

August 7, 2004

## INTELLIGENCE REFORM AND THE NEXT CIA DIRECTOR

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*What truly set Bill Casey apart from his predecessors and successors as DCI was that he had not come to CIA with the purpose of making it better, managing it more effectively, reforming it, or improving the quality of intelligence. What I realized only years later was that Bill Casey came to CIA primarily to wage war against the Soviet Union.<sup>1</sup>*

The national security issue currently seizing Washington is how much to further centralize US intelligence.<sup>2</sup> The most important intelligence reforms, however, will not be those whose intent is achieving greater unity of intelligence effort – most of these have already been realized, and those that have not will require new technical architectures to implement as much as new forms of organization and authority.<sup>3</sup> The most important reforms – those

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<sup>1</sup> Robert M. Gates, *From the Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War* (New York: Simon & Schuster, 1997), p. 199. William J. (Bill) Casey served as DCI from 1981 to 1987. Gates was a senior CIA official during Casey's tenure, and his closest aide. He subsequently served as DCI from 1991 to 1993.

<sup>2</sup> American intelligence has been centralized since the creation of the Central Intelligence Agency and Director of Central Intelligence (DCI) by the National Security Act of 1947. Since 1947, the DCI has had three principal responsibilities: serving as the president's chief intelligence officer; coordinating the multiple agencies (currently 15) that comprise the US intelligence community; and managing the CIA. On August 2, 2004, President Bush proposed the creation of new National Intelligence Director (NID), following the recommendation of the 9/11 Commission. The proposal would essentially separate the position of DCI from that of Director of the CIA (DCIA), with the new NID responsible for coordinating the activities of the intelligence community and serving as the president's chief intelligence officer. The current debate about the NID centers on whether the new position will be primarily a coordinating one with respect to the personnel and budgets of the intelligence community (President Bush's proposal) or a more powerful, directive one (the 9/11 Commission's recommendation). Other proposals for greater centralization (e.g., Scowcroft/Goss) would retain the dual-hatted nature of the DCI/DCIA, but would transfer to the DCI responsibility for personnel and budgets of several agencies that currently are under the Secretary of Defense: NSA, the National Reconnaissance Office (NRO) and the National Geospatial Intelligence Agency (NGA).

<sup>3</sup> New technical architectures are needed to facilitate easier access across and within separate intelligence databases. (See testimony of John Brennan, Director of the Terrorist Threat Integration Center before the Senate Governmental Affairs Committee, August 3, 2004.) Reorganizations, by themselves, seldom lead to significant improvement in organizational capabilities.

that will actually improve our ability to penetrate Osama bin Laden's inner circle and disrupt al Qaeda's plans to attack us – must occur within, not across, the key agencies – primarily the Central Intelligence Agency (CIA) and National Security Agency (NSA). They will require, moreover, substantial time to effect.<sup>4</sup>

In the meantime, the most important intelligence decision President Bush, or, if he wins on November 2, President Kerry will make is to choose the next CIA director.<sup>5</sup> Since the DCIA is America's field general in the global war on terrorism, this decision could be the most important national security personnel decision of a second Bush or a Kerry administration. While eventual victory in the Global War on Terrorism (GWOT) could depend on fundamental improvement in key intelligence capabilities, near-term success in the largely covert war will depend on selecting the right person with the inclination and skill to fight it.<sup>6</sup>

### CHOOSING AN OPERATIONAL ACTIVIST AS CIA DIRECTOR

Since the CIA's founding in 1947, nineteen men have served as its director (dual-hatted as head of the CIA and as DCI). Their ranks have included generals and admirals, former spies, CIA careerists, captains of industry, politicians, government officials and those whose primary career was in the legal profession.<sup>7</sup> Not surprisingly, different individuals and administrations

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<sup>4</sup> The CIA's Directorate of Operations (DO) or Clandestine Service is undergoing a major rebuilding effort to expand its capacity and improve its capabilities that will require another five years. (Testimony of Director of Central Intelligence George Tenet before the 9/11 Commission, March 24, 2004.) DO reforms focus on developing additional case officer capacity and improving the DO's ability to penetrate and disrupt terrorist groups. The CIA must also improve analytical performance and ability to bring new technology to bear for the war on terrorism. NSA has been struggling for several years to adapt to a communications environment dominated by fiber optic cables, the internet and publicly available, advanced cryptography.

<sup>5</sup> The CIA's Deputy Director, John McLaughlin, has been acting DCI since George Tenet resigned on July 11, 2004.

<sup>6</sup> It is assumed here that a new position of National Intelligence Director will be created, since it has the support of President Bush, Senator Kerry and key Republicans and Democrats in the Congress. The CIA Director will remain, however, the operational commander for the covert war on terrorism. As this paper will argue, the choice of a new CIA Director could easily be more consequential than the choice of a National Intelligence Director.

<sup>7</sup> The first four DCIs (RADM Sidney Souers, LTG Hoyt Vandenburg, RADM Roscoe Hillenkoett, and GEN Walter Bedell Smith) all came from the military, though Souers was a reservist who had a career in private business before being mobilized for World War II. Two subsequent DCIs also came from the ranks of the military (VADM William Rayburn and ADM Stansfield Turner). Four CIA careerists have been elevated to the job of DCI: Richard Helms, William Colby, Robert Gates, and Acting Director John McLaughlin. Helms and Colby came from the operational side of the CIA, and Gates and McLaughlin from the analytical side. Two other DCIs had prior experience in clandestine operations, along with substantial careers in the private sector (Allen Dulles and William Casey). Another DCI came from a career that combined politics, the private sector and government service (George H.W. Bush), while two others had backgrounds primarily in government or government-sponsored research (James Schlesinger and George Tenet). Two DCIs had primary careers in the legal profession (William Webster and R. James Woolsey), one came principally from industry (John McCone), and one from academia (John Deutch).

have brought different skills and philosophies to the job. A few directors have been operational activists, bent on using the CIA to shape world events. Others saw themselves primarily as dispassionate intelligence providers, and still others primarily as organizational managers.

Our post-9/11 world, in terms of the new and protracted strategic challenges it represents, most resembles the early days of the Cold War when communism was on the march, the conflict had to be fought sub-rosa and through proxies, and new institutions and tools had to be created to fight it. One hopes our current period will also turn out to be like the 1980s, when the Cold War was finally fought to a decisive conclusion and in which covert action figured prominently. During both the 1950s and the 1980s, the CIA was the primary instrument with which the Cold War was waged.<sup>8</sup> It is likewise America's primary offensive instrument in the GWOT, where US military power is essentially confined to two countries, Iraq and Afghanistan. The CIA is engaged globally, and has been our chief means to dismantle the al Qaeda network, and kill and capture al Qaeda's senior leaders.<sup>9</sup>

During the formative and decisive years of the Cold War, the CIA was led by operational activists, Allen Dulles and William Casey.<sup>10</sup> Given the covert battleground on which the GWOT is principally being waged, it is imperative that the next CIA director be one as well.<sup>11</sup> It would be helpful if the next director possessed incisive intelligence judgment. It would likewise be nice if he or she had the organizational and political skills to be a superb steward of intelligence resources. We will win or lose the GWOT, however, by how successful the DCIA is at finding and dismantling the terrorist networks in the dark alleys of the world, not in how perspicacious he or she is, or how efficient a resource manager.<sup>12</sup>

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<sup>8</sup> Covert action during the 1960s was largely, though not exclusively, confined to the war in Southeast Asia. The CIA's largest effort by far was its conduct of paramilitary operations in Laos. During the second half of the 1970s, there was a virtual moratorium on covert action.

<sup>9</sup> Nearly two-thirds of al Qaeda's senior leadership have been taken into custody or killed since 9/11. (See "Progress in the War on Terror," The White House, January 22, 2004.) The overwhelming majority have been as a result of CIA operations in conjunction with foreign intelligence and security services.

<sup>10</sup> Operational activists are directors who have a strong proclivity to use covert action to influence events and the skills to employ it effectively as opposed to those whose inclinations are more limited to the provision of intelligence in support of policy. Operational activists tend to see clandestine and covert operations and the DO as the main instrument of the CIA. (In clandestine operations, the fact that an operation is even occurring is concealed. Covert operations, in contrast, conceal the sponsor conducting the operation.) Directors with a narrower intelligence focus tend to see the organizational center as the all-source analysis performed by the Directorate of Intelligence (DI).

<sup>11</sup> George Tenet was primarily an operational activist who used the CIA aggressively in the war to topple the Taliban and al Qaeda in Afghanistan and against al Qaeda's global network after 9/11.

<sup>12</sup> Presidents of course should seek a DCIA who is competent in each of his three principal responsibilities: serving as the nation's chief intelligence officer, managing the CIA, and conducting espionage and covert action. The fundamental tradeoff, however, comes down to which of these three will be given the greatest emphasis. Policy makers

While the sample size is small and the circumstances may have made the man as much as the man made the circumstances, the most operationally active CIA directors have not come from the ranks of the military, the political world or from the CIA bureaucracy.<sup>13</sup> If there is a common, though by no means universal attribute among directors with a disposition for covert action, it is prior experience in aggressive clandestine and covert operations (Dulles and Casey), coupled with a career in the private sector that was entrepreneurial or international in character (Casey, and to a lesser extent, Dulles). The CIA also benefited in its early years from enlightened and bold “amateurs” in the senior ranks of its clandestine service.<sup>14</sup>

To be sure, operational activists can and do overreach.<sup>15</sup> Allen Dulles’s tenure ended with the Bay of Pigs, and William Casey’s with Iran-Contra.<sup>16</sup> On balance, however, they have achieved strategic success that significantly outweighed their failures. Dulles’s tenure was marked by successful covert operations in Guatemala and Iran, the Berlin tunnel operation to tap into Soviet communications, and the development of the U-2 and Corona satellites for denied area reconnaissance. Casey’s tenure witnessed the defeat of the Soviet Army in Afghanistan and other covert action in the Soviet Bloc. Both presided over major buildups or rebuilding efforts of the Clandestine Service. Moreover, as the woefully inadequate response of the US Government before 9/11 shows in our conflict with radical Islamic terrorism, failing to act may invite greater peril than acting unwisely from time to time.

#### **REFORMING THE CIA AND EMPOWERING ITS NEXT DIRECTOR**

The next CIA director will inherit a fully engaged agency that is America’s primary offensive instrument in the GWOT, as well as one that is in the midst of a long-term rebuilding effort that must be continued and intensified. Our Clandestine Service must develop new forms of cover and access to improve its ability to ferret out al Qaeda’s plans. It must substantially strengthen its coverage of “strategic voids,” from tribal areas in Pakistan and Yemen, to large

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always want better intelligence analysis, but such judgments will rarely be foolproof. Surprise and uncertainty are, unfortunately, facts of life. While new pattern recognition tools and more sophisticated counterterrorism analysis could substantially aid operations, success in the GWOT will depend far more on the CIA’s ability to ferret out terrorist plans and foil their plots through clandestine collection and cooperation with foreign intelligence and security services. Covert action to disrupt terrorist organizations, kill or capture their members, and sow dissension in their ranks is as vital as clandestine collection.

<sup>13</sup> Richard Helms was by inclination more disposed to espionage rather than covert operations, although he oversaw several of the latter. William Colby had spent most of his career in covert action, but his tenure as DCI came at a time when the CIA was embroiled in controversy.

<sup>14</sup> Among these were three early Deputy Directors for Plans (the predecessor of the Directorate of Operations): Frank Wisner, Richard Bissell, and Desmond FitzGerald, and one associate director (Tracey Barnes).

<sup>15</sup> All nineteen DCIs, it should be noted, have had failures as well as successes on their watch.

<sup>16</sup> George Tenet will likewise forever be associated with his assurance that the case for weapons of mass destruction in Iraq was a “slam dunk.”

urban areas, such as Karachi and Hamburg.<sup>17</sup> It must develop the capabilities and global posture for what is likely to be continuous, global covert action.<sup>18</sup> It will need to ratchet up pressure to the breaking point on an al Qaeda network that spans 50 or more nations.<sup>19</sup>

The CIA's Directorate of Science and Technology must marshal talent for the war on terrorism like it did in the early Cold War, when it developed new capabilities for strategic reconnaissance (the U-2 and Corona satellites) in denied areas. New capabilities are needed to target, tag and track terrorists and their supporters, and to disrupt their operations. The CIA's analytical arm must develop new pattern recognition tools to improve our ability to uncover terrorist operations, and new assessment techniques to sharpen our understanding of the ideological dimension of our struggle with radical Islam, which is the primary battleground on which our war will be fought.

As the next CIA director leads the fight in the war on terrorism while trying to improve the capabilities with which it is being waged, the Congress and the president must ensure that he has the necessary tools at his disposal, as well as a clear chain of command. A particularly unhelpful idea of the 9/11 Commission is its recommendation to transfer the CIA's authority for covert paramilitary operations to the military's Special Operations Command.<sup>20</sup> As the CIA found to its own detriment early in its existence, separating covert action from espionage, as it did before it merged its covert arm, the Office of Policy Coordination, with its espionage arm, the Office of Special Operations, is counterproductive. One ends up with lots of duplication – spies and covert operators pursuing the same agents – and confusion, precisely what the Commission says it is trying to eliminate. The CIA, moreover, is vastly more capable at spying than the military. How the military would do covert paramilitary operations through surrogates better than the CIA in large areas of the world where it has no capabilities is a mystery.<sup>21</sup>

The Commissioners' assertion that our nation can't afford two paramilitary forces that have different responsibilities and capabilities is difficult to accept. While the cost of the CIA's paramilitary capabilities is a secret, one can roughly infer how much is being spent on them by taking what

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<sup>17</sup> Strategic voids are essentially synonymous with ungoverned areas. The former term is preferred because these voids can occur within areas which enjoy strong government (i.e., the Islamic diaspora in Europe).

<sup>18</sup> During the Cold War, covert action was primarily country-specific and episodic.

<sup>19</sup> This will require capabilities for simultaneous operations in multiple, geographically-dispersed areas.

<sup>20</sup> The 9/11 Commission Report, (Washington, DC: USGPO, 2004), pp. 415-16.

<sup>21</sup> The Commission cites CIA's unsuccessful use of Afghan surrogates to capture Osama bin Laden during the late 1990s as support for its assertion that responsibility for covert paramilitary operations should be transferred to the military. It is not clear, however, how the military could have achieved even the level of operational success that the CIA did. Nothing precluded, moreover, the Clinton administration for using military special operations forces in a unilateral direct action or special reconnaissance role. The Commission in short seems confused about the difference between covert paramilitary operations and unconventional warfare and special operations conducted by military personnel.

is known about the size of the CIA's overall budget (which amounts to only about one-eighth of the \$40 billion or so that our nation currently spends on intelligence), the share of the CIA's budget that goes to the DO, which is only one of the CIA's directorates, and comprises only a fraction of the agency's total personnel, and the size of the CIA's paramilitary arm relative to the rest of the Clandestine Service. It is hard to see how more than a few hundred million dollars is being spent annually by the CIA on its paramilitary infrastructure exclusive of operations (the cost of which would be borne no matter who conducted them). For a nation that rightly maintains multiple air forces and conventional ground forces, this is "chump change." Given the large role covert action will likely play in the GWOT, maintaining a robust paramilitary capability in the CIA will likely prove to be one of our best national security returns on investment. The CIA's paramilitary operations in Afghanistan during the 1980s (in driving out the Soviet army and helping to bring an end to the Cold War), and in 2001 (in overthrowing the Taliban and eliminating al Qaeda's sanctuary) were spectacularly successful. Viewed from this perspective, the Commission's recommendation looks like little more than a solution in search of a problem, and one that, if implemented, will create problems rather than solve them.

It is vital that there be a direct chain of command for covert operations between the CIA director and the president.<sup>22</sup> As the military chain of command does not include the JCS chairman (it runs from the president to the secretary of defense to the combatant commander), neither should the covert action chain of command interpose the NID between the president and his operational commander, the CIA director.<sup>23</sup>

Much rests on the shoulders of the next CIA director. Finding the right director to wage the clandestine and covert aspects of the GWOT, and giving him or her the tools and clear lines of authority to do it is intelligence job one.

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<sup>22</sup> President Bush was wise to propose that a NID not have the authority to select the CIA director.

<sup>23</sup> The head of the proposed National Counterterrorism Center should likewise not, as the Commission seems to suggest, be placed between the president, the secretary of defense and military combatant commanders.