

DEPARTMENT OF HOMELAND SECURITY
Office of Inspector General

**The DHS Process for Nominating Individuals
to the Consolidated Terrorist Watchlist**





Homeland
Security

February 28, 2008

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the Homeland Security Act of 2002 (*Public Law 107-296*) by amendment to the Inspector General Act of 1978. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

This report addresses the strengths and weaknesses of the DHS process for nominating individuals to the consolidated terrorist watchlist. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. It is our hope that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General

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Abbreviations

CBP	United States Customs and Border Protection
DHS	Department of Homeland Security
FBI	Federal Bureau of Investigations
I&A	Intelligence and Analysis
IC	Intelligence Community
ICE	Immigration and Customs Enforcement
JTTF	Joint Terrorism Task Force
NCTC	National Counterterrorism Center
ODNI	Office of the Director for National Intelligence
OIG	Office of Inspector General
POE	Port of Entry
TECS	Treasury Enforcement Communications System
TIDE	Terrorist Identities Datamart Environment
TSA	Transportation Security Administration
TSC	Terrorist Screening Center
USCIS	United States Citizenship and Immigration Services
US-VISIT	United States Visitor and Immigrant Status Indicator Technology

OIG

Department of Homeland Security
Office of Inspector General

Executive Summary

The Office of the Director of National Intelligence requested Inspectors General of the Intelligence Community to review their organizations' processes for making nominations to the consolidated terrorist watchlist. The Inspectors General undertook to answer six questions related to the nominations process in their agency:

1. Are processes and standards for nominating individuals consistent, articulated in policy, and understood by nominators;
2. Is there a quality control process in place;
3. Is responsibility for watchlist nominations clear, effective, and understood;
4. Have nominators receive adequate training, guidance, and information on the nominations process;
5. Do agencies maintain records of their nominations to the National Counterterrorism Center and Terrorist Screening Center; and
6. Are organizations with terrorism, counterterrorism, and domestic counterterrorism information appropriately participating in the nominations process?

The Department of Homeland Security has made very few nominations to the consolidated terrorist watchlist because its components are rarely originators of derogatory information linking persons to terrorist activities. U.S. Customs and Border Protection and Immigration and Customs Enforcement combined have submitted less than one percent of all nominations made to the consolidated terrorist watchlist since 2005. Although the Department of Homeland Security does not have an overarching policy on making nominations to the consolidated terrorist watchlist, Customs and Border Protection and Immigration and Customs Enforcement have developed and implemented processes for making nominations.

Other Department of Homeland Security components would like to contribute to the consolidated terrorist watchlist by providing information that could be used to update existing nominations. The Department of Homeland Security can better manage its nomination process to ensure information is provided to the National Counterterrorism Center.

We are making two recommendations to enhance the Department of Homeland Security's overall participation in nominating individuals to the consolidated terrorist watchlist.

Background

Executive Order 12333, “United States Intelligence Activities” dated December 4, 1981, requires all government agencies and departments involved in intelligence activities to provide the President and the National Security Council with intelligence information to protect the United States from security threats. Government agencies and departments within the executive branch that have a national intelligence mission are collectively called the Intelligence Community (IC). Members of the IC include:

- Director of National Intelligence
- Under Secretary of Defense for Intelligence
- Air Force Intelligence
- Army Intelligence
- Central Intelligence Agency
- Coast Guard Intelligence
- Defense Intelligence Agency
- Department of Energy
- Department of Homeland Security
- Department of State
- Department of the Treasury
- Drug Enforcement Administration
- Federal Bureau of Investigation
- Marine Corps Intelligence
- National Geospatial-Intelligence Agency
- National Reconnaissance Office
- National Security Agency
- Navy Intelligence

More recently, Executive Order 13354, “National Counterterrorism Center” dated August 27, 2004, requires all government agencies that possess or acquire non-domestic terrorism and counterterrorism information to immediately notify the National Counterterrorism Center (NCTC). The NCTC serves as the primary organization in the United States Government for integrating and analyzing intelligence pertaining to terrorism and counterterrorism. NCTC is the principal advisor to the Office of the Director of National Intelligence (ODNI) on intelligence activities, and is responsible for developing strategic operational plans for counterterrorism activities. The NCTC receives information through nominations made by federal agencies. It is not necessary for an agency to be a member of the IC to make nominations. Nomination information is placed in the NCTC central repository system, the Terrorist Identities Datamart Environment (TIDE).

Pursuant to Homeland Security Presidential Directive 6, the Department of Justice Terrorist Screening Center (TSC) is responsible for maintaining a consolidated terrorist watchlist. The TSC uses international information from the NCTC TIDE system and domestic intelligence from the Federal Bureau of Investigation (FBI) to develop the watchlist. The TSC also provides updates on terrorists to operational systems used by other government agencies for screening purposes.

At the request of ODNI, 11 Inspectors General agreed to coordinate a review on the processes for nominating individuals to the consolidated terrorist watchlist.¹ Formalized in a March 19, 2007, Memorandum of Understanding, six objectives related to the nominations process were identified:

1. Are processes and standards for nominating individuals consistent, articulated in policy, and understood by nominators;
2. Is there a quality control process in place;
3. Is responsibility for watchlist nominations clear, effective, and understood;
4. Have nominators receive adequate training, guidance, and information on the nominations process;
5. Do agencies maintain records of their nominations to the NCTC and TSC; and
6. Are organizations with terrorism, counterterrorism, and domestic counterterrorism information appropriately participating in the nominations process?

Nominations made by the FBI, Department of State, Defense Intelligence Agency, and Central Intelligence Agency encompass more than 95% of the nominations made to the watchlist. DHS has made less than one percent of all nominations to the watchlist since 2005. However, DHS is a major consumer of nomination information. There are many DHS components that use watchlist information daily. For example:

- U.S. Customs and Border Protection (CBP) processes approximately 1.1 million passengers and pedestrians every day at ports of entry (POE). Watchlist information is used to determine their admissibility;
- U.S. Immigration and Customs Enforcement (ICE) coordinates investigations of watchlisted individuals with the FBI to ensure a unified approach that might lead to the apprehension of individuals of interest and their associates;
- U.S. Citizenship and Immigration Services (USCIS) receives approximately 6 million applications and petitions a year. All information is considered, especially for individuals on the watchlist,

¹ Appendix C.

when adjudicating applications to grant immigration benefits or citizenship; and

- Transportation Security Administration (TSA) checks the watchlist against passenger manifests for more than 50,000 commercial flights a day to ensure only permissible persons are allowed to fly.

Results of Review

Two DHS Components Have Developed Policies and Guidance on Nominations

DHS does not have a management directive, quality control process, or training program for the nominations process. Officials at DHS said there is no plan to develop a management directive on the nominations process because the department rarely owns originating information. However, some DHS components, such as CBP and ICE, have developed guidance for their respective offices.

DHS collects a small amount of information that links an individual to terrorism or terrorist activities. CBP and ICE are the main contributors of this information. The CBP National Targeting Center serves as a clearinghouse for CBP and ICE nominations, and as a resource for DHS law enforcement efforts. In December 2003, ICE assigned special agents to the CBP National Targeting Center to assist in coordinating border activities. In January 2005, the ICE Office of Investigations established a permanent ICE Liaison Section to the targeting center and provided continuous support and investigative coordination regarding terrorist threats to the United States and U.S. interests abroad.

The targeting center is staffed by personnel from several DHS offices and has liaison relationships with many law enforcement and intelligence agencies, such as the FBI. While the various workgroups within the targeting center perform many different support roles, CBP and ICE personnel at the center manage nominations from their agencies to the NCTC, where if approved, they are entered into the TIDE system. The TIDE system is maintained by the NCTC and serves as a central repository for all information on known or suspected international terrorists with the exception of purely domestic terrorism information. A subset of the identifying information contained in TIDE is transmitted to the TSC for inclusion in the consolidated watchlist. The names and identifiers are then transmitted from the TSC to the Treasury Enforcement Communications System (TECS) for use at the POEs.

CBP officers inspect all individuals arriving at a POE seeking admission into the United States. The officer queries TECS from his or her post at the POE

to determine whether the individual appears to match a watchlist record. When an individual being inspected appears to have a matching record, the event is referred to as a TIDE encounter, and the officer is required to contact the targeting center. The targeting center coordinates with the TSC to determine if the arriving traveler is indeed the watchlisted person. When additional or corrected information is collected from a TIDE encounter at a POE, the new information is sent to the NCTC. The proper procedures for encounters with known or potential terrorists are detailed in CBP and ICE agency memoranda.

CBP Policy

CBP processed all of its nominations for the watchlist through the targeting center. The final determination of the identity resolution is performed by the TSC in consultation with the targeting center. The FBI has jurisdiction to investigate terrorism in the United States. When individuals with suspected terrorist connections are identified by CBP at POEs, the information must go to the FBI. The normal procedure is for CBP to notify the Joint Terrorism Task Force (JTTF). In these instances CBP will not make a nomination because the FBI will process the nomination through the NCTC.

On September 12, 2006, CBP provided a directive to its field offices. The directive lists the targeting center as the focal point for CBP operational coordination with the TSC, NCTC, and the FBI National Joint Terrorism Task Force. Additionally, the directive provided detailed protocols for CBP officers to make nominations or to provide updated information to the watchlist through the targeting center. The directive also establishes and regulates the activities of CBP counter terrorism Response Teams at the POEs. These teams are responsible for handling TIDE encounters and coordinating their activities with the targeting center and other law enforcement agencies.

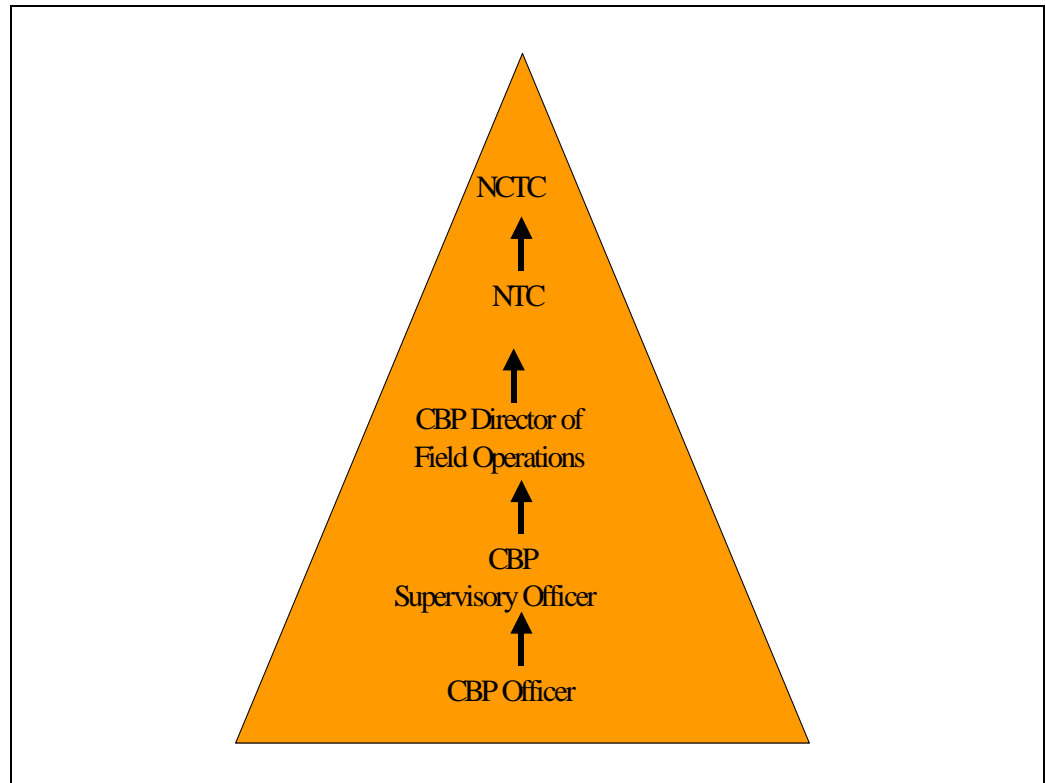
To determine CBP awareness of and participation in the nominations process we questioned the managers of the eight CBP divisions responsible for operations. We did not speak to managers of support divisions such as training. As shown in Figure 1, all but one official understood the CBP process for nominating individuals to the watchlist. Staff from offices responsible for making nominations, such as the Office of Field Operations, told us that a quality assurance process was in place through the national targeting center review process, ensuring only quality recommendations are made to the watchlist. Furthermore, even officials generally uninvolved in nomination activities understood CBP has a policy for nominating known or suspected terrorists to the watchlist.

Figure 1: Questionnaire Results from CBP Operational Offices

	Aware of nomination process	Office responsible for making nominations is clear	A quality control process exists for nomination	Has guidelines regarding nomination	Has received sufficient training
Air and Marine	Yes	Yes	N/A	Yes	No
Office of Field Operations	Yes	Yes	Yes	Yes	No
Traveler Security & Facilitation	Yes	Yes	Yes	Yes	No
Border Patrol	Yes	Yes	Yes	Yes	No
Container Security	Yes	Yes	N/A	Yes	N/A
Operations	Yes	Yes	Yes	Yes	No
Cargo and Conveyance Security	No	No	N/A	Yes	N/A
Agriculture Programs and Liaison	Yes	Yes	Yes	Yes	Yes

CBP recently developed a draft policy to supplement existing directives. With the finalization of the policy, CBP will have the most comprehensive process throughout DHS for coordinating watchlist nominations. This draft policy will explain the criteria for nominating, and for approving the transmission of information to the targeting center. It includes a process for POE and targeting center supervisors to review nominations before being sent to the NCTC (Figure 2).

Figure 2: Draft CBP Nomination Review Process



ICE Guidance

ICE agents in the United States did not make any nominations to the watchlist. The Department of Justice has the jurisdiction for investigating and prosecuting domestic terrorism cases while ICE is responsible for enforcing immigration and customs laws.² Not having domestic jurisdiction over terrorist-related cases reduces the occasions ICE would have to make watchlist nominations. ICE agents overseas can, and do, make nominations directly to the NCTC. However, ICE is represented on the JTTF and any derogatory information ICE develops about individuals who could be nominated, is submitted through the JTTF.

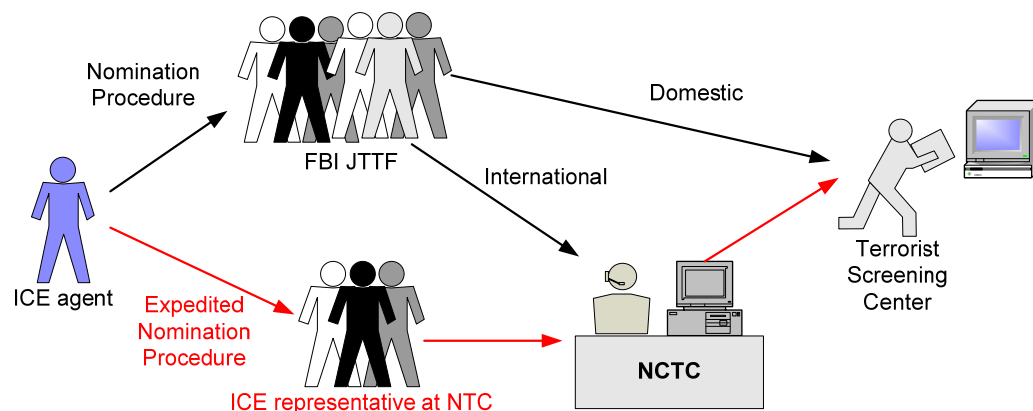
ICE has published three memoranda that affect nominations to the watchlist. The first, in September 2004, provided a nomination memorandum to all Special Agents-in-Charge and Deputy Assistant Directors in the Office of Investigations. This memorandum detailed interim operating procedures that mandated all “positive and possible” TIDE encounters be reported to the ICE

² Department of Justice – National Security Division “Combat Terrorism,” http://www.usdoj.gov/whatwedo/whatwedo_ct.html.

targeting center representative. This memorandum also documents the coordination between ICE and the FBI through the JTTF.

A second memorandum, in March 2005 required that all subjects for watchlist nominations be submitted through the JTTF. For cases requiring immediate action, ICE mandated coordination through the targeting center (Figure 3).

Figure 3: ICE 2005 Procedures



More recently, in an April 2007 memorandum, ICE officers are required to track the amount of time spent working on national security cases with the JTTF. ICE will then be able to quantify the actual time spent on counterterrorism activities that support national security investigations related to TIDE encounters. ICE is currently working to formalize an agency directive that will incorporate previously published memoranda into a formalized policy for the field.

DHS' Management of Component Nomination Activities

Only two DHS components—U.S. Coast Guard and Intelligence and Analysis (I&A)—are members of the IC. Many DHS components outside of the IC would also like to provide additional information on existing nominations. DHS components in general have difficulty finding answers to their questions about nominations and obtaining information on the nomination process. Of the officials we interviewed, only staff from CBP and ICE were able to describe how to make a nomination. Without clarification on the type of terrorist information the NCTC is seeking and a method to provide it, DHS components do not know how to make or enhance watchlist nominations. DHS needs a single point of contact for nominations to coordinate overall nomination activities, ensure proper distribution of nomination-related information to all DHS components, and clarify nomination criteria.

Coordination of DHS Nominations

DHS components have information that could be used to make or update nominations to the watchlist. Providing the information to the NCTC is challenging and many components are providing updates on nominations through informal methods. We interviewed staff from 11 DHS components to identify the most appropriate entity for coordinating DHS nominations. All but one perceived I&A to be the natural lead for developing nomination procedures.

For example, the Office of Counternarcotics Enforcement is responsible for coordinating DHS efforts to track and sever connections between drugs and terrorism. Staff conduct drug-to-terrorist assessments, collaborate with national and local JTTFs, and participate in working groups to facilitate information exchange. The office regularly gathers information with a drug-to-terrorist connection. If the National Joint Terrorism Task Force needs information relating to a potential connection, it calls the Office of Counternarcotics Enforcement. Counternarcotics Enforcement staff knew about watchlist nominations, but did not know whether any of the information they collected was useful to the NCTC.

TSA collaborates with the Federal Aviation Administration to vet information related to terrorism and aviation records. When Federal Aviation Administration staff identifies information about known or suspected terrorists with pilot licenses, they notify the TSA. TSA staff we interviewed stated the information is important to the watchlist but, other than notifying the TIDE system record holder, it does not receive feedback on whether the NCTC includes it in current nominations.

USCIS is required to complete a background check on each applicant, petitioner, and beneficiary prior to granting an immigration benefit. USCIS requests FBI name checks on applications for asylum, lawful permanent residence, and naturalization prior to granting immigration benefits. Part of USCIS daily operations involves reviewing documents and conducting interviews of individuals seeking benefits and their associates. USCIS interviewers routinely request updated addresses, biometrical data, and information on applicants, their sponsors, and associates. This places the agency in a unique position of being able to provide updated information on persons already watchlisted, and to learn whether they are in the United States.

I&A is responsible for defining DHS intelligence collection requirements, compiling intelligence reports, and providing information to DHS and the IC. Staff in I&A receive various intelligence reports from DHS components that are written in response to DHS standing collection requirements, and include

information ranging from raw data on people and conveyances at POEs to final intelligence reports. I&A uses the data from DHS components to write intelligence reports for the IC. As previously discussed, CBP and ICE coordinate nominations internally through the National Targeting Center. I&A could work with the targeting center to identify some best practices and methods that would better facilitate operational aspects of nominations for DHS. Given I&A's primacy in DHS for collecting and disseminating intelligence, and for managing the DHS interaction with the IC, it would be appropriate for I&A to promulgate and manage DHS-wide counterterrorism watchlist nomination procedures.

Clarification and Distribution of Nomination Information

DHS components have access to additional information that could be provided to the NCTC to update and enhance existing nominations. However, there is no clear definition of terrorism-related information and no documented DHS protocol for ensuring proper distribution of information to all components.

There are at least three definitions that could be used to define terrorism-related information. First, U.S. Code Title 18, Chapter 113B, section 2331(1) provides a definition of international terrorism:

[T]he term international terrorism means activities that— (A) involve violent acts or acts dangerous to human life that are a violation of the criminal laws of the United States or of any State, or that would be a criminal violation if committed within the jurisdiction of the United States or of any State; (B) appear to be intended— (i) to intimidate or coerce a civilian population; (ii) to influence the policy of a government by intimidation or coercion; or (iii) to affect the conduct of a government by mass destruction, assassination, or kidnapping; and (C) occur primarily outside the territorial jurisdiction of the United States, or transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended to intimidate or coerce, or the locale in which their perpetrators operate or seek asylum...

Second, U.S. Code Title 18, Chapter 113B, section 2331(5) provides a definition of domestic terrorism:

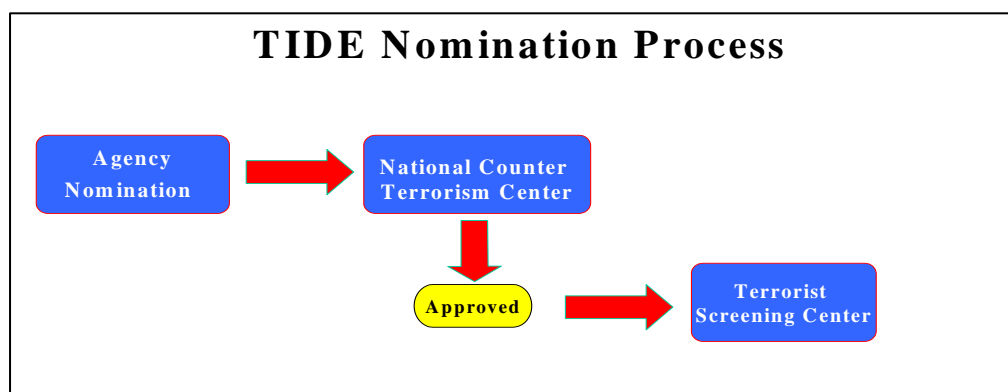
[T]he term "domestic terrorism" means activities that— (A) involve acts dangerous to human life that are a violation of the criminal laws of the United States or of any State; (B) appear to be intended— (i) to intimidate or coerce a civilian population; (ii) to influence the policy of a government by intimidation or coercion; or (iii) to affect the conduct of a government by mass destruction, assassination, or kidnapping; and (C) occur primarily within the territorial jurisdiction of the United States.

Third, Homeland Security Presidential Directive 6, "Integration and Use of Screening Information" dated September 16, 2003, broadly defines terrorist

information as “information about individuals known or appropriately suspected to be or have been engaged in conduct constituting, in preparation for, in aid of, or related to terrorism....”

Although neither the NCTC nor DHS has provided guidance on what constitutes information related to terrorism, the TSC provided a memorandum to I&A and the Office of Policy detailing the nominations process, criteria that must be met for a nomination to be accepted, and an expedited process for urgent circumstances. The July 2007 TSC memorandum identifies specific information the center would like to have on known or suspected terrorists.

The TSC memorandum was not widely distributed within DHS. Only I&A and the Office of Policy received copies. We provided copies to the DHS components with whom we met. Most staff said this was the first document they had seen outlining a process for making watchlist nominations. Knowledge of the correct procedures for making a nomination would enable these agencies to provide more complete information to DHS components and the IC.



Recommendations

We recommend that the Under Secretary for Intelligence and Analysis:

Recommendation #1: Develop and issue department-wide guidance governing the DHS watchlist nomination process.

Recommendation #2: Develop protocols for sharing NCTC and TSC watchlist guidelines with all DHS IC and non-IC components to ensure proper inclusion and updating of NCTC information.

Management Comments and OIG Analysis

We evaluated the comments prepared by I&A regarding our report and where appropriate, made changes to address their concerns. I&A management agreed with the report's findings and our recommendations. A copy of I&A's written comments in its entirety is included as Appendix B.

In its written response, I&A emphasized the need for DHS to perform watchlisting duties effectively and accurately. I&A said that issues related to the quality and integrity of watchlisting and the redress process for removing names from the watchlist are of "vital importance" and that subsequent reviews should be conducted on those subjects. Further, I&A is committed to using its analysis of raw data from POEs and daily operations to help ensure nominations are correct.

CBP and ICE provided technical comments for consideration. Where appropriate, we made changes to the report to ensure the accuracy of information.

Recommendation #1

We recommended that the Under Secretary for Intelligence and Analysis develop and issue department-wide guidance governing the DHS watchlist nominations process.

I&A Response

I&A concurred with our recommendation.

OIG Analysis

We agree that the action I&A plans to take will satisfy the intent of this recommendation. This recommendation is resolved, but remains open pending the development, issuance, and our receipt of the department-wide watchlist guidance.

Recommendation #2

We recommended that the Under Secretary develop protocols for sharing NCTC and TSC watchlist guidelines with all DHS Intelligence Community and non-Intelligence Community components to ensure proper inclusion and updating of NCTC information.

I&A Response

I&A concurred with our recommendation.

OIG Analysis

We agree that the action I&A plans to take will satisfy the intent of this recommendation. This recommendation is resolved, but remains open pending development, issuance, and our receipt of the protocols for sharing NCTC and TSC watchlist guidelines with all DHS Intelligence Community and non-Intelligence Community components.

Appendix A

Purpose, Scope and Methodology

We reviewed DHS' activities for making nominations to the consolidated terrorist watchlist. Our objective was to determine whether DHS had participated in the nomination process. To make that determination we evaluated whether DHS had developed a process for making nominations; employed a quality control process for nomination accuracy; ensured the responsibility for making nominations was clear; provided nominators adequate training; and maintained records of nominations. We conducted the review at the request of the Director of National Intelligence.

We conducted our fieldwork from July to October 2007. We received briefings from officials at the National Counterterrorism Center and the Terrorist Screening Center. We interviewed DHS officials from 11 components: Office of Counternarcotics Enforcement, Customs and Border Protection, Immigration and Customs Enforcement, Office of Intelligence and Analysis, National Protection and Programs, Operations Coordination, Screening Coordination Office, Transportation Security Administration, U.S. Citizenship and Immigration Services, U.S. Coast Guard, and U.S. Secret Service.

We also interviewed staff from antiterrorism and intelligence subcomponents: CBP Office of Anti Terrorism, National Targeting Center, and Office of Intelligence; ICE Office of Intelligence; I&A Collection Requirement Office, Homeland Environment Threat Analysis, and Intelligence Watch and Warning. Additionally, we surveyed organizations that made nominations to determine their awareness and participation in the nominations process.

We also reviewed component records and documents such as guidance for making nominations, current and planned processes for making nominations, and nominations made to the consolidated terrorist watchlist.

Our work was conducted under the authority of the *Inspector General Act of 1978*, as amended, and according to the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

Appendix B

Management Comments to the Draft Report


U.S. Department of Homeland Security
Washington, DC 20528



Homeland Security

January 28, 2008

MEMORANDUM FOR: Richard L. Skinner
Inspector General

FROM: Charles E. Allen 
Under Secretary for Intelligence and Analysis

SUBJECT: Office of Intelligence and Analysis (I&A) Comments on Draft
OIG Report – “The DHS Process for Nominating Individuals to the
Consolidated Terrorist Watchlist” (December 2007)

Thank you for the opportunity to comment on the draft Office of Inspector General report, “The DHS Process for Nominating Individuals to the Consolidated Terrorist Watchlist.” This report represents an accurate overview of the watchlist nomination process.

General Comments

As noted in Appendix C, “Memorandum of Understanding Between Inspectors General of the IC”, this report focuses “on issues surrounding the process for nominating individuals to the terrorism watchlist.” Related issues, “such as the quality and integrity of the existing watchlist or the redress process for removing names from the watchlist, do not fall within this joint effort.” *It is of vital importance that subsequent reviews do focus upon these issues.*

DHS responsibilities from border enforcement to immigrant benefit and citizenship adjudications are influenced by the information provided via the consolidated terrorist watchlist. In essence, the ability to perform these duties effectively depends, in part, on the quality, relevancy and reliability of the data provided to operational databases via the consolidated terrorist watchlist. Consequently, the ability to verify or update information related to a nomination over time—or for that matter expunge outdated or erroneous nominations—is equally as important as the initial vetting of a nomination. I&A’s analysis of raw data collected by other governmental agencies or additional data collected at Ports of Entry (POE) and through DHS component daily operations can help to ensure nominations are accurate.

**Regarding the Intelligence Community Inspectors General Forum
Review of the Nominations Process for the Consolidated Terrorist Watchlist**

Between the Offices of the Inspectors General

of

Office of the Director of National Intelligence

Central Intelligence Agency

Department of Justice

Defense Intelligence Agency

National Security Agency

Department of Homeland Security

Department of State

National Geospatial-Intelligence Agency

Department of the Treasury

Department of Energy

March 19, 2007

Amended and Restated as of May 7, 2007

I. BACKGROUND

Pursuant to Homeland Security Presidential Directive 6, the Terrorist Screening Center (TSC) maintains a consolidated terrorism watchlist that is populated by information from the National Counterterrorism Center (NCTC) and the Federal Bureau of Investigation (FBI). Agencies that possess or acquire terrorism and counterterrorism information, excepting purely domestic counterterrorism information, are required by Executive Order 13354 to promptly give access to such information to the NCTC. The NCTC then provides a subset of that information to the TSC for inclusion on the consolidated watchlist. In contrast, the FBI provides purely domestic counterterrorism information directly to the consolidated terrorism watchlist.

The Information Sharing Environment, which is part of the Office of the Director of National Intelligence (ODNI), and was created by the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), is responsible for reporting to Congress on whether there are consistent standards for placing individuals on, and removing individuals from, the terrorism watchlists; whether processes are available for correcting errors in the watchlists; and whether the federal government takes adequate measures to ensure the accuracy of information about individuals on the watchlists.

On December 14, 2006, the Intelligence Community Inspectors General (ICIG) Forum agreed to coordinate a review of the processes for nominating individuals to the consolidated terrorism watchlist. The Offices of the Inspectors General (OIGs) of the ODNI, Central Intelligence Agency (CIA), Department of Justice (DOJ), Defense Intelligence Agency (DIA), Department of Homeland Security (DHS), National Security Agency (NSA), National Geospatial-Intelligence Agency (NGA), Department of Energy (Energy), Department of State (State), and Department of Treasury (Treasury) will work together to accomplish this review. This Memorandum of Understanding (MOU) provides the terms of agreements for coordination among these OIGs.

II. OBJECTIVES

The objectives of the review are to ascertain, both within agencies and across the Intelligence Community (IC), whether:

1. Processes and standards for nominating individuals to the consolidated watchlist are consistent (both within agencies and across the IC), articulated in policy or other guidance, and understood by nominators;

Appendix C

Memorandum of Understanding Between Inspectors General of the Intelligence Community

2. Quality control processes are in place to help ensure nominations are accurate, understandable, updated with new information, and include all individuals who should be placed on the watchlist based on information available to the agencies;
3. Responsibility for watchlist nominations is clear, effective, and understood;
4. Nominators receive adequate training, guidance, or information on the nominations process;
5. Agencies maintain records of their nominations to the NCTC (and to the TSC, in the case of the FBI), including the source of the nomination and what information was provided; and
6. Organizations with terrorism, counterterrorism, and domestic counterterrorism information in their possession, custody, or control appropriately participate in the nomination process.

III. ROLES AND RESPONSIBILITIES

The ODNI OIG will coordinate the work of the OIGs participating in the joint review, review watch list nominations within the ODNI, and examine any cross-agency issues. The ODNI OIG, with the assistance of staff from the NSA OIG, also will conduct a review of watchlisting nominations in the NSA. The DOJ, DHS, DIA, CIA, NGA, Energy, State and Treasury OIGs will lead watchlisting reviews within their respective agencies.

To ensure the success of the review, each participant agrees to the following requirements.

1. This review will focus on issues surrounding the process for nominating individuals to the terrorism watchlist. Other issues, such as the quality and integrity of the existing watchlist or the redress process for removing names from the watchlist, do not fall within this joint effort. These issues are possible subjects for subsequent reviews.
2. The OIGs participating in this ICIG joint effort will assist ODNI in determining the scope of the joint review.
3. The OIGs that are conducting watchlisting reviews within their respective agencies will examine all of the issues within the scope of the ICIG joint effort. The OIGs' reviews, however, are not limited to the scope of the ICIG joint effort.

Appendix C

Memorandum of Understanding Between Inspectors General of the Intelligence Community

4. The OIGs conducting interviews and collecting information will document those interviews and information in accordance with their agency's respective procedures.
5. The OIGs that are conducting watchlisting reviews within their respective agencies will keep the ODNI OIG apprised of developments and progress in their reviews, and they will provide the ODNI OIG an opportunity to review their draft reports before they are finalized and released. They also will have final authority over the content of their reports.
6. To the extent possible, monthly meetings will be held by representatives from each OIG review team to address issues and share findings. The ODNI OIG will reserve space at the CIA for these meetings. Each participating organization will bear its own travel expenses throughout the duration of the review.
7. With respect to the OIGs whose agencies will be inspected by the ODNI, the agency OIG will assist the ODNI OIG with identifying whom to interview and accessing the agency's workspace. The ODNI OIG will schedule, conduct, and document interviews of agency employees.
8. The ODNI OIG will analyze its findings, as well as the findings of the OIGs that are conducting watchlisting reviews within their respective agencies, in a separate report that examines the watchlist nomination process across agencies. The OIGs that performed watchlisting reviews within their agencies, the OIGs whose agencies were inspected by the ODNI as part of this review, and the heads of agencies to whom the ODNI OIG makes recommendations will have an opportunity to review the ODNI OIG's draft report. The ODNI will not append the reports of the OIGs that performed watchlisting reviews within their agencies to its report.
9. The ODNI OIG will issue its final report analyzing the watchlist nomination process across the IC to the heads of the departments and agencies reviewed; IC IG Forum members; officials to whom recommendations are addressed; the Director of National Intelligence (DNI); the Director of the National Counterterrorism Center; the Senate Select Committee on Intelligence and House Permanent Select Committee on Intelligence (upon approval of the DNI); the DDNI for Collection; and other officials as appropriate. If possible and appropriate, the ODNI will issue the report, or a summary thereof, to the public.

Appendix C

Memorandum of Understanding Between Inspectors General of the Intelligence Community

10. The ODNI OIG will be responsible for monitoring compliance with its report recommendations and will provide a status report to the ICIG Forum at each meeting of the Forum until all recommendations are closed.
11. The OIGs that are conducting watchlisting reviews within their respective agencies will be responsible for monitoring compliance with their report recommendations.
12. The ODNI OIG will copy the agency OIG on any correspondence sent from the ODNI OIG to the agency.
13. Each OIG that is conducting a watchlisting review will perform its own investigations of waste, fraud, abuse, or illegal actions that may be uncovered during the review. Allegations involving other agencies will be referred to the appropriate OIG for action.
14. The ODNI OIG will issue an announcement letter to the IC agencies affected by this review.
15. This review will be performed in accordance with the President's Council on Integrity and Efficiency *Quality Standards for Inspections*, January 2005. All participating OIGs must follow these or higher (e.g., Yellow Book) standards.

IV. IMPLEMENTATION AND TERMINATION

This MOU shall become binding and enter into force upon signature of all parties. It shall terminate upon implementation of all recommendations from the respective OIG reports. Early termination of this MOU may occur upon the approval of the ICIG Forum. Any OIG may withdraw from the MOU at any time by providing written notice to the ICIG Forum. **This MOU shall be dated as of March 19, 2007.**

V. SIGNATURES

The undersigned, whose signatures appear on separate signature pages attached hereto, have reviewed this document and are in agreement with the conditions contained herein.

Appendix D
Major Contributors to this Report

Douglas Ellice, Chief Inspector

Megan McNeely, Lead Inspector

Levar Cole, Inspector

Appendix E

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