Remarks and Q&A by the Deputy Director of National Intelligence For Analysis & Chairman, National Intelligence Council

Dr. Thomas Fingar

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MS. GLORIA DUFFY: Good evening and welcome to tonight's meeting of the Commonwealth Club of California. I'm Gloria Duffy, President and CEO of the Commonwealth Club. I'd also like to welcome our radio, television, and Internet audiences, and remind everyone that you can find the Commonwealth Club on the Internet at commonwealthclub.org. Now it is my great pleasure to introduce today's speaker, Dr. Thomas Fingar, Deputy Director of National Intelligence for Analysis, Chairman of the National Intelligence Council, and principal author of the recently released report on Iran's nuclear capabilities.

Dr. Thomas Fingar was Assistant Secretary of the State Department's Bureau of Intelligence and Research from July 20, 2004, until May 2005 when he was named Deputy Director of National Intelligence for Analysis and Chairman of the National Intelligence Council. While at the State Department, he served as Acting Assistant Secretary for Intelligence and Research, Principal Deputy Assistant Secretary, Deputy Assistant Secretary for Analysis, Director of the Office of Analysis for East Asia and the Pacific, and Chief of the China Division.

His intelligence career began in 1970 as the senior German linguist in the Office of the Deputy Chief of Staff for Intelligence, USAREUR and seventh army in Heidelberg, Germany. Between 1975 and '86, he held a number of positions at Stanford University, where I had the pleasure to get to know him, including senior research associate in the Center for International Security and Arms Control and director of the university's U.S.-China relations program. Other previous positions include assignment to the National Academy of Sciences as co-director of the U.S.-China Education Clearinghouse, advisor to the congressional Office of Technology Assessment, and consultant to a number of U.S. government agencies and private-sector organizations.

Dr. Fingar is a graduate of Cornell University with a B.A. in government and history and Stanford University with an M.A. and Ph.D. both in political science. He is a career member of the Senior Executive Service of the United States. His principal foreign languages are Chinese and German. He has published many books and articles, mostly on aspects of Chinese politics and policymaking. Please welcome Dr. Thomas Fingar.

(Applause.)

DR. THOMAS FINGAR: Thank you, Gloria, and thank you for being patient. It's been a long time since I lived in this area and forgot what an accident can do to tie things up. Gloria's introduction may be longer than my talk. (Laughter.) But she has included something that is

inaccurate having to do with the principal author of the Iran nuclear NIE. We did not work it out, but it could not have been a better thing to include in the introduction because what I would like to do this evening, with your indulgence, is to give a very broad-brush overview of how we have gotten from the Iraq weapons of mass destruction estimate, which some claim caused the United States to go to war with Iraq, to the Iran nuclear estimate, which was released in December and of which I am not the principal author. That I have been tagged as the author will tell you something about Washington. But right now, I'm going to put the rabbit into the hat before we get to his removal.

There is, of course, the saying that, you know, I'm from Washington and I'm here to help you. I'm not. (Laughter.) I'm coming from Washington which, as many of you may know, is that political theme park of about 45 square miles surrounded by reality. And it is very nice to get out of that atmosphere. But the atmosphere is important to what I'm going to talk about this evening.

I am part of a relatively small band of people who have been given the sort of once in a couple of generation opportunity to remake a major portion of the federal government. The Intelligence Community as it exists today has been in place, assembled, tinkered with, but largely unchanged for 60 years through 11 administrations; it's more than a quarter of the length of our country. For circumstances having to do with perceived policy – excuse me – intelligence failures, we've been given a chance to do what 42 studies and commissions over the years failed to accomplish, namely, to actually change this large enterprise.

There are people who are impatient; I'm impatient. We're been asked, in essence, to take an aircraft carrier moving at flank speed and make a hard right turn. This is a big enterprise and change is difficult. Why did we even get the chance? What makes it different? I attribute this to largely two factors. One is 9/11, not the events terrible as they were, but the 9/11 Commission and the political skill of the two co-chairman who made their agenda, very skillfully, the national agenda in an election year.

They did not – Tom Kean and Congressman Hamilton – did not allow these recommendations to just be put on a shelf. That the conclusions of that study coincided with the Iraq War, which has been blamed on one of the worst National Intelligence Estimates ever written, I was a part of that process, happened to be at the center, but that probably matters less than being a part of the process. We can talk about how it got to be so bad in question and answer.

The important thing was, momentum was built up to change institutions and procedures and practices and expectations that had been in place for decades. We were given this mandate with a very ambiguous and contentious piece of legislation, the Intelligence Reform and Terrorism Prevention Act of 2004, which wrote into law many of the disagreements that were unresolved between the administration and the Congress, between the Senate and the House, between Democrats and Republicans, and between members of different committees. And this is typical in the theme park of Washington. Everybody thinks the law says what they wanted it to say as opposed to what it actually says.

But it did give us the chance, but it came with a not just ambiguous mandate, with a very large enterprise: 16 agencies, give or take 100,000 people. We've now published one year's budget so

give or take $40 billion. This is a very large undertaking. When the first six of us assembled in May of 2005, it took until April to get a confirmed Director of National Intelligence. We started out with an organization chart, a mission statement, a plan of action, a blueprint that consisted of a blank whiteboard. There was a certain what-have-we-done moment. What are we going to do now to actually take advantage of this once-in-a-half-century kind of opportunity for change?

The context was helpful to a point. The 9/11 Commission and the WMD Commission – the results of which were released after the law was passed – pointed to the need to do a number of things. Two primary among them were to integrate law enforcement and foreign intelligence. We had redefined national security after 9/11 somewhat unconsciously, we as a nation and our expectations. For decades, national security, the military of our country, the activities of the Intelligence Community supported defense against foreign enemies, threats to the existence of our country, our way of life, survival of our nation, in existential terms. After 9/11, national security was redefined de facto to mean protecting every American citizen everywhere around the globe every day.

What was a monumental task became many, many times more difficult. And bringing together law enforcement agencies, practices, people that had been separated for decades very deliberately to protect civil liberties, in response to abuses of the 1960s, early 1970s as well as cultural differences between what is permissible in dealing with foreigners outside of the United States in the ways of conducting business and inside the United States. The idea that we had to overcome cultural gaps, share information better, bring together people operating in the intelligence components of the Treasury Department, the State Department, the Marine Corps together with the FBI, the Drug Enforcement Administration, immigrations and customs enforcement, and, oh yeah, this was complicated by the standup of the Department of Homeland Security, only portions of which were covered by the intelligence reform legislation.

The context also gave us a couple of models. I will overstate it because elements of both were present in both 9/11 and WMD reports. But one argued for dealing with the problem of cultural gaps and information sharing, failure to get synergy by urging concentration, reducing the number of agencies, putting people together physically. If they worked together in Iraq every day, they'll get to understand one another, they can pass pieces of paper, be on the same computer system.

The alternative model was to integrate the disparate parts of this large enterprise into a truly single integrated enterprise able to take advantage of the specialization that had developed. In the end, there were both structural elements and behavioral elements in this. As we looked at this, we decided we needed to tackle both, but in different amounts.

My piece of this was the analytical component, my mission: to make analysis better. I'll come back to what that means. But as we stared at that blank whiteboard, decide how we were going to do this, very quickly realized that the situation of 16 disparate agencies was more an asset than it was a problem. They had come into existence for very reasonable causes, to provide tailored support to agencies, to customers with different responsibilities, that what the Secretary of the Air Force needs to design hardware and tactics is very different than what the Secretary of State needs to fashion diplomacy, is very different than what the Secretary of Treasury needs to deal with international monetary problems.

So as we looked at the situation, what started out looking like chaos, a Rube Goldberg operation, began to look more and more like pretty smart, adaptive behavior. So the problem or the challenge became how do we integrate? How do we break down institutional barriers, mythologies, mistaken assumptions, incompatible computer networks, rules that were put in place in the Cold War or earlier, other laws that were put in place to separate rather than integrate the portions of this. And we began to say, we can make this work.

But the first thing we had to do was find out what we had. Let me digress and I'll make periodic excursions back to the theme park. The normal approach of Washington to any problem is more resources. The best way to get more money and more people is to screw up. I had sought and had postponed an appointment with a particular member of Congress two or three times, scheduling problems. We finally had rescheduled, but I had changed jobs. I was no longer the Assistant Secretary of State. But I decided to keep the appointment rather than try to reschedule.

Now, we went in and the very first question was, how many more analysts do you need? I said, I don't know, sir. I don't know how many I have. I don't know where they work. I don't know what they do. I don't know what they know. I don't know what their expertise – the basis for their expertise. I don't know what languages they speak. I don't know the technological grounding. It wasn't simply that I was ill informed for the job that I had undertaken. Nobody knew. In individual units, people knew what they had, but we had never attempted to look across the entire enterprise. And mapping became a very big challenge here, finding out what we had as the baseline. It took almost a year.

We talked for a while. It was actually a very constructive, pleasant conversation. And having spent 16 and a half hours on the Hill in the last seven days, it's nice when you can say a conversation was both pleasant and constructive. But it ended with him saying, what do you need from me? I said, time. He said, that's the one thing I can't give you. I said, excuse me, sir. I've been on the job one month. It's going to take a while to do this. He said, yes, but you don't understand. We passed a law and the American people expect results. He said, remember how we got here? It was a case of, you want it real bad, you sometimes get it real bad. And the Iraq WMD estimate falls in that category. It was requested. We were given a two-week period in which to produce it. And it was bad. It was really bad.

A second aspect of the approach that I took to the analysis portion of it was making analysis better, it wasn't simply identifying all of the cogs and getting them connected. It was end to end for analysis because it was clear that it meant guidance to the collectors, not just of the expensive, high-risk, sexy kind of things we collect, but good old-fashioned academic writings, newspapers, broadcasts – which, in the prongs of Washington is know as open-source intelligence. Normal people call it information. An awful lot is out there just to be had and it's being used. Why steal it if you can get it for free? Why run any risk if it's not necessary? Why develop an expertise internally if you can reach out and engage with people in other parts of the U.S. government, across our country, or beyond our country. We needed to have connectivity with this. In order to provide better guidance for what we were going to expend money and effort to collect, one of the simple changes here was, we used to ask analysts, what do you want? I want everything. It was a

Dear Santa from a six-year-old: I want everything. Whatever you get will be more useful to me than what I have now.

We changed the rules to Aladdin and his lamp: three wishes. But the motivation here wasn't arithmetic. It was, what is it that you think will help you to answer questions that will provide the maximum amount of understanding and insight to the people we support? What is it that's not simply an interesting factoid, but that is critical to understanding a complex situation? And you get three. Some places – China is big. You get five for China. Those are real numbers. That's not me being facetious. And it isn't enough to say, this is what I need most and here's the question I think it's going to answer. You also have to say where you think you can find it. It's not go off on a snipe hunt. It's look here, try this avenue. It's beginning to have payoffs.

The middle is the analytic tradecraft, how one deals with laws of evidence and inference, explicating assumptions to close knowledge gaps. Remember, we're dealing in a room that can be likened to a thousand-piece puzzle. You've got eight pieces and somebody lost the box top with the picture. (Laughter.) So there are lots and lots of gaps. What are alternative ways to explain the information you do have? Why do you think one explanation is better than another? What, very explicitly, are the assumptions you're using? Why are you weighing the evidence, spelling it all out, being transparent? And we spent a lot of time on university campuses having work that is reproducible so that somebody looking at it will understand what you did and why you did it and making that explicit.

And then there's the output of this process. As I tell my younger analysts all the time, as exciting as this is, the goal is not to make us smarter; it's to make policy better, to make military actions more effective, to make law enforcement activities to protect us in the homeland more timely, more efficient, more preemptive, prevent things from happening, not simply catch bad guys after the event. I think even with that very broad-brush summary, you can fill in the gaps in terms of why some of this would be unnatural, hard to do, require training.

And as I looked at my workforce scattered across 16 agencies – it's actually more than that because there are portions of agencies that are involved. And we built a database, which we produced a phonebook so we could actually find out if – who was it that knows something about troubled economics in Mali? Say, why would you care about that kind of esoterica? It's the nexus between smuggling and terrorist activity, and it gets to why the government is reluctant to be disruptive. That it used to be very easy in the old days. Are they are on the side of the Soviet Union or they are on our side? If they are on our side, what do we have to do to keep them there? If they are on their side, what do we have to do to persuade them to come to our side? Oh, that was simple.

We had to know about weapons and missiles being built and submarines being launched, and so forth. Now, to protect all Americans everywhere all of the time, in a globalized world, where if a sick person gets on an airplane in Congo and lands in the United States, we can have a problem with infectious diseases, where immigrant disputes spill over into our cities. Not all of these are bad, but understanding them is important. Identify our expertise.

And I discovered something that was totally obscured in my previous position. In the State Department intelligence unit, we had procedures that really developed expertise. So when I left, the average time that an analyst had been working a problem was in excess of 16 years. Most of the larger community elected to deal with uncertainty by optimizing flexibility, by moving people around. It wasn't an irrational response to the uncertainties of the post-Cold War period it just turned out to be disastrous. We ate our expertise, ate our bureaucratic seed corn.

As we looked across at the demography, it turns out to be the letter J, where there are – the short leg are the gray-haired guys, the baby-boomers, the people like me that are a couple of tuition checks away from retirement. The long leg is the now roughly 55 percent of the community have joined since 9/11 – very talented, very eager, very committed, very professional, and very young, and very inexperienced. And that U trough of the J, the majors and captains, the senior NCOs, the OT-01 Foreign Service officer contingent that is critical for mentoring and training don't exist. They were the product of the downsizing, right sizing, hiring freezes of the '90s.

So as I looked at this community, I said, oh, my. We've got to be able to mentor and move expertise and interact it across agencies not as a theory but because if we don't do it, the most experienced people will be gone, the junior people won't have guidance. If they are floundering they won't stay. Happily the response of the community has been tremendous in this regard.

There are a lot of other things that go into what you talked about – questions, evaluation of products in position of standards, reviewing of products, training for people in this, breaking down barriers that permit moving information across systems. There are some neat things that we have done, some of which have been written up – the Intellipedia, a Wikipedia that is classified, but it is not anonymous, a different way of handling material. We can talk about those.

Let me shift back into what got us here. It's the Iraq WMD estimate. I think of this as having your year-book photo taken on the worst bad hair day ever. The community was never as bad as that estimate. The percentage of analysts who participated in the production of that hurry-up, get-it-out-the-door-in-two-weeks product was tiny compared to the larger set, all of whom were tarred with the same brush of incompetence. Half my work force has joined the government since that estimate was produced. Their capability and credibility is questioned for something that happened before they got here.

Restoring confidence in our work, in ourselves, in our colleagues had to be job one here. And restoring confidence by earning it, by demonstrating that we really are capable of good work and we're capable of making it better – going back to basics. Out of the 9/11 and the WMD Commission criticisms, the number one was the production of analytic products and estimates. Number two was the President's daily briefing process. I'm not going to talk about that tonight – sort of questions – that is also mine.

So in looking at what we could work at, I said, what's going to get the most scrutiny. It's an estimate. Where can we make things better, fastest? It's using the National Intelligence Council, which has the role of integrating the community, of drawing in expertise from across the – had that role for 50 years. It's now different because it belongs to the Director of National

Intelligence, rather than to a single agency, but it was a natural test bed for this to impose new requirements, to mandate new steps to be followed.

The National Intelligence Officers that we have are as good as anybody in this country and around the world. They truly are expert at what they do, and they interact easily with experts around the world. Their responsibility is to reach out and find the best people we have. I don't care what agency they work in. I really upset people by saying I don't care what their job is. If they know something about the issue, I want to have them participate. As a function of moving people, there are thousands of analysts who know more about the last job they had than the one they are in now.

If there was somebody in the Peace Corps in Nepal or a military officer who had been a foreign area specialist in Kenya and who is now doing something else – they didn't get stupid on what they used to do. I want them identified and brought into the fold.

We produce hundreds of products out of the National Intelligence Council; a very small percentage are National Intelligence Estimates. We use this not just as a demonstration – demonstrating to the Hill, demonstrating to the administration, demonstrating around the community, but because we were drawing in people to participate in a production from all of the agencies, they went back, having experienced work under the new and more demanding standards, and they were able to teach, to share, using each product as a teaching vehicle.

Key changes here: transparency, a change that came before the Director of National Intelligence. It was done by George Tenet shortly after the Iraq WMD NIE, to insist that analysts be given more information about the material that they were given to work with, more information on the sources. That was very, very important. More transparent into the analytic tradecraft, kind of things I described earlier, alternative judgments. The system before drove for consensus. It was a misplaced use of democracy, putting a bunch of people around the table, a large percentage on any given issue didn't know very much about it, and deciding what was the best analytical judgment on the basis of a show of hands. Democracy is great, but not for judging the value of analysis.

We approached it from, if smart analysts, with access to the same information are coming to different judgments, that's probably more important than who is right. And indeed, we began making these differences, disagreements, known to officials up to and including the President as soon as we identified them, and were comfortable that this is good trade-craft. The message is, before you commit anybody here, any official we support, sort of personal prestige or the power of this country, you need to understand that the ice under that judgment is thin, and that that yellow caution flags should be going up. Not in the old style. We get a consensus view or a majority view, and people were allowed to say I don't agree.

In the years that I was in the State Department, I literally took hundreds of dissenting views. I was never alone. The "I" here is institutional, not me personally. (Inaudible) – there would be analysts scattered around who say we agree with you. Our agency doesn't agree with us but we agree with you. You're going into the fight. Can I hold your coat? That observation caused me to say, we need to move beyond sort of a federation of agencies coming together to build a community of analysts, analysts who don't pay any attention to the agency lanyard that is around their neck that engage and mix it up. And as we begin to identify, to make transparent, to insist that people spell

out the reason for disagreement, to my surprise, we got fewer, not more, disagreements. Oh, now I understand why you come to that, and often we'd move to a different point. We're getting better product, and it's more useful to people that we support.

Now let me roll it up. We've made a lot of products better, but more than a year ago, it became clear that we needed to do another serious look at Iran's nuclear program. We were getting pressure from the Congress, which had written into law – it never happened before, to my knowledge – a requirement for a National Intelligence Estimate on Iran which happened to be on politics – we're pushing back on nuclear – so we'll do it, but don't write it into law. Don't tell us the questions to ask because it has too much of a "here's the bottom line; you go get there" character to it.

But as it became clear we needed to do this, we did it, and the lessons of Iraq – we went back to scrub everything. No prior judgment was allowed to stand unchallenged. No previously examined piece of evidence was taken automatically to have the same meaning as it has been given earlier. The context here of the war in Iraq, the context of the intensive politicization of that war. And even though I had learned long ago in Washington, there are only two possibilities. There are policy successes and intelligence failures. You have never heard anybody claim the opposite: The intelligence was brilliant and the policymaker screwed it up, and you probably never will.

That meant that what we produced on Iran's nuclear program was going to be scrutinized by the congressional oversight committees that had scrutinized – it took them more than a year to do their post-mortem of analysis of the estimate that had been written in two weeks. They were ready to go to look at the next one that we did. Actually, the next one we did was on Korea – didn't get that kind of scrutiny. There was a conviction in the minds of some that we were preparing to invade Iran. So get this estimate to us right away; we want to know if this is going to be another excuse for political action.

We worked harder on this, I think, than we, as a community, worked on any. I'm not the author of it. By the end of this, there were in excess of a hundred people who worked on this estimate. There were principal drafters. For reasons I hope were more or less obvious, we never reveal the names of individuals – they pay me big bucks to be the guy that takes the bayonet, but I didn't write this thing. It was done by people who really know the subject.

I read what I thought was the final draft in June. We were finishing it up to deliver, as promised, during the summer. It was a pretty good estimate. Basically, it confirmed what we had said in 2005 and 2002. There was some detail. We answered some new questions, but basically it hadn't changed anything. Right at that point, we got new information, incredible new information. So this guidance I mentioned earlier to – you know, what is it that you want, what is it you need, what will give you the – the collectors did a fantastic job.

And it wasn't one source; it was multiple sources, and it was voluminous information. And we went all the way back to the beginning and said how do we look at this new stuff in light of what we already knew? How do we validate the new stuff against what we thought we knew? Where

there are differences, which one do you come down on? Hundreds of names. Incredible technical detail in this. Bringing in specialists at the weapons labs to do this.

A couple of months into it, we realized that depending on how we came out on the reliability of the information, we could be changing a critical judgment, and we began to alert people that we had not made a decision yet. The jury is still out, but it might change an important judgment about Iran's nuclear weapons program. Well, fast forward, we reached the conclusions that we did.

One of them was to nail with much greater certainty than we had before the existence and the scope of a secret weapons program that Iran has never admitted to, and continues to deny. We identified that Iran continued to press ahead with two of the three critical elements of it: production of fissile material – if you don't have fissile material, you can't have a nuclear weapon – in violation of U.N. Security Council resolutions, and continued to move ahead with a missile program to deliver a weapon.

What the estimate found was that in 2003, the Iranians halted the weaponization program and some other covert activities in response to international scrutiny and pressure. That's the way we wrote it up in the summary of this. Also went through another – timelines, how long it would take them, and so forth, that really were corroboration of things that were – but what got attention, when this was released – and that's another story here. We wrote this and said this should not be released. Sourcing is too sensitive, the arguments are too sophisticated. It was written for people who worked the issue, have the background.

The fact that we had changed a critical judgment posed an integrity dilemma. Since two directors of national intelligence in 2007 were on record with Iran is determined to have a nuclear weapon, and I was on record – I was the last one to have testified last summer on threat hearings on this – said, given the role of the American judgment in the international political debate, doesn't integrity sort of require sort of telling the world we changed our mind on some thing? We changed our mind because we had new information. It wasn't sort of a whim – that we had new information that led us to that conclusion, in a process that had looked at almost a dozen alternative ways of explaining what we had.

The other was conviction that it would leak. Again, back to the theme park – things that are sexy, things that are political, things that could be shticks, pieces of it would leak. A decision was made to release the declassified version of the key judgments. The estimate is 140 pages long. It has almost 1500 source notes. So it would be one hell of an impressive dissertation. The summary is two and a half pages. It actually got a little shorter when we cleaned up some of the sources and methods that we had to take out of it.

We got ourselves now in another dilemma, given the history of the Iraq WMD, where there was a white paper, a public version that was different than the classified version. It didn't acknowledge that there were dissenting views. We had put in place some rules that said if you're going to declassify, it's got to be true to the original, otherwise, it looks selective, cherry-picking, spin, and we don't want to go there. So now what came out was something intended to be classified for a sophisticated audience, used differently.

Now, I'll bring this to a closure. The characterization of me as the author – I know exactly where it came from. I won't share that with you tonight, but it got repeated and repeated and repeated. It was part of a very conscious – no need to deal with the substance of the product if you can have ad hominem attack that discredits the product.

And now a lot of people have worked their way through that classified estimate, and nobody has faulted the trade craft. It wasn't done by one person. It was done by more than a hundred analysts around the government, reviewed by specialists in the DOE labs, reviewed by outside specialists who – you know, did we make this argument clear. It wasn't snuck by with some opponents of the administration, that the National Intelligence Board, that approves all estimates, has six Presidential appointees on it, one former – I'm the former. I was a Bush appointee who resigned from the position to take this job – five current or former flag-rank military officers.

This was not a bunch of sort of mealy-mouth guys sort of led astray by wimpy analysts. This thing was looked at as seriously, as studiously as we know how to do, and the conclusions are mostly Iran is a real threat because as the estimate says, it is a political decision away from restarting a program. It also says international pressure and diplomacy had an effect. It says there is a cost-benefit analysis in Iran. These are all important findings that have been obscured.

Let me bring this to a close. We've got a ways to go to transform this big intelligence apparatus. I'm absolutely convinced that this time we will succeed. This won't be another study that goes in a dustbin. And I'm pretty confident by the end of this calendar year – serendipitous that it coincides with the end of the administration – just it will have taken four years to do this – that the benefits will become sufficiently obvious, the new patterns will be ingrained with a workforce that largely has no knowledge of the bad old ways of the past, nobody will want to sweep it aside. And if anybody did, it'd be too hard; the cement will have hardened, and we will be in for something that we will have probably for decades.

I'm proud to be a part of it because I'm sure it's better than what we had. Now, I'll respond to your questions.

(Applause.)

MS. DUFFY: Our thanks to Dr. Thomas Fingar, Deputy Director of National Intelligence and Chairman of the National Intelligence Council.

Now, we have a myriad of questions. And I'd like to start with one, going back to the Iraq WMD report, going back to your, quote, "if you want it really bad, you get it really bad." What's your analysis of the flaws in that report? We are understanding that one of them was time pressure. Other than time pressure, how did it get that bad?

DR. FINGAR: I'll try to simplify this because it's a different answer for each of the parts. The worst was the nuclear, but the nuclear was the one that was pointed to, quotations about can't have the smoking gun be a mushroom cloud kind of thing. There was what I regard as a rather blatant disregard for expertise on this one.

There were some judgments made about aluminum tubes and what they could be used for and the Department of Energy specialists who build centrifuges said wouldn't work. We at INR went to the company that makes the type of centrifuge that was being – said wouldn't work. We went to the Brits who build these things – said it wouldn't work.

There was evidence on certain types of magnets – magnets that were ordered, ring magnets that could be used in this. But they have many, many applications. If you didn't assume they were for centrifuges, you could have judged them to be used in many other – in fact, we know now they were ordered for a part of the missile program.

The keeping of nuclear scientists together – an assertion that was made in there, and it was extrapolated from a very small number of people – keeping the nuclear. But again, because of the U.N. investigations, the IAEA investigations, work the DOE did, we had the names of hundreds of people who had been involved in the program up until 1990. And we knew where most of them worked. And most of them actually had important day jobs in military industries. So there was an easier explanation.

So there were a lot of things that in the end were sloppy analysis, truly sloppy analysis. And this will sound harsh, but the terrible NIE that is blamed for having such a deleterious impact in fact was read by almost nobody. It's really quite striking – because of its classification, it had to be signed out. We know that hundreds of people claim that they were misled by something they hadn't read. I haven't figured out the explanation for that yet. But so, there's a gap between effect and quality.

Finally, one generalized problem is there was a bias that was more like a lawyer than an analyst. And we've translated it in the training programs. With a lawyer, it's got a bottom line; go get it; find the precedence; build the argument that makes the case. Saddam was evil. He'd had chemical weapons. He'd had biological programs. He'd had a nuclear program. He had a missile program. He had it once. He must have it. If we're not finding it, it's because he's good at hiding it. So evidence was systematically interpreted to make the case, not looked at to say what are the alternative ways in which you could account for this observed phenomenon. That's the biggest flaw in it.

Now, the chemical weapons was a bad source. The biological one was grab-bag that he'd had this; he'd had that, so he might still have it all, even though – the missile one turned out to be mostly right on this. So it was an uneven performance. But fundamentally, it was failure to consider alternative hypotheses.

MS. DUFFY: There's so many interesting questions about not only the reform of the Intelligence Community, but the current status of the Intelligence Community. Let me just ask you a few of those. You said that 50 percent of the analysts, I guess, in your shop –

DR. FINGAR: In the community.

MS. DUFFY: In the community – have joined since 9/11. That says to me that recruitment is going well. And how about recruitment in some of the areas like Arabic speakers in which there has been a deficit in the past?

DR. FINGAR: Yeah, there are two different dimensions. The upsurge in patriotism, commitment to public service, and so forth, after 9/11, continues. We get more phenomenal candidates for jobs, able to pick from many, many highly qualified people, including language capabilities However, it's not even: Because of the security clearance problem – and this is a whole separate area of reform that we have undertaken – it makes it very hard to bring in exactly the people that we want and need who are first or second generation because they have relatives still living in Iran, Iraq, Syria, and so forth.

We've done something, which I think – I'm proud of it; it's pretty creative. CIA and the Office of the Director of National Intelligence did this together. There are people we want. It will take a long time to find out – if we clear them, they may not get cleared – but they're young people; they need a paycheck. They're good enough to work for us; they're good enough to find other jobs.

Why don't we build a building or rent a building and say everything in there is unclassified? I will put them to work on that open-source intelligence, regular information, and just put them to work. And it's been very successful. They're doing tremendous work. Some of them will get cleared and come in. Some of them won't get cleared. If they've done a good job, they'll stay there. If they don't do a good job and don't get cleared, we'll say thank you very much, goodbye. But it is a creative way to deal with the problem.

We are trying to tackle this, change the risk calculus of hiring people. Since almost everybody ultimately makes it through the clearance process, make it easier to bring them in but monitor the behavior, monitor their keystrokes on the computer, monitor their finances and so forth. This is a way of doing it that will allow us to bring people in. That's part of a larger government-wide reform that goes way beyond the Intelligence Community, and it's slow.

MS. DUFFY: I assume everyone understands the limitations in the U.S. Intelligence Community on hiring people who are first-generation immigrants or have relatives in countries that are of concern, security concern to the U.S. – everyone understands that – and therefore, why this is a creative solution.

I don't know how far you can go in talking about this. Can you tell us what the highest priorities of the Intelligence Community are today in terms of regional focus and functional focus?

DR. FINGAR: I can. And I can even point you. It's the time of year for the budget where we do our annual threat assessment for the Congress. And DNI – Director of National Intelligence Mike McConnell – presented two unclassified sessions of this last week. I did one yesterday to the House Armed Services Committee. They are on various websites.

It's terrorism, counter-proliferation, cyber-threat. Our society, our banking system, our power grids, everything are hooked up, wired together digitally, stuff moving around on glass pipes; and it's vulnerable. Iran is a regional threat; instability in a variety of places – federally administrated

tribal areas of Pakistan where al Qaeda is housed, various African countries; energy security – those are the highest ones – and military modernization in Russia and China, some of which puts at risk some of our weapons systems.

MS. DUFFY: There are a number of comments from attendees about the way that the Iraq WMD report might have been read or ignored or shaped by political agendas and so on. And there is another question: were there pressures from the White House or elsewhere in the government to suppress or modify the assessment of Iran's nuclear weapons program, the most recent one?

DR. FINGAR: That I can say categorically, there was absolutely no pressure, interference from the White House or anywhere else in the administration. That's not meant to try and inbound it. I've been at this quite a while. And one of the things that is sort of deeply ingrained in analysts is to have alarm bells go off and start acting like a wild man when they think somebody is improperly trying to exert political influence on his or her judgments. I have an ombudsman who is available and who – we tried to fireproof this estimate every way we could. I had my evaluations standards people go over it. I had the ombudsman sort of reach out. No is the short answer; the administration did not interfere in this.

MS. DUFFY: So Iran is a political decision away from nuclear weapons. Can you – obviously from an open-source perspective – can you talk about that a little bit more? What does that mean? And how long would it take them to implement such a political decision?

DR. FINGAR: The judgment in the estimate – and I'm not going beyond what's sort of in the unclassified, if you actually read it and understand what you're reading here – we didn't change the timeline on how long they would have fissile material. We didn't change our timeline on how long it would take them to have a device – a device is something like the North Koreans have; it will go bang underground; it will go bang someplace; harder to make it deliverable and to get it small. But though there is a lot that we do not know about how far along they were in this process.

Unfortunately, the technology to make simple nuclear weapons is now 70 years old and it's pretty readily understood, widely available. The key is fissile material. And the hard part is the miniaturization for development. So it wouldn't take long in our judgment.

MS. DUFFY: Back to the reform in the Intelligence Community, what incentives are in place to reward good analysis and prediction and punish ineffectual analysis?

DR. FINGAR: This is actually a tough subject to work with, holding people accountable. I mentioned Intellipedia not being anonymous. It's one of the ways we want people to develop a reputation, first, with their peers and ultimately with the people they support. One of the reasons that we wanted to leave in place the 16 agencies where people are close to the customers they work with: People do have a reputation and reputations matter.

I've seen enough instances where the, who made that call? And the answer is that was Sophie; that was Jim. It's okay, I'll go with it. I don't need to ask any more questions. And then, it was

who? And it will be dismissed in there. We're trying to work so that those who get too many of the, who, we retrain them, we move them around, we weed them out.

We're working at agency level now, not individual. I do – and this is in the law – I do an annual report to the Congress – which is unclassified; you can find that – that looks at pathologies in written products, analytic products across the community. And we feed that back into training; we look at particular – you've got a problem on Latin America. Other things you do is pretty good, but Latin America, pretty bad. Why? And go to work on it.

The holding people accountable in the 9/11, as some have – boy – I can't think of anything that would be more destructive here. Analysis in the world of intelligence is inherently skating on thin ice, is inherently playing with inadequate information. If this wasn't hard, we wouldn't need to spend a whole lot of money paying guys like me to do what we do. You're going to get safe calls. And I have upset people when I've said – and I'll say it again – we're right most of the time. We bat way over hall of fame qualification kind of averages, and that bothers me, not because I don't like being right but because I think we ask too many easy questions. I'm much more concerned about tackling things that are really hard and pushing back the frontier of understanding a little bit than I am fattening the batting average by bunting against a slow third baseman.

MS. DUFFY: What's the Intellipedia?

DR. FINGAR: Intellipedia is a classified version of Wikipedia that we started up about two and a half years ago. And part of it was sort of responding to the way our younger workforce lives in the digital realm. In part, it was aimed at getting collaboration of people who could work on a project regardless of their current job. What is the mechanism that we could do it?

So we moved a number of articles in and we started this. Take these numbers as orders of magnitude rather than precise because I've forgotten the precise. But it took us, with the Intellipedia about two months less to get a million edits to articles than it took the Wikipedia on the world wide web. The whole world took about two years; I've got now somewhere on the order of 16,000 people in the Intellipedia. And part of it is they learned out there in Wikipedia-land and brought that skill in and use it. We've got hundreds of thousands of pieces that have been written on it. This thing succeeded so much more rapidly than we anticipated.

We are – what are the criteria for putting the equivalent of an agency seal of, I stand behind this – that it's not just analysts messing around here? We're trying to produce living documents that are continuously, collectively updated instead of trying to remember. Somebody wrote something on the military infrastructure of Venezuela – it was pretty good; who was that? Where was it? Where do I find it? Here it is on the site. It's done and vouched for and easily updated. We are now struggling. And I've said I need a straw man in two months that we can roll out that used our evaluative criteria as well as reality criteria of how to get it to the ambassador. The commander needed it in CENTCOM that brings it in there. But is is Wikipedia. The difference is – names are on it. We want people to have the equivalent of an eBay reputation.

MS. DUFFY: That concept of reputation – one can spin that out a little bit. The Intelligence Community version of Friendster or MySpace or whatever where the more friends you have, the

better you are thought of. We are at the point where we can have only one more question. And this is a bit of a tough one. When some people hear about merging, integrating national security and law enforcement, alarm bells go off about civil liberties. Do you think that there are sufficient protections against our national security capabilities being utilized in inappropriate ways within the domestic context in this drive to integrate collection internally and externally and protect American citizens wherever they are?

DR. FINGAR: I hope so. I believe so. I mean, one of the things that sort of, kind of important to the reality here, that there is a reality even in a theme park, that most of us who are sort of working this hard are children of the'60s. This isn't some abstract thing. This was formative to us. The J. Edgar Hoover abuse, the CIA abuses, the Pike Commission kind of stuff – the people who were at the top making these decisions care passionately about it. The law created within our office a civil liberties protection office that its sole responsibility is to look at everything we do and everything that is proposed in light of civil liberties. And Alex Joel who heads it is exactly the kind of – I was tempted to use the word zealot but that implies a negative consequence. He's deadly serious about this. He's not going to rubber-stamp anything on it.

Striking the right balance, getting it right – I bristle every time the newspapers write something is the product of the 16 spy agencies. No, they're 16 analytic components, most of whom don't spy and certainly don't spy on Americans. This integration – and I'll go a little beyond it – has produced things that really are clash of culture. Those of us who have grown up in foreign intelligence, you get an American person, that name goes out. It's removed from the report before it goes out. You see it – get that away; take it out of my computer. You go to jail for this stuff. And they're really serious about it.

You move into the law enforcement world and the Homeland Security world, there's all kinds of poison pen kind of stuff, slander the neighbor because he parked too close to my driveway and things that have to be run down as leads and law enforcement. Now, as we put people to come to these two communities and have taskforce integrators – if you've got one that says, well, we've got to have that. If we don't know who it is, how do we go to their house and the other one says, if I look at that report, my career is finished. So there are some sort of practical things to be worked through. The bias in the system is protecting civil liberties.

MS. DUFFY: Our thanks to Dr. Thomas Finger, Deputy Director of National Intelligence, Chairman of the National Intelligence Council. Thank you to our audience here, on the radio, on the Internet, on television. I am Gloria Duffy. And now, this special Valentine's Day of the Commonwealth Club of California is adjourned.

(Applause.)

(END)