

Center for Strategic and International Studies (CSIS)

**NCTC Director Matthew Olsen Keynote:
“Intelligence and Information Sharing to Protect the Homeland Conference”**

**Moderator:
Rick "Ozzie" Nelson,
Director,
Homeland Security and Counterterrorism Program and Senior Fellow,
International Security Program**

**Speaker:
Matthew Olsen,
Director,
National Counterterrorism Center (NCTC)**

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RICK "OZZIE" NELSON: (In progress) – me, Dr. Olsen, I can turn it over to you. Thank you. (Applause.)

MATTHEW OLSEN: All right. Thank you very much, Ozzie, I appreciate that. And let me just say what an honor it is and a pleasure to be here this morning to talk about this subject with you. I see many familiar faces and colleagues around the room.

I think that this effort is a really difficult one, and it's an important one, how to – how to establish an integrated domestic approach to national intelligence. I think I want to also acknowledge at the beginning the leading role that INSA is playing. I see Chuck Alsop here. And I appreciate CSIS putting this on this morning.

I hope I have something to contribute to this. I think – if I can be immodest for a moment, I think I may have something to contribute to this discussion. I began my career with a purely domestic focus. I – you know, unlike the many dedicated intelligence officials with whom I work at NCTC, they – many of them began their careers right out of college or graduate school and jumped into the intelligence community. I started working at the Department of Justice, first in the civil rights division, and then spent 12 years as a federal prosecutor here in D.C. basically trying drug cases and homicide cases, so it's really only been recently that I have started working within the intelligence community on matters of national intelligence.

And as a prosecutor, I learned early on about the importance of good intelligence, although we didn't call it intelligence when I was a prosecutor. If there was a shooting or a murder in D.C., the chances were very good that the police officer or the detective assigned to that area would know or at least have a pretty good idea who was responsible. And this was just based on good police work – you know, knowing your area, experience, having good sources. And we as prosecutors worked right away with the detectives and officers and built a case. So the information we got at the beginning was a long way from being evidence that we could present in a court.

And like I said, we didn't call it intelligence, but that's exactly what it was. It was intelligence collection and analysis on the street level. And I think it's that perspective that I hopefully bring to bear when I talk now at NCTC at the national level but also this morning in talking about the importance of information sharing and collaboration and integration in building a domestic approach to the national – to national intelligence and particularly to counterterrorism intelligence collection analysis.

So my bottom line up front – "bottom line up front," that's a term I learned in the last couple years when I first saw the word BLUF in an email to Director Alexander, and I thought people – when I was at NSA, and I thought people were actually bluffing the director. Then I realized, after I asked after a few times seeing that, that BLUF stood for "bottom line up front" in the intelligence sort of military community.

So my bottom line up front is that, you know, we all share, everyone in this room, everyone in the sort of enterprise, the broader enterprise, the basic and fundamental mission of protecting the United States from a terrorist attack. And while we made real progress in that

effort, the threat remains agile. It remains adaptive and resilient, and it's complicated. And as a result, we have to remain equally agile and adaptive. And we have to figure out, as a result – and this is, I think, the key – how to harness the vast energy and capabilities of all of our partners, and that means especially our partners in the law enforcement communities, in this fight against terrorism.

So I'll spend just a few minutes, and I'm going to go pretty quick through an overview of sort of the threats we face. And then I'll talk a little bit about what we're doing at NCTC, in particular what NCTC is doing to help to build this integrated domestic approach to counterterrorism.

So first, the threat. So as everybody knows, the past year and a little bit over the past year has brought tremendous gains in the fight against al-Qaida, particularly al-Qaida in Pakistan. The killing of Osama bin Laden, several of his top lieutenants, the death just recently of Abu Yahya Libi – that's all put al-Qaida on the road to defeat. And the overall threat emanating from Pakistan is greatly diminished. Because of these successes, the likelihood of a sophisticated, multipronged attack against the United States is greatly reduced. And at the same time, the threats facing us have become more diversified, and they've become more difficult to track. So instead of mainly coming from Pakistan, they now come from an array of countries – Yemen, Nigeria, Iran, Somalia, Iraq, Algeria.

Let me begin just quickly talking about Yemen, because the primary example of the threat emanating from outside of Pakistan is from al-Qaida in the Arabian Peninsula and in Yemen. AQAP, as you know, has already tried to carry out two attacks against the United States – the airliner in Detroit on Christmas Day 2009, a follow-on effort against cargo planes in October 2010. And we know from just recently, an AQA plot that was disrupted, that they're continuing to try in diabolical ways to defeat our security systems and our screening efforts.

So despite the death last September of Anwar Awlaki, AQAP remains a dangerous force capable of attempting attacks and carrying out attacks against the United States. And you add to that – to that our concern about the group's efforts really to encourage others in other places – extremists in Europe and in the United States – to carry out attacks on their own.

So moving away from Yemen for a second, Nigeria; the extremist group Boko Haram has stepped up its campaign of violence and really underscoring the expanding geography of today's threat. After focusing mainly on Nigerian targets, the group has begun to target – and this started, you know, more than several months ago – target foreign interests, including U.S. interests inside the United States and as we saw last August with the attack on U.N. headquarters in Abuja.

So beyond groups like al-Qaida and its affiliates, there are others, Shia groups that we're concerned about to a greater degree than before. Today's threat picture includes Lebanese Hezbollah. In the past year, Hezbollah has called for a more aggressive posture toward the United States. In addition, Iran's Quds Force appears to have played a role in the recent plot to assassinate the Saudi ambassador to the United States – this was last fall – a plot that raises our concerns about Iran's potential reach into the United States.

And that brings me to the last category I want to touch on in terms of this diverse threat, and that's the threats we're seeing inside the United States. In the last several years, a number of homegrown extremists have been arrested on charges of plotting attacks here in the U.S. These extremists have no formal relationship with al-Qaida, but they have nonetheless adopted the al-Qaida ideology. And what makes them especially worrisome is that they're really difficult for us to detect and, therefore, to disrupt.

Many of these individuals have never traveled outside the United States, they've never traveled to a training camp in places like Pakistan or Yemen. They may never have had any direct contact with members of – or known members of terrorist groups. They operate essentially independently from each other and from these individuals overseas, meaning there is less of a trail for us to follow and less of a chance, as a result, to uncover any plot that may be developing.

As examples, last week Amine Khalifi pleaded guilty in federal court to attacking or seeking to attack the U.S. Capitol building. He was arrested wearing a suicide vest that he thought was a viable device; it wasn't. He said that he wanted to kill as many as 30 people. And he will spend at least the next 25 years in prison as a result of his plea agreement. Last summer, a U.S. Army soldier, Naser Abdo, was arrested for allegedly planning to kill fellow American soldiers near Fort Hood, Texas. He was arrested really because of the alert proprietor of a gun shop.

In my daily updates every morning right around this time or a little bit before – so I'm glad to be here – we give special attention to threat reporting about these types of activities, these potential terrorist activities that may originate in the United States. And many of my questions, I can tell you, that for follow-up information are focused on what we're doing in the United States, how NCTC is helping DHS, the FBI, other agencies learn more about these plots and to help disrupt them. And I know that many of you are on the frontlines of this effort, and so I want to just say how much we appreciate your efforts.

Now talk – having talked about that for a couple minutes, let me quickly go through what, I think, we're trying to do at NCTC to really help build this domestic enterprise for counterterrorism intelligence. You know, NCTC's fundamental mission is, as Ozzie said, to integrate the counterterrorism effort. And this really reflects the basic insights in the 9/11 Commission and of Congress.

We integrate information. Our analysts have access to all terrorism intelligence, and that includes information collected domestically as well as information collected overseas. So we span the geographic boundaries. And our workforce is integrated. We have people from around the intelligence community, we have individuals working at NCTC from state and local police departments. So this hopefully reflects a wide variety of perspectives and viewpoints.

So to help take that integration and advance it and to use it to advance the domestic effort, there are a number of initiatives that I really want to just tick off at NCTC that we're undertaking right now, and they're at various level – various degrees of progress. One that we

started after the attempted attack of Abdulmutallab in 2009 is our pursuit groups. Our pursuit groups are analysts that are focused on tactical threats with a – with a homeland focus. So their mission is to look at basically the – all the information that we have and look for nonobvious connections within that information to see if there are connections that would have stopped, for example, Abdulmutallab, somebody bent on attacking us in the United States. And then we developed leads and we provide those leads to operational organizations like the Department of Homeland Security and the FBI. So that's one.

Secondly, in terms of information sharing and support to domestic CT efforts, we are really trying to ramp up our support and information sharing with domestic and particularly state and local agencies. We do this in a number of ways. We provide 24/7 support to domestic efforts through our operations center. We produce daily situational awareness through three-times-a-day VTCs and twice-a-day situation reports that are shared across the intelligence community.

We share information at the unclassified level to support DHS and FBI in its efforts to inform law enforcement on potential threats and potential ways to disrupt those threats. And this includes and a really important part of our work, which is our support to the FBI's Terrorist Screening Center. We maintain the underlying classified watch listing data on known suspected terrorists. We also seek to ensure the timely dissemination of finished intelligence through our NCTC Online CURRENT. It's a classified website and repository for counterterrorism reporting. It's available on JWICS to, I think, about 11,000 monthly users. And we also post products on DHS's Homeland Secure Data Network. This is – can be used at DHS – by DHS, also at state and local fusion centers and by FBI joint terrorism task forces. We have FBI NCTC representatives in seven cities, really to help bring that national level perspective to the FBI and DHS and fusion centers in those places.

We're also, at NCTC, the home to the Interagency Threat Assessment and Coordination Group or ITACG. This is a group of people, detailees from around the country, from state and local and police departments and firefighters, who come under DHS leadership along with FBI, work at NCTC, work in a classified environment and look for opportunities to prepare unclassified reports that can be shared with a local police and firefighter communities about the nature of the threat and about ways that threat can be disrupted.

A couple other things that we're doing, we are engaged in a training around the country – actually around the world, but particularly inside the United States – a program called the Joint Counterterrorism Awareness Workshop, where we do tabletop exercises along with DHS and FBI, of what it would be like to for a Mumbai-style attack to occur in that city. So we work with the state and local officials in that city, walk through a tabletop exercise, how would it respond and then do lessons learned on how to improve that response?

And then finally, we are part of the broader effort, again, with FBI and DHS, and with communities, to counter violent extremism. And I see John Cohen (sp) here and a number of other folks who are part of that effort, really trying to build community awareness about the nature of al-Qaida's message and how communities can best counter that message given that – the nature of how that message may resonate in their particular – in their particular community.

So the last thing I want to mention is that – is a sort of overarching theme, and that is the importance of – and again, Ozzie mentioned this – of protecting the information that we have. You know, we've been given the charter to have access to the full range of domestic and foreign intelligence on counterterrorism, so we need to be good stewards of that information, and we have a program to really be – pay close attention to protecting that information, protecting privacy, protecting civil liberties, and we've got a multilayered approach to that, recognizing that our efforts to combat terrorism have to – have to really exemplify American values.

So I went really fast. I did want to leave a few minutes for questions. But those are some of the things that we're trying to do just at NCTC to help build – to help build this domestic approach.

You know, yesterday I visited the D.C. Fusion Center for a briefing. The metropolitan police department chief, Lanier, was there, a number of other state and local leaders, law enforcement leaders. And the purpose of the briefing was to have NCTC, ODNI, FBI and DHS analysts present the findings of a – of a recent national intelligence estimate, so a full-blown IC-wide assessment of the threat from homegrown extremism. And it was really kind of remarkable because you have sort of the highest-level IC product and NIE being briefed to the state and local leaders as well as front-line folks here in Washington.

And it really drove home a point that someone told when I started the job at NCTC: You know, the person said that there are 12,000 FBI agents, about, spread around the country, and there are two million first responders – there is about 800,000 police officers, about 1.2 million firefighters. And the point is that if we're going to stop the next attack in the United States, we need to harness that capability. It's going to be the state and local first responders who are going to find some precursor chemical in someone's garage or hear from somebody that their brother is becoming radicalized online. It's going to be these persons who are on the front line, those first responders, that are going to be our best chance to detect that threat and disrupt it before it – before it harms us.

So we need to really focus on the – on the questions that are going to be presented during the panels today. I think this is a really important subject. We need to continue to work together to meet the challenge of really creating a truly integrated approach to counterterrorism, and that means one that includes all of the domestic community law enforcement partners that are represented in this room.

So with that, let me stop, say how much I appreciate the opportunity to be here, and I appreciate – I appreciate your attention this morning. Thanks. (Applause.)

MR. NELSON: Well, thank you much – very much for the remarks. Again, thank you for coming over here, although now that we know that you got out of a VTC (ph), you had incentive – (audio break) – National Association of Chiefs of Police and National Governors Association. Kind of like to get some questions from our state and local representatives and even our private sector folks, if they're possible (and there ?) room here.

What I'd like to do is take three questions and then let Director Olsen go ahead and respond to those, and then we'll go ahead and break for the next panel. So we have microphones? Wait for the microphone to come to you. Please state your name, your affiliation and a brief question. So who wants to be first? No questions from anybody in the crowd? You got to be kidding me. All right, over here. There we go. And then – yeah, go ahead.

Q: Yeah, I –

MR. NELSON: Wait for the microphone, please.

Q: Well, where is the mic?

MR. NELSON: It's coming up right behind you. He's sneaking up on you. Because I have all kinds of questions, so if you guys don't want to do them, I can do them.

Q: Good morning. I'm Mike Downing from Los Angeles Police Department. I run our counterterrorism and special operations bureau.

A question: Most of the major cities, many of the major cities have their own intelligence functions where they develop intelligence cases that don't meet the threshold of JTTF investigations. I think the IC's missing an opportunity. How can we make sure we get that – those cases integrated into the intelligence community and give state and locals an opportunity to somehow either write their own IARs (ph) or get federal agencies to write the IARs (ph)?

MR. NELSON: Next question?

All right, we'll go ahead and just take that one, Matt.

MR. OLSEN: All right. Well, thanks. Mike, it's a – it's a – that's a tough problem because no doubt, I hear the same thing from the New York Police Department and other big-city police departments that there is a lot of information being developed, and our mission basically at NCTC has – at least from my perspective has been to work through DHS and FBI, so we work with them, in particular the Joint Terrorism Task Forces, where obviously, you have representation, but we really rely on them to sort of represent and bring up and to generate the intelligence that's coming from the police department.

So I guess my suggestion is to continue to work through, at least from – again, in the short term, with NCTC, to work through the Joint Terrorism Task Force and make sure that they're fully apprised of all the information and intelligence that's being developed and help the FBI effort to push out that – to push out that information at – through IIRs and other disseminated products.

You know, I think – what I see is that there is always this tension between – on the law enforcement side, between, you know, working that case and running the case and then also generating intelligence that gets into the national – at the national level. But it – but it certainly is exactly my theme here, which is that – your point is that we need to be able to harness that

type of information, and it needs to get through to the national level so that that information then becomes part of the general – becomes aware – becomes part of the awareness for policymakers.

So I think just we got to keep working on it. I'm afraid that may not be totally satisfactory, but I think that's – I think it's a challenge.

What else?

MR. NELSON: (Inaudible) – in the front right here.

Microphone's coming behind you. She's 10 yards, five, four – touchdown.

Q: Thank you. Randall Fort with Raytheon.

Director, we've – we're a little bit of a victim of our own success, almost 11 years since a major strike, sort of, Hassan shooting aside. Are you concerned that we, because of this track record of success, that maybe there is some, you know, loss of focus or loss of support that's coming not from the intelligence community or from your group, but from the American people as reflected in the Congress? Do you think you'll still have the support, the resources, the people and so forth going forward without any sort of immediate threat looming or incident to – you know, to seize people's attention?

MR. OLSEN: Yeah. Yeah, I think the short answer is yes. I do think that we continue to have the support we need in terms of the focus of Congress, the broader government, the American people. And we have the resources, generally speaking, that's appropriate, I think, to meet the fight.

So, I mean, there is always this issue of have we been – as the – as the – as the terrorist threat moves off the front pages, I can tell you, as your question, you know, sort of implies, that we haven't – we remain that – we retain that focus within the intelligence community, no doubt about it.

But certainly, events just – you know, it's only been a month since we recovered a device that was designed in Yemen that, you know, was destined or intended to attack the United States, so that, you know, to the extent that the terrorist threat is not on the forefront of everyone's mind, it's not far. And I think – again, I think that there is a proper focus on that in terms of the resources and the like that we're being given.

MR. NELSON: OK, how about the last question? OK, Catherine (sp), we'll give it to you.

Q: (Off mic) – Fox News. You've talked about the importance of protecting the intelligence. How have the recent national security leaks had a negative impact on your work?

MR. OLSEN: Yeah, we – yeah, I think everybody in the intelligence community is very concerned about the recent spate of leaks. And there is really, you know, no – it's not an

exaggeration to say that the leaks endanger operations and have the potential to endanger people's lives. So the – they are a major concern. I support the DNI's efforts to take these seriously and take steps to confront them.

I will say that, you know, your question, Catherine (sp), sort of goes to how has it affected our work. The – I think the challenge is to take on the leaks, work to prosecute those that we can prosecute, but at the same time to sort of guard against a reaction that would limit information sharing. So at the NCTC, you know, we – you know, our mission depends on the ability to gain information and to analyze it and then share it back out. So we just need to, as we attack this problem of leaks, do it in a way that still ensures that we're sharing information as necessary to protect the country.

MR. NELSON: Well, I would like to thank Director Olsen for being here. Obviously it was a very difficult, you know, task to find someone to fill Mike Leiter's shoes. And Matt Olsen has been performing superbly, in, you know, my think tank assessment, over there. And few people are as qualified as he is to be in this position, so we're looking forward to many good, successful years at NCTC under his leadership.

I'd also like to thank our sponsor Raytheon for the – for the keynote and then also thank all of you for attending. We're going to go ahead and let Director Olsen depart, and then we'll break for about five minutes and reconvene for our next panel. So a round of applause for Dr. Olsen, please. (Applause.)

(END)