more information, contact Eileen R. Larence at (202) 512-8777 or larencee@gao.gov.

March 2013

INFORMATION SHARING

Additional Actions Could Help Ensure That Efforts to Share Terrorism-Related Suspicious Activity Reports Are Effective

What GAO Found

The Department of Justice (DOJ) has largely implemented the Nationwide Suspicious Activity Reporting Initiative among fusion centers—entities that serve as the focal point within a state for sharing and analyzing suspicious activity reports and other threat information. The state and local law enforcement officials GAO interviewed generally said the initiative's processes worked well, but that they could benefit from additional feedback from the Federal Bureau of Investigation (FBI) on how the reports they submit are used. The FBI has a feedback mechanism, but not all stakeholders were aware of it. Implementing formalized feedback mechanisms as part of the initiative could help stakeholders conduct accurate analyses of terrorism-related information, among other things.

The technical means that federal, state, and local entities use to collect and share terrorism-related suspicious activity reports—Shared Spaces servers that DOJ provides to most fusion centers and the FBI's eGuardian system—provide many overlapping or duplicative services. For example, both systems provide a national network for sharing the reports and tools to analyze them. The federal government is aware that duplication exists but supports both systems to enable fusion centers to control information on individuals, consistent with the centers' privacy requirements, and facilitate the FBI's investigative needs. However, the FBI was concerned that supporting two systems introduces risks that it will not receive all reports. For example, at the time of our review, many fusion centers were choosing not to automatically share all of their reports with the FBI's system—although they may have shared reports via phone or other means—and DOJ had not fully diagnosed why. In its March 2013 letter commenting on a draft of this report, DOJ stated that it had made progress on this issue. DOJ also had not formally tested the exchange of information between the two systems to ensure that the exchanges were complete. Taking additional steps to mitigate the risks that reports are not fully shared could help DOJ ensure that the FBI receives all information that can support investigations.

Stakeholders GAO interviewed generally reported that training fully or partially met objectives, such as making law enforcement more aware of the initiative. DOJ has mechanisms to assess the analyst training to help ensure that analysts have the information they need to review and share reports. However, DOJ had not fully assessed its training provided to officers on the front line, which could help ensure that officers receive sufficient information to be able to recognize terrorism-related suspicious activity. DOJ has provided training to executives at 77 of 78 fusion centers, about 2,000 fusion center analysts, and about 290,000 of the 800,000 line officers. DOJ is behind schedule in training the line officers but is taking actions to provide training to officers who have not yet received it.

DOJ and other agencies collect some data to assess the performance of the Nationwide Suspicious Activity Reporting Initiative—such as the number of reports submitted and resulting FBI investigations. These data show that stakeholders were increasingly submitting and using terrorism-related reports. However, DOJ had not yet established plans and time frames for implementing measures that assess the homeland security results achieved by the initiative and thus lacked a means for establishing accountability for implementing them.

United States Government Accountability Office

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APPENDIX VI

EXECUTIVE SUMMARY: GAO STUDY ON FIELD-BASED INFORMATION SHARING ACTIVITIES, APRIL 2013

GAO
Accountability * Integrity * Reliability

Highlights

Highlights of GAO-13-471, a report to congressional requesters

Why GAO Did This Study

Federal agencies and state and local governments have established field-based entities (e.g., centers and task forces) nationwide that share terrorism-related information, among other things. GAO was asked to assess these entities. This report addresses (1) the extent to which these entities are distinct, fragmented, overlapping, or duplicative; (2) the extent to which DOJ, DHS, and ONDCP hold entities accountable for coordinating and have assessed coordination opportunities; and (3) how, if at all, DOJ, DHS, and ONDCP incorporate information on the results entities achieve when making funding decisions. GAO analyzed entities' missions, activities, and coordination efforts in eight selected urban areas that range in geographic dispersion and risk. Although not generalizable, this analysis provided insights. This is a public version of a sensitive report GAO issued in March 2013. Information the Federal Bureau of Investigations (FBI) deemed sensitive has been redacted.

What GAO Recommends

GAO recommends that ONDCP work with HIDTA officials to establish time frames to connect systems; DHS, DOJ, and ONDCP develop measures to hold entities accountable for coordination and assess opportunities to enhance coordination; and the PM-ISE report on the results of the agencies' efforts to assess coordination. DHS, ONDCP, and the PM-ISE concurred. DOJ generally agreed with the intent of the recommendations, but disagreed with their underlying premises that DOJ was not already taking such actions. GAO believes these actions do not fully address the recommendations as discussed further in this report.

View GAO-13-471. For more information, contact Eileen R. Larence at (202) 512-8777 or larencee@gao.gov.

April 2013

INFORMATION SHARING

Agencies Could Better Coordinate to Reduce Overlap in Field-Based Activities

What GAO Found

Five types of field-based information-sharing entities are supported, in part, by the federal government—Joint Terrorism Task Forces, Field Intelligence Groups, Regional Information Sharing Systems (RISS) centers, state and major urban area fusion centers, and High Intensity Drug Trafficking Area (HIDTA) Investigative Support Centers—and have distinct missions, roles, and responsibilities. However, GAO identified 91 instances of overlap in some analytical activities—such as producing intelligence reports—and 32 instances of overlap in investigative support activities, such as identifying links between criminal organizations. These entities conducted similar activities within the same mission area, such as counterterrorism, for similar customers, such as federal or state agencies. This can lead to benefits, such as the corroboration of information, but may also burden customers with redundant information. GAO also found that RISS centers and HIDTAs operate three different systems that duplicate the same function—identifying when different law enforcement entities may be conducting a similar enforcement action, such as a raid at the same location, to ensure officer safety—resulting in some inefficiencies. RISS and HIDTA have taken steps to connect two of the systems, but HIDTA does not have target time frames to connect the third system. A commitment to time frames would help reduce risks to officer safety and potentially lessen the burden on law enforcement agencies that are currently using multiple systems.

Agencies have neither held entities accountable for coordinating nor assessed opportunities for further enhancing coordination to help reduce the potential for overlap and achieve efficiencies. The Departments of Justice (DOJ) and Homeland Security (DHS), and the Office of National Drug Control Policy (ONDCP)—the federal agencies that oversee or provide support to the five types of field-based entities— acknowledged that entities working together and sharing information is important, but they do not hold the entities accountable for such coordination. A mechanism that enables agencies to monitor the results of coordination efforts could encourage more coordination, help reduce any unnecessary overlap and leverage resources. Officials in the eight urban areas said that practices such as having representatives from other agencies on governance boards and colocating entities where possible enhanced coordination, information sharing, and efficiencies—in their view, reducing the potential of unnecessary overlap. Federal agencies have not assessed the extent to which such practices could be further implemented and, therefore, may be missing opportunities to maximize benefits. The Program Manager for the Information Sharing Environment (PM-ISE)—which manages efforts to enhance sharing governmentwide—has not reported on specific coordination efforts across the entities. Including agencies' assessment progress in the annual reports to the Congress would enhance accountability.

The agencies collect information on entities' results, but vary in the extent to which they consider the results when they make decisions about future funding. For example, agencies may consider other factors—such as risk and threats—rather than results, or funding decisions may be determined by state grant recipients or set in part by statutory or other requirements.

United States Government Accountability Office

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APPENDIX VII

RESOURCE ALLOCATION CRITERIA

INFORMATION SHARING ENVIRONMENT GUIDANCE (ISE-G)

FEDERAL RESOURCE ALLOCATION CRITERIA (RAC)

Purpose

This document defines objective criteria to be used by federal agencies that provide direct support to state and major urban area fusion centers ("fusion centers") (herein referred to as federal fusion center support entities or FFCSE) when making federal resource allocation decisions to fusion centers.

Background

The Federal Government does not dictate where fusion centers should be built and maintained, nor does it designate fusion centers. However, the Federal Government has a shared responsibility with state and local governments to promote the establishment of a national network of fusion centers to facilitate effective information sharing. Since 2001, the Federal Government has provided significant grant funding, training, technical assistance, exercise support, federal personnel, and access to federal information and networks to support fusion centers. The Federal Government recognizes the importance and ability of state, local, tribal, and territorial (SLTT) governments to own operate, and/or participate in fusion centers and respects that a fusion center's mission should be defined according to its jurisdictional needs. To ensure that information sharing efforts are optimized and barriers minimized, SLTT governments should define and document how their jurisdictions intend to carry out intrastate coordination to gather, process, analyze, and disseminate terrorism, homeland security, and law enforcement information (the "fusion process").

The *National Strategy for Information Sharing (2007) ("NSIS")* provides a Federal Government-wide approach to interfacing and collaborating with fusion centers. In furtherance of the *NSIS* goals, the Federal Government must clearly define the parameters for the allocation of federal resources to fusion centers in order to provide support in a manner that:

- Collectively supports the development of a national network of fusion centers; and
- Effectively balances the need for supporting SLTT, as well as federal, imperatives.

The Federal Government can accomplish this task through the implementation of specific, objective criteria for resource allocation by FFCSEs to fusion centers. Not only will established criteria help bring transparency into the process of allocating federal resources to fusion centers; it will also enable FFCSEs to prioritize support in order to enhance the national network of fusion centers.

Criteria for Resource Allocation to Fusion Centers

FFCSEs will prioritize federal resource allocation across three categories. These categories (in order of primacy) and the corresponding prioritization criteria for resource allocation are detailed below.

Category 1: Criteria for Prioritization of Primary Fusion Centers

In each of the 50 states, the District of Columbia, and the five U.S. territories[1] there may be one primary fusion center. To be eligible for this category, a fusion center must be designated by the Governor[2] as the primary fusion center, pursuant to the joint Department of Homeland Security (DHS) and Department of Justice (DOJ) November 2007 fusion center designation letter, and this designation must be communicated to the Secretary of Homeland Security and the United States Attorney General.

A primary fusion center shall maintain the following criteria in order for FFCSEs to continue to prioritize it within this category for federal resource allocation:

- Designation as the primary fusion center by the Governor;
- Oversight and management by a state or local government agency;
- Receipt of DHS certification that privacy, civil rights, and civil liberties (P/CRCL) protections are in place that are determined to be at least as comprehensive as the Information Sharing Environment (ISE) Privacy Guidelines;
- Implementation of a plan and procedures to fulfill its responsibility as the focal point within the state and local environment for the receipt, analysis, gathering, and sharing of threat-related information[3], and for the coordination and execution of the statewide fusion process, including all fusion centers and other SLTT partners in its state or territory; and
- Achievement and maintenance of the *Baseline Capabilities for State and Major Urban Area Fusion Center (Baseline Capabilities),* as measured by the annual Baseline Capabilities Assessment (BCA).

Category 2: Criteria for Prioritization of Recognized Fusion Centers

The Federal Government respects the authority of state governments to designate fusion centers. Any designated fusion center, including major urban area fusion centers, not designated as a primary fusion center will be referred to as a recognized fusion center and included within this category for resource allocation, as appropriate.

A recognized fusion center shall maintain the following criteria in order for the fusion center to continue to be eligible for federal resource allocation within this category:

- Designation as a fusion center by the Governor;
- Oversight and management by a state or local government agency;

1 The five territories are American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

2 For the District of Columbia, the Mayor may designate the primary fusion center.

3 "State and major urban area fusion centers will be the focus, but not exclusive points, within the State and local environment for the receipt and sharing of terrorism information, homeland security information, and law enforcement Information related to terrorism." *National Strategy for Information Sharing. Al-l*

- Implementation of a plan and procedures to work in conjunction with the primary fusion center, as part of the statewide fusion process;
- Achievement and maintenance of the Baseline Capabilities; and
- Receipt of DHS certification that P/CRCL protections are in place that are determined to be at least as comprehensive as the ISE Privacy Guidelines.

Category 3: Criteria for Prioritization of Nodes

A state may leverage its criminal intelligence units, real-time crime analysis centers, and other law enforcement or homeland security analytic centers that have not been designated as fusion centers by state governments. These nodes can provide valuable support to the statewide fusion process by coordinating with the primary fusion center and recognized fusion centers in the geographic area, thereby participating in intrastate coordination. Nodes are encouraged to achieve the *Baseline Capabilities,* as they pertain to their operations. Additionally, nodes are encouraged to maintain all applicable P/CRCL protections.

Implementation of Resource Allocation Criteria

FFCSEs provide support and resources to fusion centers in order to achieve and sustain the *Baseline Capabilities.* These resources include, but are not limited to, deployed personnel, connectivity with federal data systems, training, technical assistance, exercise support, grant programs, and national and regional workshops and conferences. The goal of these criteria is to enable FFCSEs to prioritize resource allocation to fusion centers. Within the context of this policy, federal mission needs may also inform the allocation of resources provided by FFCSEs.

While prioritization for federal support and resources is dependent upon achieving and maintaining fusion center resource allocation criteria, meeting these criteria does not guarantee the provision of funding. Federal agency support will be contingent upon available resources.

Primary Fusion Centers

Because primary fusion centers are designated by state Governors as the focal points within the state and local environment for the receipt, analysis, gathering, and sharing of threat-related information and have additional responsibilities related to the coordination of critical operational capabilities across the statewide fusion process with recognized fusion centers and nodes, the highest priority for the allocation of federal resources to fusion centers shall be directed to primary fusion centers. FFCSEs are committed to deploying personnel and establishing connectivity with federal data systems to primary fusion centers with the understanding that once resources are obligated by federal partners, they may not be immediately replaceable if the fusion center moves or relocates. In addition, primary fusion centers will be eligible to receive joint DHSIDOJ Fusion Process Technical Assistance Program services, as well as other training and exercise services directly related to the fusion process. Primary fusion centers will also receive invitations to National Fusion Center Conferences and Regional Workshops. Primary fusion centers will remain eligible for state and Urban Areas Security Initiative (UASI) grant programs, as applicable. When available resources are limited, FFCSEs may prioritize the allocation of resources to those fusion centers within this category based on the fusion centers' demonstrated ability to achieve and maintain the *Baseline Capabilities* and collocation with existing federal resources at fusion centers.

Recognized Fusion Centers

Recognized fusion centers will be eligible to receive deployed personnel and connectivity to federal data systems, as available. They will be eligible to receive joint DHS/DOJ Fusion Process Technical Assistance Program services only when a request is submitted and approved through the primary fusion center or the Homeland Security Advisor. Recognized fusion centers will also be eligible to receive invitations to National Fusion Center Conferences and Regional Workshops only when a request is submitted and approved through the primary fusion center or the Homeland Security Advisor. Recognized fusion centers will remain eligible for state and UASI grant programs, as applicable. When available resources are limited, FFCSEs may prioritize the allocation of resources to those fusion centers within this category based on the fusion centers' demonstrated ability to achieve and maintain the *Baseline Capabilities* and collocation with existing federal resources at fusion centers.

Nodes

Nodes will receive access to deployed personnel and federal data systems through the primary and/or recognized fusion centers. They may be eligible to receive specialized fusion center training and technical assistance services, as applicable, and invitations to other conferences and workshops only when a request is submitted and approved through the primary fusion center or the Homeland Security Advisor. Nodes will remain eligible for state-and UASI grant programs, as applicable.

Effective Date and Expiration. This ISE-G is effective immediately and will remain in effect as the Federal Resource Allocation Criteria (RAC) until updated, superseded, or cancelled.

Kshemendra N. Paul Program
Manager for the Information
Sharing Environment
Date: June 3, 2011

APPENDIX VIII

LIST OF ACRONYMS

---- # ----

2012 Final Report	*2012 National Network of Fusion Centers, Final Report, June 2013*

---- A ----

AOR	Area of Responsibility
"Assessment"	Annual Fusion Center Assessment
ATF	Bureau of Alcohol, Tobacco, Firearms, and Explosives, Department of Justice

---- B ----

BITAC	Basic Intelligence Threat Analysis Course

---- C ----

CBP	Customs and Border Protection, Department of Homeland Security
CFIX	Central Florida Intelligence Exchange
CIKR	Critical Infrastructure and Key Resources
Committee	Committee on Homeland Security, US House of Representatives

---- D ----

DEA	Drug Enforcement Administration, Department of Justice
DHS	Department of Homeland Security
DOD	Department of Defense
DOJ	Department of Justice

---- E ----

EMS	Emergency Medical Services
EOC	Emergency Operations Center

---- F ----

FAST	Field Analytic Support Taskforce
FBI	Federal Bureau of Investigation, Department of Justice
FEMA	Federal Emergency Management Agency, Department of Homeland Security
FLO	Fusion Liaison Officer, *similar to Terrorism Liaison Officer*
Fusion Centers	State and Major Urban Area Fusion Centers

----- G ----

GPD	Grant Programs Directorate, Federal Emergency Management Agency

---- H ----

HIDTA	High Intensity Drug Trafficking Area
HSDN	Homeland Secure Data Network
HSIN	Homeland Security Information Network

---- I ----

I&A	Office of Intelligence and Analysis, Department of Homeland Security
IA	Intelligence Analyst, Office of Intelligence and Analysis
IC	Intelligence Community
ICE	Immigrations and Customs Enforcement, Department of Homeland Security
IJ	Investment Justification
ILO	Intelligence Liaison Officer, *similar to Terrorism Liaison Officer*

IO	Intelligence Officer, Office of Intelligence and Analysis
ISE	Information Sharing Environment

---- J ----

JRIG	Joint Regional Intelligence Group

---- L ----
---- M ----

Maturity Model	National Network Maturity Model, introduced as part of the 2011 annual Fusion Center Assessment. See Appendix IV.
MITAC	Mid-Level Intelligence Threat Analysis Course
MTT	Mobile Training Team

---- N ----

National Network	The National Network of Fusion Centers
NCR	National Capital Region
NFCA	National Fusion Center Association
NHIAC	New Hampshire Information and Analysis Center
NIPP	*National Infrastructure Protection Plan*
NPGP	National Preparedness Grant Program
NSI	Nationwide Suspicious Activity Reporting (SAR) Initiative

---- O ----
---- P ----

P/CRCL	Privacy, Civil Rights, and Civil Liberties
PM-ISE	Program Manger for the Information Sharing Environment, Office of the Director of National Intelligence
PSA	Protective Security Advisor, Office of Infrastructure Protection

---- R ----

RD	Regional Director, Office of Intelligence and Analysis
RO	Reports Officer
ROIC	New Jersey Regional Operations Intelligence Center

---- S ----

SAA	State Administrative Agency
SAR	Suspicious Activity Report/Reporting
SBU	Sensitive-But-Unclassified
SHSGP	State Homeland Security Grant Program
SLPO	State and Local Program Office, Office of Intelligence and Analysis
SLTT	State, Local, Tribal, and Territorial
STAS	California's State Threat Assessment System

---- T ----

TLO	Terrorism Liaison Officer
TSA	Transportation Security Administration, Department of Homeland Security

---- U ----

UASI	Urban Area Security Initiative
USCIS	United States Citizenship and Immigration Services, Department of Homeland Security

---- V ----
---- W ----
---- X ----
---- Y ----
---- Z ----