

Department of Homeland Security **Office of Inspector General**

DHS' Efforts To Coordinate and Enhance
Its Support and Information Sharing
With Fusion Centers





Homeland Security

November 16, 2011

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 efforts of the Office of Intelligence and Analysis' State and Local Program Office to coordinate and enhance the department's support of the National Network of Fusion Centers. 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. We trust 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 black ink, reading "Charles K. Edwards". The signature is written in a cursive style with a large initial "C" and "E".

Charles K. Edwards
Acting Inspector General

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Abbreviations

CBP	U.S. Customs and Border Protection
COC	Critical Operational Capabilities
DHS	Department of Homeland Security
DOJ	Department of Justice

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FBI	Federal Bureau of Investigation
FCIU	Fusion Center Integration Unit
HSDN	Homeland Secure Data Network
I&A	Office of Intelligence and Analysis
ICE	U.S. Immigration and Customs Enforcement
IO	Intelligence Officer
MOU	memorandum of understanding
OIG	Office of Inspector General
SLPO	State and Local Program Office
TSA	Transportation Security Administration
USCG	U.S. Coast Guard

OIG

*Department of Homeland Security
Office of Inspector General*

Executive Summary

The Department of Homeland Security (DHS) coordinates activities to improve information sharing efforts among federal, state, local, and tribal government agencies and the private sector as required by the *Homeland Security Act of 2002*, as amended. To promote greater information sharing and collaboration among federal, state, and local intelligence and law enforcement entities, state and local authorities established fusion centers throughout the country. A fusion center is a collaboration of two or more agencies to receive, gather, analyze, and disseminate information intending to detect, prevent, investigate, and respond to criminal or terrorist activity. DHS' Office of Intelligence and Analysis (I&A), through its State and Local Program Office, is responsible for coordinating federal support to fusion centers.

In July 2009, I&A recognized DHS' inability to institute a coordinated department-wide approach to support and interact with the National Network of Fusion Centers. In response to this shortcoming, DHS' Secretary recommitted departmental support to fusion centers.

We assessed DHS' efforts to coordinate and enhance its support to fusion centers as part of our *Fiscal Year 2011 Annual Performance Plan*. Specifically, we reviewed whether: (1) the State and Local Program Office satisfies the intent of DHS' recommitment to the State, Local, and Regional Fusion Center Initiative; (2) planned State and Local Program Office efforts will ensure coordinated support of DHS and its components to provide needed information and resources to fusion centers; and (3) any functional or organizational challenges exist within DHS that hinder its successful support to fusion centers.

Since July 2009, the State and Local Program Office has increased field support to fusion centers, worked to improve fusion center capabilities, and engaged DHS components. Efforts to develop a department-wide fusion center support strategy are ongoing, but improvements are needed to enhance I&A field deployments and DHS component support. We are making seven recommendations to assist the State and Local Program Office in improving DHS' support to fusion centers; I&A concurred with all recommendations.

Background

The *Homeland Security Act of 2002*, as amended, established and charged DHS with coordinating activities and improving information sharing efforts among federal, state, local, and tribal government agencies and the private sector.¹ Information sharing has become a primary means to detect, identify, and assess terrorist threats and vulnerabilities to our Nation. To promote greater information sharing and collaboration among federal, state, and local intelligence and law enforcement entities, state and local authorities established fusion centers throughout the country. The term “fusion” refers to the overarching process of managing the flow of information and intelligence across all levels and sectors of government and private industry, and through analysis, provides meaningful intelligence.

Fusion Center Characteristics Vary

A fusion center is “a collaborative effort of two or more agencies that provide resources, expertise, and information to the center with the goal of maximizing their ability to detect, prevent, investigate, and respond to criminal and terrorism activity.”² Fusion centers are owned and operated by state and local jurisdictions, and vary widely across the Nation in staffing and facility size, mission focus, partnerships, and funding sources.

Fusion Center Designation

Many states have multiple entities capable of interfacing with federal agencies and sharing intelligence information. In November 2007, the Secretary of Homeland Security and the Attorney General sent a letter to Governors requesting that Governors “designate a single fusion center to serve as the statewide or regional hub to interface with the federal government and through which to coordinate the gathering, processing, analysis, and dissemination of terrorism, law enforcement, and homeland security information in an all crimes approach.” In this letter, the Secretary and Attorney General encouraged Governors to develop an information sharing strategy that includes any major urban area fusion centers. To allocate resources effectively and efficiently, the federal government recognizes three categories of state and local information sharing entities: primary fusion centers, recognized fusion centers, and nodes. As of April 2011, there were 50 designated fusion centers. Many states have one center, but others have additional centers in various urban areas. DHS considers 22

¹ Public Law 107-296 (November 25, 2002).

² DHS and the Department of Justice, *Fusion Center Guidelines: Developing and Sharing Information and Intelligence in a New Era*, August 2006, p. 2.

of these additional urban area fusion centers as recognized centers. Recognized centers serve as information hubs to a state's designated center. These 72 state-designated and major urban area fusion centers are known as the National Network of Fusion Centers.

In addition, there are an unknown number of nodes, which are intelligence centers that serve similar state and local law enforcement, emergency management, and homeland security stakeholder functions. Some of these nodes have mature operations and strong local support. These nodes play an integral role in their state's homeland security structure and maintain mutually beneficial partnerships with DHS and other federal departments and agencies.

Staffing and Facility Size

Fusion center staff range in size from four members to more than 100. According to a 2010 Government Accountability Office report, approximately 25% of responding fusion centers had fewer than ten people, while slightly more than 25% had more than 50.³ Some staff at smaller fusion centers fulfill multiple roles, while other centers have divisions of staff dedicated solely to information and intelligence analysis. In terms of facilities, some fusion centers are stand-alone buildings, some occupy multiple building floors, and others are single rooms collocated with homeland security or emergency management operations.

Mission Focus

Fusion centers were established to receive, analyze, gather, and share threat-related information. The state, local, tribal, and territorial governmental entities that own or are considering operating a fusion center define the mission focus and scope of activities differently. A fusion center's mission depends on the environment in which it operates. Some fusion centers have adopted an "all-crimes" approach, whereas others have also included an "all-hazards" approach. Therefore, fusion center missions can include: counterterrorism; criminal analysis and case support; emergency management; and critical infrastructure identification, assessment, and protection.

³ *Federal Agencies Are Helping Fusion Centers Build Capabilities and Protect Privacy, but Could Better Measure Results*, GAO-10-972, September 2010.

Partnerships

Fusion centers are primarily staffed by state and local personnel. They may include sworn law enforcement officers and civilian personnel from police and sheriff's departments, as well as employees from fire service, emergency management, criminal justice, and public health departments and agencies.

To promote greater information sharing and collaboration among federal, state, and local intelligence and law enforcement entities, DHS' I&A has committed funding and resources for its presence at all fusion centers. Some fusion centers have representatives from other DHS components, including but not limited to U.S. Immigration and Customs Enforcement (ICE), U.S. Customs and Border Protection (CBP), the Transportation Security Administration (TSA), U.S. Secret Service, and the U.S. Coast Guard (USCG).

In addition, some fusion centers have Department of Justice (DOJ) personnel from the Federal Bureau of Investigation (FBI), and the Bureau of Alcohol, Tobacco, Firearms and Explosives, and work with the Drug Enforcement Administration and the U.S. Attorney's Office. Several fusion centers are also colocated with High Intensity Drug Trafficking Areas Investigative Support Centers, the FBI's Field Intelligence Groups, and Joint Terrorism Task Forces.⁴ These task forces operate in approximately 104 cities nationwide and are composed of highly trained, locally based investigators, analysts, and other specialists from dozens of U.S. law enforcement and intelligence agencies. This multiple-agency effort is led by DOJ and the FBI, and is designed to promote regional information sharing to combat terrorism by combining federal, state, and local law enforcement resources. Fusion centers forward information that appears to have a terrorism nexus to their local Joint Terrorism Task Force.

Funding Sources

Fusion center funding comes from a variety of sources. For example, some fusion center budgets are provided directly from state and local law enforcement and homeland security entities, while other centers receive state and local grants. States can apply for DHS funding to enhance fusion center capabilities through the

⁴ High Intensity Drug Trafficking Area Investigative Support Centers are sponsored by the Office of National Drug Control Policy and aim to support the disruption and dismantlement of drug-trafficking and money-laundering organizations through the prevention or mitigation of associated criminal activity.

department's Homeland Security Grant Program.⁵ DHS awards these grants to states to enhance the ability of state, territorial, tribal, and local governments to prepare for, prevent, respond to, and recover from potential terrorist attacks and other hazards. This grant program consists of five sub-programs: the State Homeland Security Program; the Urban Areas Security Initiative; Operation Stonegarden; the Metropolitan Medical Response System Program; and the Citizen Corps Program. However, Operation Stonegarden does not support fusion centers. Appendix D describes these DHS grant programs in detail.

In FY 2010, more than \$1.7 billion was made available to states under the Homeland Security Grant Program. Although fusion centers are often part of a state homeland security structure, states are not required to provide DHS grant funds to fusion centers unless the states specifically apply for fusion center-related projects. In addition, until FY 2011, DHS grant guidance language did not require specific investment justifications for fusion centers. As a result, it is difficult to determine the amount of DHS grant funding actually used to support fusion center activities and operations.

In addition to the Homeland Security Grant Program, the Buffer Zone Protection Program is a critical infrastructure protection grant that made \$48 million available in FY 2010.⁶ This program aims to increase a jurisdiction's ability to ensure the safety of communities surrounding predetermined nationally significant critical infrastructure and key resources. Critical infrastructure are assets, systems, and networks, both physical or virtual, which are so vital to the United States that incapacitation or destruction would debilitate security, national economic security, and public health or safety. Key resources are publicly or privately controlled resources essential to the minimal operations of the economy and government. Fusion centers with critical infrastructure protection or incident response functions have benefited from this grant program in the past.

Fusion centers also leverage funding from other federal departments and agencies. For example, DOJ makes funding available through its Office of Community Oriented Policing Services and through assistance from the Bureau of Justice Assistance. Funding and assistance is also available from the Department of Health and Human Services, Centers for Disease Control and Prevention.

⁵ *Fiscal Year 2010 Homeland Security Grant Program Guidance and Application Kit*, U.S. Department of Homeland Security, December 2009.

⁶ *Fiscal Year 2010 Buffer Zone Protection Program Guidance and Application Kit*, U.S. Department of Homeland Security, December 2009.

Past and Current Efforts To Provide Coordinated Support to Fusion Centers

In June 2006, DHS designated I&A as its Executive Agent for fusion center program management and issued the *DHS Support Implementation Plan for State & Local Fusion Centers*. In 2007, through the *Implementing Recommendations of the 9/11 Commission Act of 2007*, Congress acknowledged I&A's primary responsibility and efforts to share information with state, local, and regional officials, but stressed the need to play a stronger, more constructive role to provide the maximum amount of support for fusion centers.⁷ Section 511 of this act specified DHS' requirements to support fusion centers.

I&A performed this role through its State and Local Program Office (SLPO). The office focused on managing and deploying I&A Intelligence Officers (IOs) to fusion centers and the centers' access to the Homeland Secure Data Network (HSDN).⁸ In addition, SLPO hosted state and local representatives at I&A and maintained liaison relationships with state and local law enforcement to enhance understanding of DHS' missions, capabilities, and role in the National Network of Fusion Centers.

In response to the department's efforts to support fusion centers and the National Network, the Government Accountability Office, the Congressional Research Service, and our office produced reports recommending improvements to internal DHS coordination, aligning fusion center activities and funding with the department's mission, and deploying personnel to state and major urban area fusion centers in a timely manner.⁹

In July 2009, Secretary Napolitano approved a request by I&A for the Department to recommit to a DHS State and Local Fusion Center Initiative. The request recognized DHS' previous inability to institute a well-coordinated, department-wide approach to support and interact with fusion centers, resulting in a disjointed and ad hoc approach to support and interaction.

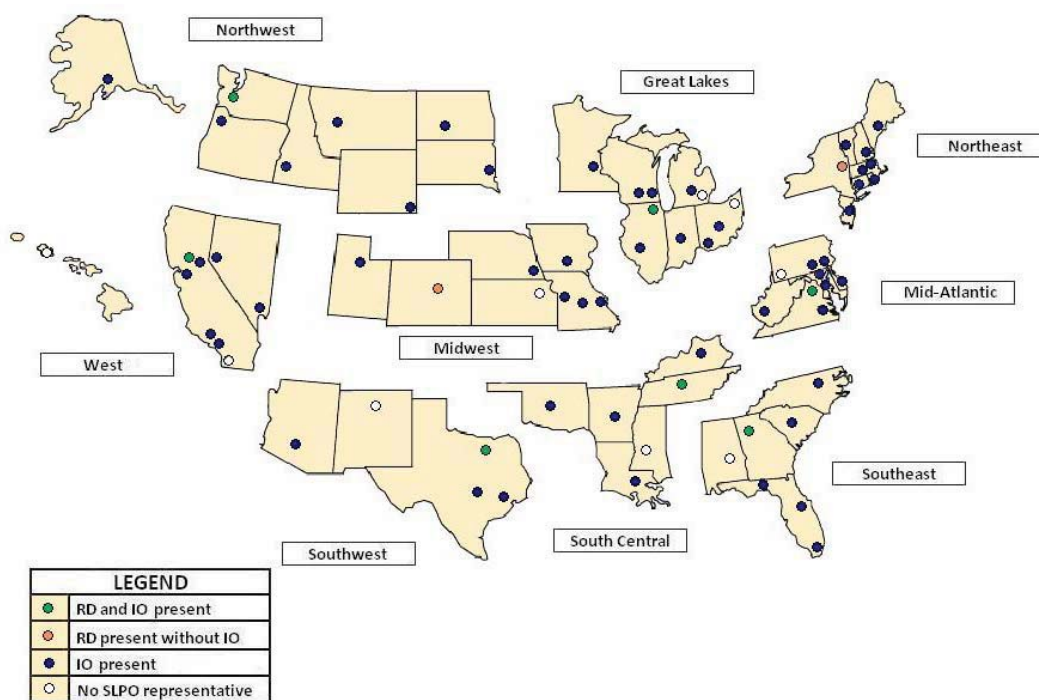
⁷ *Implementing Recommendations of the 9/11 Commission Act of 2007*, Conference Report to Accompany H.R. 1, Report No. 110-259, p. 308.

⁸ HSDN contains Secret-level classified information and serves as an information sharing platform for DHS. It is also able to facilitate secure video teleconferences.

⁹ *Homeland Security: Federal Efforts Are Helping to Alleviate Some Challenges Encountered by State and Local Information Fusion Centers*, Government Accountability Office-08-35, October 2007; *Fusion Centers: Issues and Options for Congress*, Congressional Research Service Report for Congress, July 6, 2007; and *DHS' Role in State and Local Fusion Centers is Evolving*, OIG-09-12, December 2008, respectively.

At the time of the recommitment, SLPO had two ways of supporting fusion centers: field deployments and headquarters support. In the field, deployed IOs and Regional Directors focus on developing and advancing fusion center capabilities. IOs are assigned to a fusion center and serve as the main point of contact between the center and DHS. Regional Directors supervise IOs located at fusion centers within their respective regions. Figure 1 shows the 72 fusion centers and SLPO’s field presence as of April 2011. At headquarters, SLPO support includes providing guidance, coordinating with other federal departments and agencies and DHS components, and sharing federally generated information with the National Network of Fusion Centers.

Figure 1: State and Local Program Office Fusion Center Deployments as of April 2011



Source: OIG Analysis

State and Local Program Office Restructuring Efforts

In October 2009, I&A's Principal Deputy Under Secretary began leading a Senior Executive Service Fusion Center Advisory Group in meetings that include leaders from all DHS components. Group discussions concern how the Department could improve its support to fusion centers. Also, on December 7, 2009, Secretary Napolitano tasked the Chief Intelligence Officer to determine the feasibility and resource requirements necessary to lead the department-wide recommitment to more coordinated and effective support. Using the Senior Executive Service Fusion Center Advisory Group meetings, the I&A Principal Deputy Under Secretary and the SLPO worked to complete the study.

On February 22, 2010, I&A submitted the study results to Secretary Napolitano, and recommended new functions to address the prior inability to coordinate across DHS components. I&A would aim to provide "One DHS" support to fusion centers, and build on and use SLPO and other DHS component resources.¹⁰ In addition to providing support for deployed IOs, new mission areas would include assisting fusion centers with the following:

- Personnel and physical security
- Training and technical assistance
- Sustainment and technology
- Fusion center management and governance
- Privacy and civil rights/civil liberties
- Strategic communications and outreach
- Analysis production and dissemination

As other federal departments and agencies are required to support the National Network of Fusion Centers, the White House issued guidance in July 2009 that directed DHS to help identify an office to coordinate federal efforts to support fusion centers.¹¹ The guidance also directed both DHS and DOJ to develop a permanent and recurring capabilities assessment process that would identify any gaps and the resources needed to make the National Network of Fusion Centers sustainable. In addition, on December 17, 2009, the White House tasked DHS as the lead in establishing a multiagency office to coordinate all federal support for the growing network of

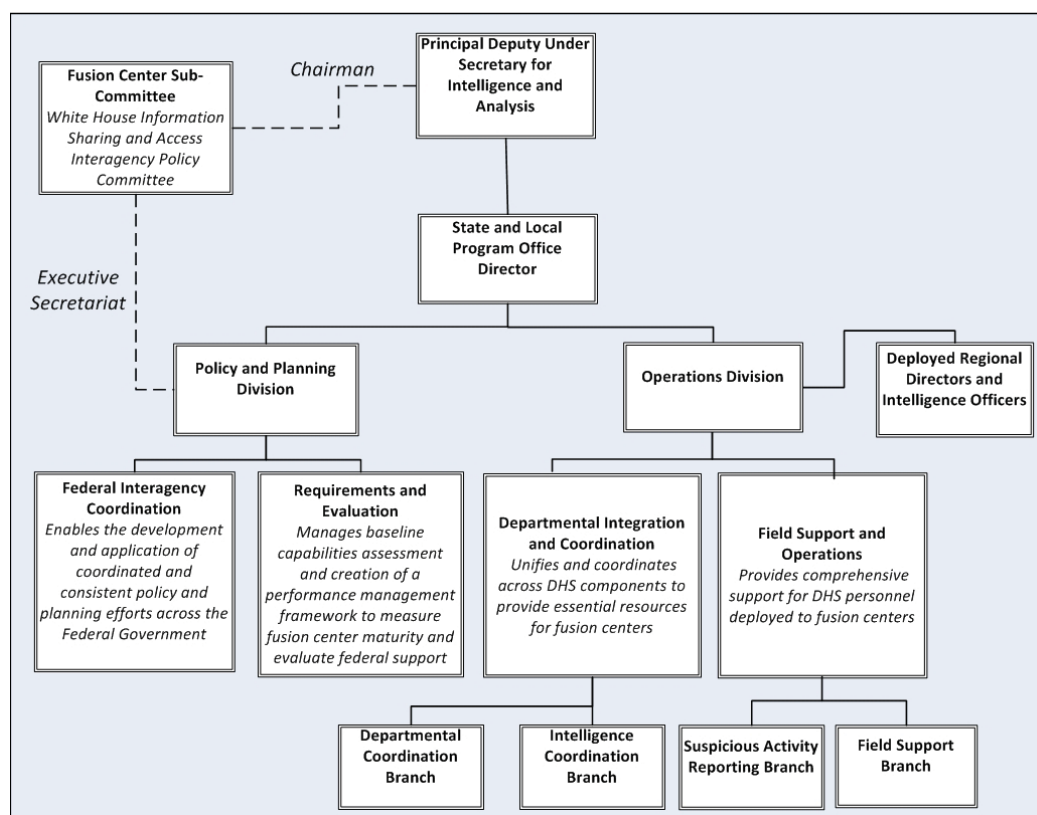
¹⁰ "One DHS" is the concept of a strong, efficient Department that focuses on the common mission and responsibilities that tie the components together within the DHS organization.

¹¹ White House Memorandum, "FY 2011 Programmatic Guidance for Information Sharing Environment," issued on July 28, 2009, Tab A, "FY 2011 Information Sharing Environment Programmatic Guidance."

state and major urban area fusion centers. I&A completed the implementation plans for this multiagency office in June 2010.

The restructured SLPO, as shown in figure 2, now incorporates elements of both DHS’ recommitment and the White House guidance. Its mission is to “strengthen information sharing and fusion centers’ ability to rapidly identify, analyze, and disseminate information about homeland security threats by coordinating departmental support and providing essential resources required to enhance fusion center operations and operate as an integrated National Network.”¹²

Figure 2: Restructured State and Local Program Office Organization Chart



Source: OIG Analysis

As shown in figure 2, SLPO has two divisions: Policy and Planning, and Operations. The Policy and Planning Division focuses on maintaining fusion center capabilities and coordinating interagency federal support to fusion centers, while the Operations Division focuses on DHS coordination and support to fusion centers.

¹² SLPO presentation, “Office of Intelligence and Analysis State and Local Program Office: Program Overview,” January 2011.

The SLPO also interacts and collaborates with other departments and agencies through the White House-based Information Sharing and Access Interagency Policy Committee. For this committee, I&A's Principal Deputy Under Secretary chairs the Fusion Center Sub-Committee and SLPO serves as the Executive Secretariat. As a result, SLPO coordinates and develops interagency policy for fusion centers, develops and manages the Sub-Committee's work plan, and leads staff support efforts.

Department of Justice Engagement With Fusion Centers

DHS' major federal partner in supporting the National Network of Fusion Centers is DOJ. FBI field offices and other DOJ agencies engage and contribute personnel to fusion centers at varying levels, providing liaison and reach-back capability, assigning full-time detailed analytical staff, and filling leadership roles at some. The FBI field offices coordinate fusion center engagement to ensure that its field offices and fusion centers do not duplicate efforts.

In addition to providing personnel, the FBI supports fusion centers by providing "in-kind" contributions, such as having fusion centers colocated within FBI buildings or with FBI Joint Terrorism Task Forces at no cost to the centers. The FBI also contributes physical and technological security infrastructure, including secure rooms and T1 lines, to ensure that centers meet FBI space standards and requirements.¹³

DOJ's Bureau of Justice Assistance and the Federal Emergency Management Agency's National Preparedness Directorate collaborate to provide training and resources for fusion centers through the joint DHS/DOJ Fusion Process Technical Assistance Program. In 2006, these services included assisting fusion centers achieve capabilities to receive, gather, analyze, and disseminate information; strengthening strategic plans and governance; developing concept of operations; protecting privacy and civil rights/civil liberties; complying with Criminal Intelligence Systems Operating Policies; enhancing administration and management practices; and supporting the Fusion Liaison Officer Program.¹⁴

¹³ A T1 line is a specific type of copper or fiber optic telephone line that can carry more data than traditional telephone lines.

¹⁴ A regulation codified at 28 CFR Part 23, Criminal Intelligence Systems Operating Policies, ensures the privacy and constitutional rights of individuals during the collection and exchange of criminal intelligence information. It applies to any state or local law enforcement agency that operates a criminal intelligence system supported by the *Omnibus Crime Control and Safe Streets Act of 1968*, as amended.

Since 2006, fusion center services have evolved to include development services for more mature centers that focus on reviewing, refining, and enhancing processes. Additional services include providing technology assistance and security; integrating and sharing information with fire service and emergency operations centers; and facilitating exchange of best practices between fusion centers.

Establishing Fusion Center Baseline Capabilities

In October 2003, DOJ published the *National Criminal Intelligence Sharing Plan*, which provided direction to fusion centers on ways to share criminal intelligence. DOJ and DHS used this plan to establish the *Fusion Center Guidelines: Developing and Sharing Information and Intelligence in a New Era (Guidelines)*, which were distributed to fusion centers in August 2006. There are 18 guidelines, each addressing a different element of fusion center operation. Overall, the *Guidelines* seek to improve coordination, partnerships, and capabilities among the fusion centers.

In January 2007, DOJ and DHS met to discuss which of the *Guidelines* were integral to a fusion center's success. The resulting document, called the *Baseline Capabilities for State and Major Urban Area Fusion Centers: A Supplement to the Fusion Center Guidelines (Baseline Capabilities)*, was presented at the 2008 National Fusion Center Conference.¹⁵ The *Baseline Capabilities* addressed two key areas: the ability to perform the intelligence (information fusion) process, and management and administrative capabilities.

In October 2007, the President issued guidance in the *National Strategy for Information Sharing: Success and Challenges in Improving Terrorism-Related Information Sharing*, directing the federal government to include state and major urban area fusion centers as partners in information sharing. This strategy discusses a need for the federal government to establish, and, subsequently, for fusion centers to maintain, a baseline level of operational capability. By developing the *Baseline Capabilities*, DHS and DOJ have worked toward establishing minimum performance requirements for fusion centers.

¹⁵ The National Fusion Center Conference, hosted annually by DHS, DOJ, and the Office of the Director of National Intelligence, brings together fusion center directors, homeland security advisors, law enforcement, and federal personnel to share best practices, develop partnerships, and discuss center capabilities.

In March 2010, fusion center directors worked with federal partners from DOJ, DHS, and the Program Manager for the Information Sharing Environment to prioritize the capabilities identified in the *Baseline Capabilities*.¹⁶ The four prioritized capabilities, known as the Critical Operational Capabilities (COC), were presented at the 2010 National Fusion Center Conference in New Orleans, Louisiana. The COCs align with the steps of the intelligence cycle and the fusion process.

At the conference, fusion center and federal partners also identified four enabling capabilities that contribute to a center's ability to perform the COCs. The four enabling capabilities relate to (1) privacy and civil rights/civil liberty protections, (2) a sustainment strategy, (3) outreach and communication, and (4) clearance and security.

Assessing Fusion Center Capabilities

From April to September 2010, the Program Manager for the Information Sharing Environment, with DHS and DOJ, conducted a Baseline Capabilities Assessment to evaluate each center's ability to perform the COCs. The assessment was completed in two parts: centers completed a self assessment, and teams of federal, state, and local fusion center subject matter experts conducted site visits to confirm the survey responses. Fusion centers were given a rating of green, yellow, or red in each COC based on the results, with green signifying that fusion centers have a plan, policy, or standard operating procedure in place to execute the fundamentals of the

Critical Operational Capabilities (COCs)

COC 1: Receive - Ability to receive classified and unclassified information from federal partners.

COC 2: Analyze - Ability to assess local implications of threat information through the use of a formal risk assessment process.

COC 3: Disseminate - Ability to further disseminate threat information to other state, local, tribal, and territorial entities and private sector entities within their jurisdictions.




COC 4: Gather - Ability to gather locally generated information, aggregate it, analyze it, and share it with federal partners as appropriate.

Source: *Critical Operational Capabilities for State and Major Urban Area Fusion Centers Gap Mitigation Strategy*, December 2010

¹⁶ The Information Sharing Environment was established by the *Intelligence Reform and Terrorism Prevention Act of 2004*, as amended, to facilitate information sharing among all appropriate federal agencies and state, local, tribal, and private sector partners.

COC. Figure 3 shows the baseline capabilities assessment color-coded rating scale with corresponding descriptions.

Figure 3: Baseline Capabilities Assessment Rating Scale

	<i>Defined and Above:</i> Fusion centers have a plan, policy, or standard operating procedure in place to execute the fundamentals of the COC
	<i>Below Defined/Refinement:</i> Fusion centers have processes in place, but need additional resources to formalize a plan, policy, or standard operating procedure to assist them in executing the fundamentals of the COC
	<i>Below Defined/Fundamentals:</i> Fusion centers need resources to help develop and formalize a plan, policy, or standard operating procedure to assist them in executing the fundamentals of the COC

Source: Short-Term Critical Operational Capabilities Gap Mitigation Strategy Progress Report, April 2011

In September 2010, 28 of the 72 fusion centers had at least a yellow rating in all four COCs. By December 2010, 35 centers had achieved green ratings for all COCs and 68 had no red ratings.

Using the assessment results, the fusion center directors and federal partners worked together to develop short- and long-term gap mitigation strategies as guidance for fusion centers to earn a green rating for all COCs. The short-term approach outlined immediate actions to help ensure fusion centers are capable of executing the COCs during situations involving time-sensitive and emerging threat information. Based on the foundation established by the short-term approach, the long-term COC gap mitigation activities will support fusion center efforts to fully achieve and maintain the COCs and privacy and civil rights/civil liberties protections. The federal government will also apply lessons learned from the first Baseline Capability Assessment to institute a repeatable assessment process that measures progress and continued maturity.

SLPO is DHS’ lead in supporting the National Network of Fusion Centers. It provides field and headquarters assistance to the centers, coordinates DHS component activities, develops guidance, and leads the federal effort to support the fusion centers. We reviewed SLPO’s efforts concerning DHS’ recommitment to the National Network of Fusion Centers, coordination of DHS and component support, and functional or organizational challenges hindering effective DHS support to the network.

Results of Review

DHS' Efforts To Strengthen Its Support to the National Network of Fusion Centers

DHS leadership has made supporting the National Network of Fusion Centers a priority for the Department, and I&A's reorganization has empowered SLPO to lead the department's recommitment. Since 2009, SLPO has increased field support to fusion centers, worked to enhance fusion center capabilities, and engaged DHS components in this recommitment. Although SLPO efforts to develop a department-wide fusion center support strategy are ongoing, improvements are needed to address remaining challenges.

Supporting the National Network of Fusion Centers Is a Priority for DHS Leadership

In addition to restructuring the SLPO, DHS' Secretary emphasized the department's recommitted support to the National Network of Fusion Centers through congressional testimony, media interviews, and remarks at community and law enforcement meetings, and to the department's employees.

On September 10, 2010, the Secretary addressed first responders at the New York City Emergency Operations Center, explaining the department's shift to a "hometown-centric" approach. By getting departmental information, tools, and resources to first responders, citizens, community groups, and the private sector, DHS can be more effective. The National Network of Fusion Centers is crucial to this effort.

"Over the past year, our efforts have been guided by one simple yet powerful idea: *homeland security begins with hometown security.*"

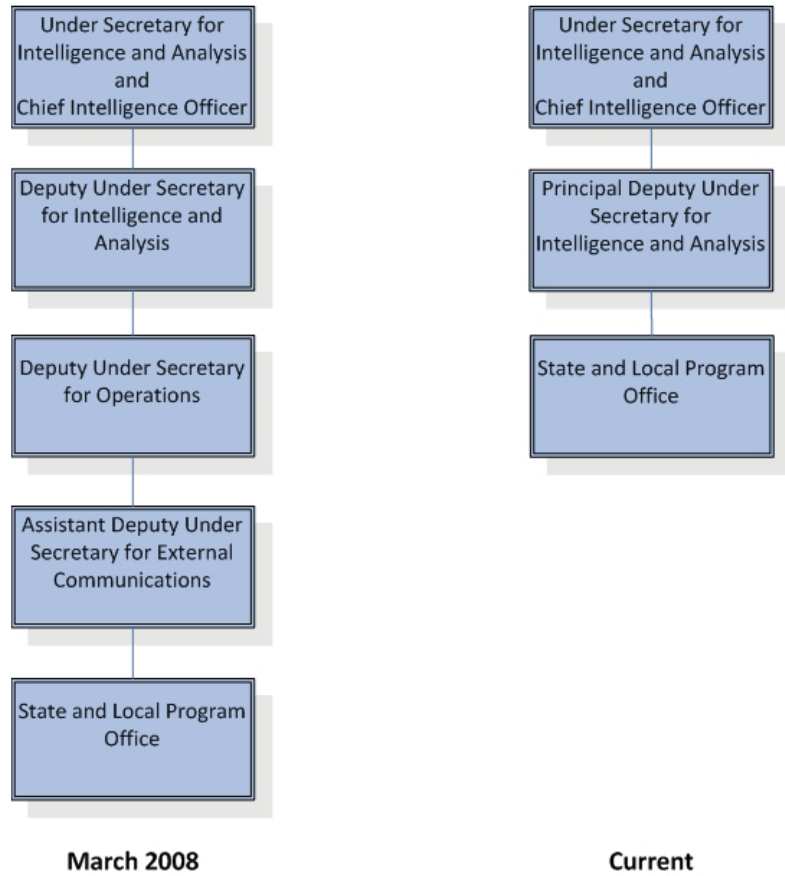
Secretary Napolitano
December 21, 2010

Between February 2009 and March 2011, the Secretary spoke on more than 20 occasions concerning the importance of partnerships with state, local, tribal, and territorial agencies; the role of fusion centers in the homeland security framework; and her vision for the department's support to the National Network of Fusion Centers.

Reorganization Empowers the State and Local Program Office To Support the Department’s Recombitment

In May 2010 testimony before the House Committee on Homeland Security, I&A’s Under Secretary and Principal Deputy Under Secretary highlighted the importance of the fusion center initiative, and specified how I&A would restructure to support the initiative better. As shown in figure 4, in March 2008 SLPO was positioned organizationally four levels below I&A’s senior leadership.

Figure 4: Elevation of SLPO Within I&A



Source: OIG Analysis

With the office restructure in November 2010, the Director of SLPO now reports directly to the Principal Deputy Under Secretary, who has oversight of the department’s overall fusion center coordination and support efforts. Stakeholders within and outside of DHS agreed that SLPO is appropriately placed within I&A, because fusion centers are intelligence organizations, and the main DHS representatives in centers are IOs.

Increased Field Support and Intelligence Officer Deployments to Fusion Centers

As the Executive Agent for the National Network of Fusion Centers, SLPO has increased the department's involvement and support to centers. To link fusion centers and DHS, IOs are detailed to serve in a liaison capacity and facilitate information sharing, communication, cooperation, and collaboration among DHS and other governmental partners. IOs are a valuable resource to centers because they have experience handling and accessing intelligence and information. IOs also assist in achieving compliance with the *Baseline Capabilities* and help develop fusion center analysis capabilities.

Expanding IO fusion center coverage is one of SLPO's primary initiatives. Between FY 2004 and FY 2010, SLPO hired 64 people to staff field IO and Regional Director positions. Table 1 shows the number of SLPO staff hired by fiscal year.

Table 1: SLPO Staff Hired FY 2004 to FY 2010

Fiscal Year	Number of Staff Hired
2004	3
2005	7
2006	3
2007	3
2008	5
2009	16
2010	27

Source: SLPO

As of April 2011, 61 IOs and 9 Regional Directors were assigned to fusion centers. SLPO plans to deploy a total of 72 IOs and 10 Regional Directors by the end of FY 2011.

Intelligence Officers Serve as Liaisons

IOs complete a 3-week "On-Boarding" orientation program before deploying to fusion centers. This training provides participants with background information on the department and knowledge of its component missions. IOs also conduct outreach with state and local stakeholders, such as local law enforcement organizations and various working groups. As representatives for both DHS and fusion centers, IOs can promote missions and initiatives for both groups. For example, an IO can inform local stakeholders and other

governmental partners about the Nationwide Suspicious Activity Reporting Initiative and the “If You See Something, Say Something™” national campaign.¹⁷ The Nationwide Suspicious Activity Reporting Initiative is an effort to involve state, local, and federal partners in identifying, reporting, and analyzing suspicious activity reports. As an extension of this initiative, DHS launched the If You See Something, Say Something™ campaign in July 2010 to encourage citizens to report suspicious activity.

Intelligence Officers Provide Expertise and Facilitate Information Sharing

The majority of the IOs we interviewed had more than 10 years of experience in the intelligence field; one IO had more than 25 years’ experience. IOs can also assist fusion center staff in obtaining security clearances. Once fusion center personnel receive security clearances, they have the ability to access classified information when a legitimate use for such information exists. In FY 2010, DHS issued security clearances to 702 fusion center personnel.

Fusion center staff with appropriate clearances can access Secret-level information in DHS’ HSDN. In addition to storing Secret-level information, HSDN can facilitate secure video teleconferences with other HSDN-enabled sites. As of April 2011, SLPO reported that 45 fusion centers had HSDN access, and it plans to deploy 27 more HSDN portals by the end of FY 2011.

State and Local Program Office Provides Training Opportunities

Fusion center analysts are a key component to establishing centers of analytic excellence across the National Network of Fusion Centers. As such, their analytical skills need proper development through training to help centers succeed. IOs coordinate with SLPO to provide various basic training courses, such as Critical Thinking and Analytical Methods, Principles of Intelligence Writing and Briefing, and Open Source Intelligence Practitioners. Additionally, SLPO and the Homeland Infrastructure Threat and Risk Analysis Center coordinate to deliver the joint Introduction to Risk Analysis for Fusion Center Analysts course.¹⁸ Despite a decrease in travel funding, onsite and computer-based training increased fusion center

¹⁷ This slogan is trademarked by New York’s Metropolitan Transportation Authority.

¹⁸ The Homeland Infrastructure Threat and Risk Analysis Center is DHS’ infrastructure-intelligence fusion center, incorporating analysts from the Office of Infrastructure Protection and I&A. The center creates actionable risk-informed analysis for federal, state, local, tribal, territorial, private sector, and international partners.

staff access to training. At 9 of the 12 centers we visited, IOs arranged or hosted training for fusion center staff. Using DHS resources to organize and offer training for centers with limited funds can improve centers' analytic capabilities.

Training courses offer analysts the opportunity to develop skill sets, especially when analysts do not have prior analytic or intelligence experience. However, completing select courses does not guarantee that analysts nationwide will have the same skill sets. Exhibiting analytical excellence requires mastering many skills, from critical thinking through report writing. Fusion center staff at five sites suggested that DHS select standardized training to enhance communication between analysts at centers nationwide. Having all analysts complete the same courses could ensure consistency in terminology and processes. In addition, fusion center analysts and IOs said that analytical training should be offered more frequently. One IO explained that there are currently too few offerings for basic analytical training, and analysts had to take the three courses over 3 years because of limited offerings.

IOs also assist fusion centers in achieving baseline capabilities and developing policies that support achieving those capabilities. After announcing the COCs and completing the Baseline Capabilities Assessment, SLPO asked fusion centers to develop privacy and civil rights/civil liberty policies to ensure that citizen rights protections are in place. DHS and the Information Sharing Environment Privacy Guidelines Committee approve all such policies before implementation.

Efforts To Promote DHS Component and Federal Partner Participation

SLPO leadership has asked appropriate federal departments and agencies, and DHS components to assign a full-time employee to reside in its headquarters office. By May 2011, three FBI and six DHS component staff were assigned to the SLPO full-time. DHS component leadership said that they cannot always assign staff to support a fusion center full-time because of budgetary and staffing limitations. IOs and SLPO coordinate activities and operations with fusion centers to assist DHS components and provide expertise. For example, the Office of Health Affairs, DHS' principal authority for medical and health issues, detailed a full-time health care liaison to SLPO in November 2010 to ensure that public health issues are being incorporated into fusion center activities.

Another example of SLPO outreach and coordination with DHS components, federal partners, and fusion centers is demonstrated during the annual National Fusion Center Conferences. These conferences are key forums for fusion center representatives to receive training, technical assistance, and other support to achieve *Baseline Capabilities* and meet the goals identified in the *National Strategy for Information Sharing*. The conferences support the ultimate goal of establishing an integrated National Network of Fusion Centers. DOJ's Bureau of Justice Assistance – Office of Justice Programs, Global Justice Information Sharing Initiative, FBI, Community Oriented Policing Services, and Bureau of Alcohol,

Tobacco, Firearms and Explosives sponsored the 2011 conference. Additional sponsors were the Office of the Director of National Intelligence and Office of the Program Manager – Information Sharing Environment, as well as DHS. This was the fifth national conference.

The 2011 conference included speakers from seven DHS components and the FBI. Speakers also included representatives from fusion centers, and an SLPO Fellow detailed from a fusion center. The SLPO exhibited its level of interaction and coordination with different federal departments and agencies, as well as DHS components, by organizing and planning this conference. At each conference, DHS also recognizes a Fusion Center of the Year and a Fusion Center Representative of the Year. The National Fusion Center Conference has the most attendees, but SLPO also hosts regional conferences that encourage interaction among federal, state, local, and tribal partners.

**Observed Best Practice:
Regional Meetings**

One forum, initiated by a fusion center several years ago, now includes 14 states and territories. In addition to quarterly meetings, the group participates in regular conference calls to discuss best practices and share terrorism-related intelligence in the region.

In another case, DHS field employees organized a state-wide meeting to discuss DHS' activities in the state, including the protection of intelligence and infrastructure information. The meeting included the state fusion center director and 30 DHS staff from multiple components operating across the state. The meeting provided an opportunity to develop a "One DHS" approach to homeland security in a large state.

SLPO also holds monthly teleconferences with fusion center directors and weekly threat teleconferences with fusion center analysts to discuss various analytical issues affecting the National Network of Fusion Centers. We identified two best practices at other meetings. One group's meetings involved multiple states, while another meeting brought together fusion center supporters within one state.

DHS Component Engagement and Support Varies Because of Existing Resources

DHS components engage fusion centers in varying capacities because of existing resources. Although many components with field staff consider supporting fusion centers a department-wide priority, available resources determine engagement and resources support. DHS components must balance primary mission needs with other responsibilities. As a result, DHS components support fusion centers at various levels, from providing full-time staff residing at a fusion center to off-site points of contact who are available when needed. Table 2 shows DHS component support to fusion centers as reported to Congress in March 2011.

Table 2: DHS Component Field Support to Fusion Centers

Component	Full-Time Staff	Part-Time Staff
ICE	27	7
CBP	14	2
TSA	15	6
USCG	1	2
USSS	1	2
USCIS	2	0
NPPD	0	1
Totals	60	20

Source: SLPO

As many components with field offices are decentralized and generally have their own budgets from which to hire or deploy personnel, resources not directly assigned to mission-specific duties are limited. Many field staff told us that if funding for fusion center support came from I&A rather than from their field office budgets, it would allow components to invest resources they currently cannot.

Recommendations

We recommend that the Director, State and Local Program Office, Office of Intelligence and Analysis:

Recommendation #1: Establish a plan to expand current analytical training opportunities to fusion centers.

Recommendation #2: Develop a plan that ensures sustainable component deployments to the National Network of Fusion Centers.

Management Comments and OIG Analysis

We evaluated DHS' written comments and have made changes to the report where we deemed appropriate. A summary of the department's written response to the report recommendations and our analysis of the response follows each recommendation. A copy of DHS' response, in its entirety, is included as appendix C.

In addition, we received technical comments from the Department, as well as the FBI, and incorporated these comments into the report where appropriate. DHS concurred with all seven recommendations in the report. We appreciate the comments and contributions made by each entity.

Management Response to Recommendation #1: I&A officials concurred with Recommendation 1. In its response, I&A said that SLPO, in conjunction with the Enterprise and Mission Support Directorate and the Federal Emergency Management Agency's National Training and Education Division, is identifying analyst training requirements and deploying training courses to address these requirements.

I&A has developed new courses offered through various methods, such as deployed training teams, web-based modules, topic-specific conferences, workshops, exercises, and seminars. Courses I&A offers include the Basic Intelligence and Threat Analysis Course, Mid-level Intelligence and Threat Analysis Course, Critical Thinking and Analytic Methods, Principles of Intelligence Writing and Briefing, Vulnerability and Risk Assessment, Writing for Maximum Utility, Open Source Practitioners Course, and the Reports Officer Basic Course. In FY 2012, I&A plans to deliver 90 additional courses, including mobile deliveries in all nine fusion center regions.

Further, I&A has partnered with the Homeland Infrastructure Threat and Risk Analysis Center to facilitate additional training opportunities and is also sponsoring a workshop to support fusion center analysts and enhance analytic expertise across the National Network of Fusion Centers.

OIG Analysis: We consider I&A's actions responsive to the intent of Recommendation 1, which is resolved and open. This recommendation will remain open pending our receipt of documentation that supports I&A's newly developed training course offerings.

Management Response to Recommendation #2: I&A officials concurred with Recommendation 2. In its response, I&A said that it will establish and lead a working group composed of DHS component personnel to develop a strategy reflecting the departmental and I&A's strategic plan for fusion centers, department commitments and ongoing efforts, and future engagement plans to support the National Network of Fusion Centers. The SLPO conducted the *Requirements for Fusion Center Survey* in spring 2011 to collect data regarding fusion center needs for DHS component support and existing DHS resources deployed to fusion centers. Components can use this information to develop policy and budget recommendations to establish a comprehensive fusion center sustainability plan.

OIG Analysis: We consider I&A's proposed actions responsive to the intent of Recommendation 2, which is resolved and open. This recommendation will remain open pending our receipt of information that documents a comprehensive fusion center sustainability plan.

Efforts To Develop a Department-wide Fusion Center Support Strategy Are Ongoing, but Improvements Are Needed

In June 2006, the Department released the *DHS Support Implementation Plan for State and Local Fusion Centers*. This plan identified how DHS and state and local authorities would benefit from increased DHS involvement and support. As of April 2011, the proposed value to DHS in supporting the fusion centers has changed little, but the approach to supporting the National Network of Fusion Centers has changed greatly. Departmental memoranda, policies and strategy, and component integration efforts address DHS' current strategy to provide coordinated and efficient support to fusion centers. However, the plan remains the only consolidated description of DHS' strategy to support fusion centers.

Departmental Memoranda Define Recommitment Efforts

In July 2009, while serving as the Acting Under Secretary for I&A, the current Principal Deputy Under Secretary for I&A recommended to DHS' Secretary that the Department recommit to the fusion center initiative. The memorandum, titled *Department of Homeland Security State and Local Fusion Center Initiative*, identified milestones that were in line with comments obtained from state, local, tribal, and territorial stakeholders. It requested that I&A be restructured to serve the needs of the fusion centers better by understanding their information needs, streamlining the

intelligence dissemination and production process, improving the capability of the centers to participate in the intelligence cycle, and analyzing locally generated information for threats and trends. Other milestones included the following:

- Helping fusion centers achieve and maintain certain baseline capabilities;
- Increasing the number of DHS personnel assigned to the fusion centers from all components;
- Improving access to classified information through Secret-level connectivity and clearances;
- Leveraging and integrating DHS' unclassified but mission-critical networks and databases to support the centers;
- Improving partnerships with other federal agencies;
- Working with the Office of Civil Rights and Civil Liberties and the Privacy Office to ensure that fusion centers strengthen their privacy and civil rights/civil liberties protections;
- Formalizing partnerships with fusion centers through memoranda of understanding; and
- Adopting a One DHS approach when interacting with fusion centers by strengthening coordination among components.

The memorandum described these activities as the minimum requirements for the Department to successfully support the centers. In addition, the memorandum requested that the Secretary direct DHS' workforce support to the initiative through a communication that would be followed by a management directive and eventually a plan for implementing a DHS strategy to support the National Network of Fusion Centers.

In December 2009, the Secretary issued a memorandum titled *DHS Policy for Support to State and Major Urban Area Fusion Centers*. This memorandum directed all DHS components to align their initiatives, policies, programs, and personnel to support the National Network of Fusion Centers.

DHS leadership's One DHS approach to supporting fusion centers is reflected in a recent communication from the Under Secretary for I&A. In a January 2011 memorandum titled *Fiscal Year 2013 DHS Intelligence Enterprise Programmatic Guidance*, the Under Secretary instructs all DHS intelligence elements to include supporting the development of fusion center capabilities in their budgets.

Policies and Strategy Documents Are Being Developed

As of April 2011, through federal interagency efforts, SLPO is drafting a policy titled *Federal Resource Allocation Criteria*. This draft policy stresses a state's prerogative to designate fusion centers. However, it states that when a fusion center is to coordinate the statewide receipt, analysis, gathering, and sharing of threat-related information, it has to demonstrate the ability to contribute to the statewide fusion process by meeting baseline capabilities. In addition to explaining that states designate fusion centers, the policy refers to fusion centers as primary fusion centers, recognized fusion centers, and nodes.

This draft policy describes the federal strategy for engaging fusion centers in a way that would promote elevated capability and enhance the value and sustainability of the network. It identifies what resources federal departments and agencies will make available to each designation level and the responsibilities the centers have for maintaining certain capabilities at each designation level. It also prioritizes federal resources to reinforce success at centers that achieve baseline capabilities, and to enable success at other centers. For example, primary fusion centers will have a "commitment" from the federal government to provide personnel, connectivity, and other resources in exchange for maintaining baseline capabilities. On the other hand, nodes are encouraged to maintain baseline capabilities and are eligible for resources through the primary or recognized fusion center.

At the end of the Baseline Capabilities Assessment, SLPO worked with fusion center directors and federal department and interagency partners to develop the *Critical Operational Capabilities Gap Mitigation Strategy*. This document describes short- and long-term gap mitigation strategies and identifies actions that DHS will take in the near term to address gaps in all four COC areas and to strengthen privacy and civil rights/civil liberties protections. As of April 2011, SLPO officials were drafting which activities DHS will take to address the long-term gap mitigation strategies.

I&A also released its *2011–2018 Strategic Plan* in February 2011. Among other mission related goals, this document specifies how I&A will support stakeholders and customers, including state and local partners. It presents goals, objectives, and associated strategies, as well as risks outside of I&A's control that may hinder achieving those goals.

Some goals and activities align directly with the work that SLPO Departmental Coordination Branch officials have identified as necessary or currently under way to enhance center support. For example, one goal in the strategic plan is to “share the information necessary for action.” A corresponding objective is to “standardize information sharing policies across the Homeland Security Enterprise.”¹⁹ Some of the strategies identified to achieve this objective are to “develop standardized policies, processes, and procedures...that provide partners with a clear understanding of how and with whom they can share intelligence and information; formalize information sharing relationships; develop an information sharing framework for the National Network of Fusion Centers; and to increase understanding of roles and missions within the homeland security stakeholder community by providing...guidebooks.”

Component Integration Efforts Are Continuing

In our December 2008 report, *DHS’ Role in State and Local Fusion Centers is Evolving*, we identified major challenges associated with internal DHS coordination in supporting the fusion centers. Specifically, support levels were inconsistent across components, communication among components was informal or ad hoc, components were uncertain about their roles, and their field offices had not been fully leveraged to support the fusion center network. Through formalized meetings with components and the formation of a Departmental Coordination Branch, SLPO has made progress in addressing these challenges.

Senior Executive Service Fusion Center Advisory Group Meetings Formalize Departmental Discussions

In response to the findings in our 2008 report, I&A stated that it would create a working group to produce an “organized and logical strategy that ensures the maximum use of existing DHS resources to meet both fusion center and DHS requirements.” SLPO still engages the components in Senior Executive Service Fusion Center Advisory Group meetings to continue defining the coordinated DHS-wide effort to support the National Network of Fusion Centers. These bimonthly meetings are led by I&A’s Principal Deputy Under Secretary and attended by components’ senior leadership.

Most of the attendees interviewed considered the meetings informative and efficient. In addition, attendees were aware that the

¹⁹ The plan defines the Homeland Security Enterprise as all of I&A’s stakeholders in the Department; the Intelligence Community; the private sector; and state, local, tribal, and territorial governments.

National Network of Fusion Centers was a priority of the Secretary, and also were aware of what SLPO wanted from the components.

At these meetings, senior executives discuss their ongoing efforts to support fusion centers and the issues fusion centers are facing, including security clearances for state and local personnel, baseline and critical operational capabilities, and privacy and civil rights/civil liberties policies. Component representatives also have opportunities to discuss their contributions and interactions with the fusion centers, as well as information sharing and coordination with different federal entities. For example, Office of Infrastructure Protection officials briefed the Senior Executive Service Fusion Center Advisory Group on how they engage the fusion centers directly and through their Protective Security Advisor program.²⁰ An SLPO official explained that the meetings rotate among the components to increase component participation.

Through these meetings, SLPO can identify future DHS component resources to enhance the One DHS approach, and ensure alignment with Information Sharing Environment programmatic guidance.²¹ In addition to discussing component contributions, SLPO is able to include components in its planning by presenting timelines for certain projects, identifying topics for fusion center conferences, and discussing draft policies such as the *Federal Resource Allocation Criteria*.

Presenters at Senior Executive Service Fusion Center Advisory Group meetings reiterate how DHS will support centers in a coordinated way. In these meetings, SLPO's cognizance and responsiveness to field issues are best illustrated. For example, in a recent meeting discussions included training intelligence analysts to craft products that can be shared with fusion center personnel without clearances. Fusion center directors and senior analysts also raised this issue during our site visits. These officials explained that threat information they received was useful only when it could be passed to their first responders and emergency managers, who may not have clearances. Therefore, creating documents that separate classified from unclassified information but provide actionable intelligence is critical.

²⁰ Protective Security Advisors are Office of Infrastructure Protection employees who represent DHS in state and local communities as experts in critical infrastructure protection and security.

²¹ The Program Manager for the Information Sharing Environment issues government-wide guidance for the development and proper operation of the Information Sharing Environment based on priorities and direction from the White House. www.ise.gov

State and Local Program Office Establishes Departmental Coordination Branch

As part of its restructuring to meet the needs of the fusion centers, SLPO created the Departmental Coordination Branch. One of the past shortcomings of the department's efforts to support fusion centers was inconsistent coordination among components. SLPO leadership stressed that even though the fusion center initiative was led by I&A, it was a departmental effort, and it was imperative that all components be engaged, as appropriate, and that components allocate resources to support the National Network of Fusion Centers. SLPO requested that components detail a liaison to the Departmental Coordination Branch to ensure coordinated management of DHS assets in the centers. This branch also provides support to field offices that want to engage more with fusion centers.

A branch accomplishment is the *DHS Resources to Fusion Centers* flip book, which was in draft as of April 2011. It is intended to provide information to stakeholders on each DHS component, their programs, mission, and resources, as well as a point of contact, such as a tip line or electronic mailing list address.²² Another accomplishment is the January 2011 Federal Resource Inventory, which identifies all human, educational, and technological assets that DHS and other federal stakeholders have in the field that could be leveraged to support fusion centers. In addition, SLPO is working with DHS components to determine which fusion center locations and functions best align with component missions and would add the most value to their operations.

SLPO is also soliciting comments from fusion centers regarding which DHS components and federal departments and agencies they would find most useful in their centers. However, many fusion centers do not have a clear understanding of DHS components' capabilities, missions, and information collection areas.

As SLPO surveys the centers, there is an opportunity to frame questions regarding component resources based on information needs and projects, rather than on component or subcomponent titles. By focusing on needs, fusion centers can articulate the skills and information sets they require, which will allow the components to identify individuals or offices with the appropriate expertise and

²² An electronic mailing list allows a single "cover" email address to send incoming messages to a set of email users, which may be changed. This provides continuity similar to a tip line number that may remain the same for years, but may be answered by different operators over that time.

access to relevant information. This will also highlight to components the type of work being done at the fusion centers and help DHS components better assess which locations may add value. As a result, DHS may be able to satisfy multiple needs with one individual.

Challenges Continue in Component Support to Fusion Centers

Although I&A has improved component engagement, and components have in turn increased their support of the National Network of Fusion Centers, challenges remain. For example, not all components have detailed a representative to the SLPO. As of April 2011, ICE, CBP, the Office of Operations Coordination and Planning, and the Office of Health Affairs are represented, and the Federal Protective Service and the U.S. Secret Service have identified but not yet detailed individuals to represent their components. SLPO officials maintain that if components are not ready or able to increase their presence in the fusion centers, they should have a representative in the SLPO to increase awareness of the fusion centers and determine how components can best support the centers.

In addition, the Departmental Coordination Branch has encountered difficulty in getting information from DHS field components about resources already deployed to support fusion centers. One headquarters component official described sending an email message to the office responsible for tasking the component's field offices. The message included a list of questions, the answers to which would help determine to what extent field offices in the component were supporting the centers. Months later, still awaiting a response, the official followed up and was told that the questions were not forwarded to the field because the purpose was unclear. The official described the situation as unacceptable, but believed that many components have difficulty surveying their own field offices on interactions with fusion centers. This challenge often causes misunderstandings and underestimates the extent to which component field operations support fusion centers.

Currently, component support to fusion centers is measured by the number of personnel detailed to fusion centers. For example, in quarterly updates to Congress, SLPO provides information regarding the number of component personnel detailed to each fusion center. However, SLPO officials explained that not all fusion centers need full-time deployed personnel.

In some cases, established relationships with points of contact from certain components would be sufficient to provide reachback for the fusion center and the component. Although some DHS components provide this reachback capability to fusion centers, the quarterly updates to Congress provide information only on full-time or part-time detailees. For example, even though the March 2011 quarterly update does not mention any Federal Protective Service personnel located at fusion centers, all their Regional Intelligence Analysts have at least liaison interaction with fusion centers in their areas of responsibility. In one area, the Regional Intelligence Analyst has formal monthly communication with I&A's IOs, as well as more regular and frequent informal communication. Another Federal Protective Service Analyst described daily interactions with some centers, whether in person, by email, or by telephone, as well as weekly and bi-weekly communications with other centers. In another example, USCG has three personnel detailed at least part time to fusion centers. However, USCG field offices interact at varying levels with 49 fusion centers, as well as other state and local intelligence centers.

Conversely, a large component presence at a fusion center does not always reflect fusion center support. For example, at one fusion center, there are five representatives from one component. However, only one supports fusion center activity; the other four work on a separate, component-specific initiative. In some other cases, fusion center officials believed the component representative assigned was not always appropriate for his or her role at the center.

Field Offices Need Guidance From Component Headquarters Offices

Although DHS components are aware that cooperation with and support of fusion centers is a departmental priority, none of the component field staff we spoke with recalled seeing formal written instructions or guidelines for supporting fusion centers from their headquarters management. In some cases, there was an email instruction to make contact or consider building a relationship; in other cases, component management routinely reiterated the instruction in staff meetings or on conference calls.

Most component field staff we spoke with agree that formal communication from their headquarters leadership, which instructs on options, requirements, guidelines, or expectations for such support, would help identify the best resources available and ensure compliance with expectations. Such guidance could help explain to components the benefits of these relationships and the advantages

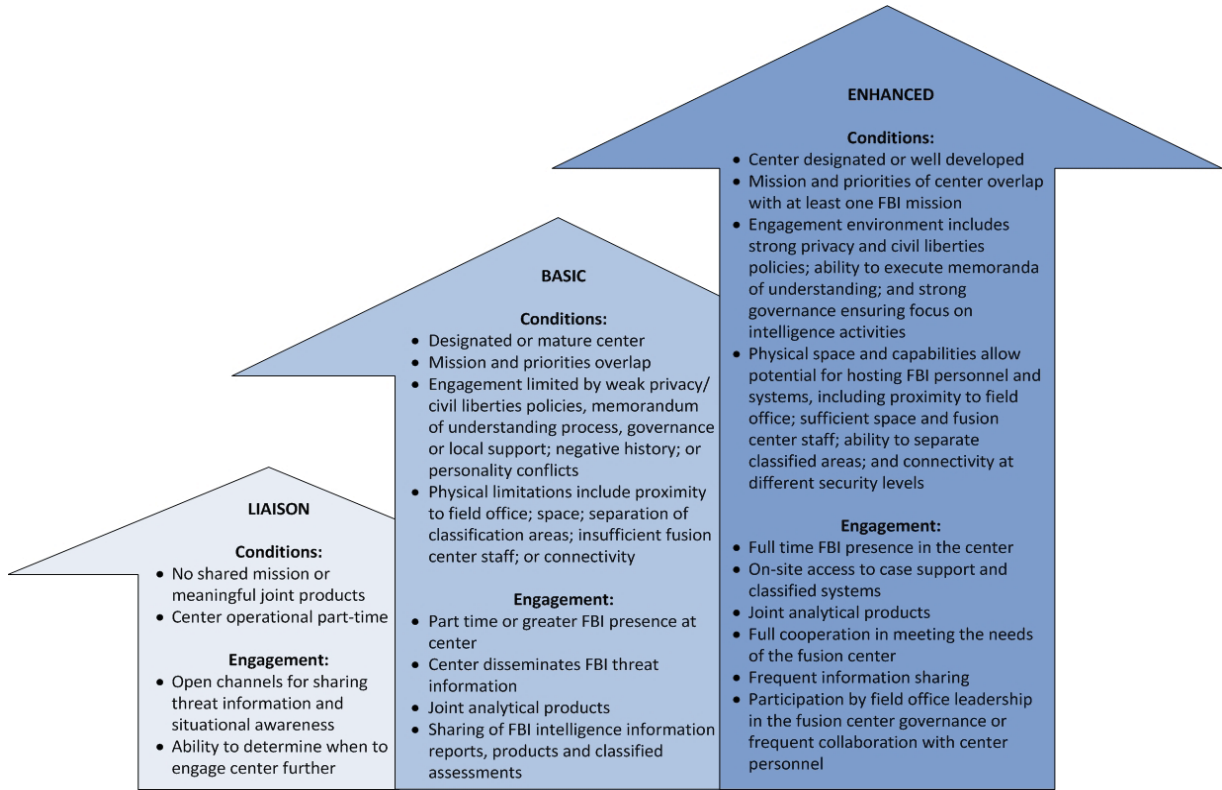
of leveraging fusion centers as force multipliers to potentially increase field office efficiency.

Leveraging the FBI’s Fusion Center Engagement Strategy Could Help Determine Component Coordination and Support

These departmental challenges make it difficult to catalog accurately DHS’ current component field support to fusion centers. For our review, we leveraged the FBI’s efforts as an example of a best practice to inform DHS component support and information sharing with the National Network of Fusion Centers.

To standardize its approach to interacting with fusion centers, the FBI Fusion Center Integration Unit (FCIU) first evaluated its field offices’ engagement with fusion centers. The evaluation included engagement with fusion centers that were not currently designated, but with which a partnership was mutually beneficial. The FCIU defined three levels of fusion center engagement: Liaison, Basic, and Enhanced. Figure 5 shows these engagement levels, which describe increasing interaction and support.

Figure 5: FBI Definitions of Different Engagement Levels at Fusion Centers



Source: OIG Analysis of FBI Documents

FBI field offices learned about the process via videoconference presentations, and they implemented a self assessment using a survey instrument with detailed written instructions. The FCIU guided field offices in creating plans to increase interaction with the fusion centers in their areas of responsibility, as appropriate, including identifying limiting issues that were hindering engagement. The FCIU and FBI headquarters then developed a mitigation plan to help the field office address these issues.

Working with the FCIU to determine lessons learned from the FBI's survey, SLPO's Departmental Coordination Branch could similarly assess DHS component field offices regarding their fusion center engagement. This would allow SLPO to enhance its support of field office engagement by increasing awareness of fusion center operations, assisting field offices in leveraging existing resources, and detailing their need for additional resources.

A Performance Measurement Framework Is Being Developed

DHS' strategy should also stipulate what performance measures SLPO uses to determine whether the Department has achieved its mission of strengthening and supporting the National Network of Fusion Centers. I&A's *2011–2018 Strategic Plan* already identifies some potential performance measures meant to start dialogue among stakeholders.

As of April 2011, SLPO was working with DHS components to identify measures for use in determining whether SLPO has been successful in supporting fusion centers. In addition, SLPO plans to evaluate the National Network to determine what gaps may still exist and to test whether actions taken by DHS and fusion centers have improved their ability to function as intended. These evaluations would assist DHS and its federal partners in allocating resources efficiently, and would demonstrate fusion center value, which could further enhance center sustainability.

Recommendations

We recommend that the Director, State and Local Program Office, Office of Intelligence and Analysis:

Recommendation #3: Develop and publish a strategy that reflects the department's commitments, ongoing work, and plans for future engagement to support the National Network of Fusion Centers.

Recommendation #4: Survey component participation at fusion centers to ensure that the department's presence is appropriately reported, and align results with fusion center needs.

Recommendation #5: Work with DHS component leadership to develop and issue written guidance that ensures requirements and expectations for supporting the National Network of Fusion Centers are communicated and implemented.

Management Comments and OIG Analysis

Management Response to Recommendation #3: I&A officials concurred with Recommendation 3. In its response, I&A said that it is leading a working group of DHS components to develop a strategy that reflects strategic plan alignment, commitments and ongoing efforts, and future engagement to support the National Network of Fusion Centers. The SLPO established the Department Coordination Branch, which is staffed with DHS component detailees, in an effort to continue engaging DHS components and deploying representatives to fusion centers. I&A also engages DHS component leadership through the Senior Executive Service Fusion Center Advisory Group meetings and the Homeland Security Intelligence Council to present the needs and concerns of fusion centers.

OIG Analysis: We consider I&A's actions responsive to the intent of Recommendation 3, which is resolved and open. This recommendation will remain open pending our receipt of documentation that a strategy to support the National Network of Fusion Centers has been developed and published.

Management Response to Recommendation #4: I&A officials concurred with Recommendation 4. In its response, I&A said the that SLPO conducted the *Requirements for Fusion Center Survey* in spring 2011 to identify existing DHS component support to fusion centers. The survey also addressed fusion centers' need for DHS component and interagency personnel, system access, and training. I&A validated survey responses received from the majority of fusion centers and presented the results to DHS component leadership at the June 2011 Senior Executive Service Fusion Center Advisory Group meeting. The results provided DHS component leadership with an understanding of fusion center needs and can be used by components to target fusion center support and develop policy and budget recommendations in future years.

In addition, the SLPO developed the *Information Sharing Environment Guidance: Federal Resource Allocation Criteria* policy, which defines objective criteria and a coordinated approach for prioritizing the allocation of federal resources to fusion centers. The policy will ensure that federal support to fusion centers is effective, efficient, and coordinated across DHS and interagency partners.

OIG Analysis: We consider I&A's actions responsive to the intent of Recommendation 4, which is resolved and closed. No further reporting is necessary.

Management Response to Recommendation #5: I&A officials concurred with Recommendation 5. In its response, I&A said that it envisions that DHS components would follow similar protocols established for I&A personnel, such as maintaining an official supervisory structure and receiving programmatic guidance from their organizations, while acknowledging the I&A IO as the team lead at the fusion center.

To codify this approach, I&A will establish a working group of DHS component representatives in the first quarter of FY 2012. The group will consider Memorandum of Understanding and Agreement and Concepts of Operation used by different components to define the roles and responsibilities of deployed personnel to fusion centers before establishing documentation of deployed assets.

OIG Analysis: We consider I&A's proposed actions responsive to the intent of Recommendation 5, which is resolved and open. This recommendation will remain open pending our receipt of written guidance that establishes requirements and expectations for supporting the National Network of Fusion Centers.

Opportunities Exist To Improve Intelligence Officer Deployments

Deploying IOs to fusion centers has benefited the National Network of Fusion Centers and the Department. Along with subject matter expertise and analytical guidance, IOs provide outreach, coordinate information, access additional data sources, and provide a single point of contact for DHS operations and resources. The majority of fusion center leadership interviewed said IOs are a valuable resource. In addition, components without deployed center personnel often use IOs as their point of contact with fusion centers. However, some DHS and fusion center staff said that

the IO selection process could be improved, and that IOs need additional training and guidance.

Intelligence Officer Selection Process and Training Should Be Enhanced

To support fusion centers, IOs must possess knowledge of DHS programs, operations, and resources, as well as state and local issues that concern the fusion center officials they serve. Several fusion center officials said that centers benefit more from IOs who understand all DHS components and available resources, grants and requirements, and information systems. IOs familiar with the state and local areas and issues are valued as well, but for different reasons. IOs who have significant local perspectives, knowledge, and contacts may be better attuned to specific needs of a fusion center. Leadership at several fusion centers said that they want to be involved or have the local perspective represented in the IO selection process.

Although attaining comprehensive knowledge of DHS programs and operations might be difficult, efforts to provide deployed IOs with additional training on DHS missions, operations, and resources would enhance their value to fusion centers and to the Department. Several fusion center officials said that IO orientation training is too limited in scope to provide a sufficient understanding of component interrelationships, and the Department's operations and functions. IOs who had worked in I&A before being deployed to fusion centers suggested that a rotation within SLPO would provide new IOs a better understanding of DHS operations and the National Network of Fusion Centers.

Many IOs have access to various component information systems, but have not received specific training on those systems. Without appropriate training, IOs could potentially misuse or improperly interpret data in these systems. Therefore, training is critical when an IO has access to a component's system because IOs must protect the component's information and interests. In addition, one component official questioned whether the IO's role was to have access to all DHS systems, and said that an IO should be able to leverage existing component field resources. Another DHS component official said that even with traditional training courses, an IO would still require lengthy on-the-job training, because the component's system generally was not flexible or user-friendly.

When more experienced IOs mentor new IOs, the new IOs develop more realistic expectations regarding a center's role and

capabilities. Mentoring also provides an established relationship to leverage when necessary. As IOs can work with a variety of fusion center staff, from briefing senior leadership to mentoring junior analysts, several IOs said that it was helpful before deploying to gain an understanding of how another IO makes those diverse relationships work efficiently and effectively. IOs who participated in short rotations with other fusion centers reported gaining additional perspectives and a better understanding of the differences among centers. Several IOs said this experience helped them be more effective in their own centers.

Roles, Responsibilities, and Expectations Need Better Definition

At some fusion centers, IO roles and responsibilities are unclear, causing misunderstandings among both DHS and fusion center staff. For example, some fusion center directors believed that IOs would train analysts or write analytical products, while other directors anticipated that their IOs would have expertise in specific topics of interest to the state, such as maritime or border issues. Defining roles and responsibilities would make relationships among IOs, components, and fusion center staff more productive and improve information sharing.

In some cases, IOs were deployed to fusion centers with instructions to do whatever the center needs to assist in developing its baseline capabilities. However, each center has different needs and requires different skill sets. Because some fusion centers are nascent, their needs may include activities for which an IO may not be well-suited, such as developing privacy and civil rights/civil liberties policies. As fusion centers are owned and managed by state and local governmental entities, IOs can encourage or recommend certain actions to achieve baseline capabilities and analytical products, but IOs cannot require that certain actions and processes be implemented.

In addition to supplementing staff and operations, most fusion center leadership expect IOs to be able to identify and obtain information from any DHS component. As a result, fusion center leadership may infer that an IO has authority to direct other component representatives. Further, component headquarters and field representatives expect IOs to understand the data collection and missions of each component, so that the IO can evaluate a center's data requests and identify requests that are not feasible.

Memoranda of Understanding (MOU) can be useful in defining roles and responsibilities, performance measures, and expected

support and interactions between DHS personnel and fusion center staff. As of April 2011, most MOUs between I&A and fusion centers only cover limited IO roles and responsibilities and do not specifically define assigned duties. Although MOUs can help to formalize DHS' relationship with fusion centers, standardizing IO and component detailee roles across the National Network of Fusion Centers would be challenging. Rather, it is necessary to develop a process that identifies areas of agreement, outlines fusion center needs, communicates DHS' interests in the area, and defines the IO roles, responsibilities, and capabilities. Such a process should not standardize the roles and responsibilities across the National Network of Fusion Centers, but rather should ensure that roles and responsibilities are identified and agreed upon.

Communicating with the fusion centers and becoming more familiar with each center's functions, operations, relationships, mission, and capabilities will help define roles, responsibilities, and expectations better.

Recommendations

We recommend that the Director, State and Local Program Office, Office of Intelligence and Analysis:

Recommendation #6: Expand the Intelligence Officer orientation and training process to include a formal mentoring program where Intelligence Officers can network and discuss issues and concerns with peers.

Recommendation #7: In coordination with fusion center leadership, develop and document a process to identify and define roles, responsibilities, and expectations among Regional Directors and Intelligence Officers.

Management Comments and OIG Analysis

Management Response to Recommendation #6: I&A officials concurred with Recommendation 6. In its response, I&A said that it established a mentoring program in March 2010 with the publication of the *State and Local Program Office Sponsorship Program*. The program establishes procedures for assigning sponsors to deployed IOs and Regional Directors with less than 12 months of field experience. Sponsors will be assigned to provide guidance and support during pre-arrival, on-boarding, and initial deployment for up to 12 months. SLPO provides IOs and Regional Directors opportunities to network and discuss issues and concerns

during regularly scheduled and ad hoc conference calls, conferences, and off-site visits.

OIG Analysis: We consider I&A's actions responsive to the intent of Recommendation 6, which is resolved and closed. No further reporting is necessary.

Management Response to Recommendation #7: I&A officials concurred with Recommendation 7. In its response, I&A said that roles, responsibilities, and expectations for deployed IOs and Regional Directors are defined in position descriptions and in various internal documents.

IOs leverage fusion center access to the Intelligence Community's capabilities and resources, help fusion centers develop their Critical Operations Capabilities, and assist the centers through the intelligence cycle. IOs also represent DHS and provide support to federal, state, local, tribal, territorial, and private partners.

Regional Directors manage the activities of all DHS/I&A personnel within their regions, and assist senior state and local leadership with developing their fusion process. Regional Directors develop and lead regional initiatives that support fusion centers and provide regular input and support to SLPO headquarters when applicable. In addition, Regional Directors are responsible for relationship development, promoting cohesion and collaboration, advocacy, mentoring and mediation, and administrative support.

With the established process to identify and define IO and Regional Director roles, responsibilities, and expectations, I&A incorporates input from fusion center leadership whenever appropriate.

OIG Analysis: We consider I&A's actions responsive to the intent of Recommendation 7, which is resolved and open. This recommendation will remain open pending our receipt of position descriptions and other internal documentation that define IO and Regional Director roles, responsibilities, and expectations and also ensure input from fusion center leadership wherever appropriate.

Conclusion

With the DHS Secretary's announcement to recommit department-wide support to the National Network of Fusion Centers, I&A, SLPO, and DHS components have increased their efforts to coordinate and enhance support and information sharing with fusion centers. SLPO continues to improve its partnership with federal, state,

and local entities, and fusion centers have demonstrated their value in local and interstate criminal and terrorism related investigations. Appendix E includes some examples of fusion center activities.

Improvements are needed, however, to enhance SLPO field deployments and DHS component support. Both DHS and state and local stakeholders need a National Network of Fusion Centers capable of gathering, receiving, analyzing, and disseminating information. Centers must be capable of providing relevant situational awareness and strategic analytical products to DHS. In turn, DHS components and other federal partners need to understand how their missions align with those of the fusion centers. With a clearly defined and documented DHS strategy, the Department can enhance its efforts to support the centers and gauge appropriate funding, personnel, training, and additional resources.

Appendix A

Purpose, Scope, and Methodology

We assessed DHS' efforts to coordinate and enhance its support and information sharing with fusion centers as part of our *Fiscal Year 2011 Annual Performance Plan*. Our review focused on DHS, I&A, and SLPO efforts to fulfill the department's goal to achieve a renewed, coordinated, and enhanced information sharing and communication capability with fusion centers.

Our objectives were to determine whether (1) the SLPO satisfies the intent of DHS' recommitment to the National Network of Fusion Centers; (2) whether planned SLPO efforts ensure coordinated support of DHS and its components to provide needed information and resources to fusion centers; and (3) whether any functional or organizational challenges exist within DHS that hinder its effective support to fusion centers.

To accomplish our objectives, we conducted interviews with federal officials, and state and major urban area fusion center personnel, and reviewed and analyzed related documents and data. Specifically, we interviewed officials and staff from I&A, Office of Operations Coordination and Planning, Office of Policy, Office of Civil Rights and Civil Liberties, the Privacy Office, National Protection and Programs Directorate, CBP, TSA, ICE, U.S. Citizenship and Immigration Services, USCG, the Federal Protective Service, and the U.S. Secret Service.

We also met with officials from DOJ, including the FBI and the Bureau of Justice Assistance, to determine DOJ's support to the National Network of Fusion Centers and to leverage its best practices.

To assess the effectiveness of DHS support to state and major urban area fusion centers, we conducted site visits and interviews at the following fusion centers and state and local intelligence entities:

- Colorado Information Analysis Center, Centennial, Colorado
- Dallas Police Department Fusion Center, Dallas, Texas
- Delaware Information and Analysis Center, Dover, Delaware
- Maryland Coordination and Analysis Center, Baltimore, Maryland
- Miami-Dade Fusion Center, Miami, Florida
- North Central Texas Fusion Center, McKinney, Texas
- Northeast Ohio Regional Fusion Center, Cleveland, Ohio

Appendix A

Purpose, Scope, and Methodology

- Ohio Strategic Analysis and Information Center, Columbus, Ohio
- San Diego Law Enforcement Coordination Center, San Diego, California.
- Texas Fusion Center, Austin, Texas
- Washington State Fusion Center, Seattle, Washington
- West Virginia Intelligence Fusion Center, Charleston, West Virginia

We held discussions with officials from the Government Accountability Office, the Congressional Research Service, and the National Fusion Center Association to gain their perspectives on DHS' support to the National Network of Fusion Centers.

In addition, we examined fusion center guidelines and procedures, including applicable laws, regulations, and policies. We also assessed the resources DHS and its operational components provide to fusion centers, including quarterly updates submitted to Congress and policies and program information.

Our fieldwork began in October 2010 and concluded in April 2011. We initiated this review 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 Recommendations

We recommend that the Director, State and Local Program Office, Office of Intelligence and Analysis:

Recommendation #1: Establish a plan to expand current analytical training opportunities to fusion centers.

Recommendation #2: Develop a plan that ensures sustainable component deployments to the National Network of Fusion Centers.

Recommendation #3: Develop and publish a strategy that reflects the department's commitments, ongoing work, and plans for future engagement to support the National Network of Fusion Centers.

Recommendation #4: Survey component participation at fusion centers to ensure that the department's presence is appropriately reported, and align results with fusion center needs.

Recommendation #5: Work with DHS component leadership to develop and issue written guidance that ensures requirements and expectations for supporting the National Network of Fusion Centers are communicated and implemented.

Recommendation #6: Expand the Intelligence Officer orientation and training process to include a formal mentoring program where Intelligence Officers can network and discuss issues and concerns with peers.

Recommendation #7: In coordination with fusion center leadership, develop and document a process to identify and define roles, responsibilities, and expectations among Regional Directors and Intelligence Officers.

Appendix C

Management Comments to the Draft Report

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



Carlton I. Mann
Assistant Inspector General for Inspections
DIIS Office of Inspector General
1120 Vermont Ave NW
Washington, D.C. 20005

RE: Draft Report OIG-10-035-ISP-I&A, *DIIS' Efforts to Coordinate and Enhance its Support and Information Sharing with Fusion Centers*

Dear Mr. Mann:

The Department of Homeland Security (Department/DHS) appreciates the opportunity to review and comment on the Office of Inspector General (OIG) draft report for OIG-10-035-ISP-I&A, *DHS' Efforts to Coordinate and Enhance its Support and Information Sharing with Fusion Centers*. The Department, particularly the Office of Intelligence and Analysis (I&A), is actively resolving the issues identified in the report.

The Department's responses to each of the recommendations from the draft report can be found below:

We recommend that the Director, State and Local Program Office, Office of Intelligence and Analysis:

Recommendation #1: Establish a plan to expand current analytical training opportunities to fusion centers.

DHS Response: Concur. I&A has recognized the need to implement a high quality and standardized training program to support state and local analysts in fusion centers, particularly within the framework established by the I&A strategic plan. Accordingly, I&A has initiated a strategic approach to identifying analyst training requirements and deploying training courses to address these requirements through efforts by I&A's State and Local Program Office (SLPO) and Enterprise and Mission Support Directorate, and in partnership with the Federal Emergency Management Agency's National Training and Education Division (NTED). I&A has developed new courses and content and expanded its capacity to provide quality analytical training to support the maturation of the National Network of Fusion Centers (National Network). This training is accomplished through a variety of mechanisms, including training teams deployed to the field, web-based modules, and topic-specific conferences, workshops, exercises, and seminars. I&A designed activities to assist the National Network with improving its capabilities in accordance with national policy and doctrine, including the *National Strategy for Information*

DHS' Efforts To Coordinate and Enhance Its Support and Information Sharing With Fusion Centers

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Sharing, the Fusion Center Guidelines, and the Baseline Capabilities for State and Major Urban Area Fusion Centers. Specifically, I&A delivered these training efforts to help fusion centers build analytical capabilities to achieve *Critical Operational Capability 2: Analyze*, which is defined as “the ability to assess local implications of threat information through the use of a formal risk assessment process.”

I&A’s suite of courses include: the Basic Intelligence and Threat Analysis Course, Mid-level Intelligence and Threat Analysis Course, Critical Thinking and Analytic Methods, Principles of Intelligence Writing and Briefing, Vulnerability and Threat Risk Assessment, Writing for Maximum Utility, Open Source Practitioners Course, and Reports Officer Basic Course. Field training delivered in Fiscal Years (FY) 2010 and 2011 has reached personnel from the vast majority of fusion centers. In FY 2012, I&A plans to deliver an additional 90 courses, including mobile deliveries in all nine Fusion Center Regions.

I&A has also partnered with the Homeland Infrastructure Threat and Risk Analysis Center to facilitate additional training opportunities, including deliveries of an *Introduction to Risk Analysis for Fusion Center Analysts Course* and pilot deliveries of an *Intermediate Risk Analysis Course*. Additionally, in November 2011, I&A is sponsoring a National Fusion Center Analytic Workshop to support fusion center analysts and to enhance necessary analytic expertise across the National Network.

Based on the actions listed above, I&A believes that its analytical training program has answered the spirit of this recommendation and requests that it be closed.

Recommendation #2: Develop a plan that ensures sustainable component deployments to the national network of fusion centers.

DHS Response: Concur. I&A has not yet developed a plan detailing the DHS Component (Component) efforts necessary for sustainable Component deployments to the National Network. However, we will develop and lead a working group composed of Component members to develop a strategy that reflects Departmental and I&A strategic plan alignment, Department commitments and ongoing efforts, and future engagement plans to support the National Network. An essential portion of this Department-wide strategy will be an implementation plan for sustaining Component deployments to the fusion centers. I&A will present the working group concept and strategy development at the next SES Advisory Group meeting during the first quarter, FY 2012 to obtain Component support. The SES Advisory Group membership includes Component leadership and the Principal Deputy Undersecretary of Intelligence and Analysis, and the group meets regularly to discuss Department-wide efforts in support of fusion centers. Should additional support or consideration be needed from Component leadership, the working group concept and strategy may also be presented to the Homeland Security Intelligence Council (HSIC).

As a critical first step to effectively developing a Component deployment sustainability plan, SLPO conducted the *Requirements for Fusion Center Survey* in the spring of 2011 to collect data and determine appropriate plan requirements. The survey documented existing Component resources deployed to fusion centers, and the results provided Components with an enhanced

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Department-wide understanding of fusion center needs for Component support. This information can be used by Component leadership in allocating support to fusion centers and in developing the associated policy and budget recommendations in future years, which will be used to develop a comprehensive Component sustainability plan to support the National Network.

Recommendation #3: Develop and publish a strategy that reflects the department's commitments, ongoing work, and plans for future engagement to support the national network of fusion centers.

DHS Response: Concur. I&A is committed to leading a working group composed of Component members charged with developing a strategy that reflects Departmental and I&A strategic plan alignment, Department commitments and ongoing efforts, and future engagement plans to support the National Network. In addition to working with Component leadership to obtain support in this endeavor, we have already initiated or executed several efforts to more fully integrate Components with fusion centers and maximize the use of existing DHS resources to meet both fusion center and DHS requirements.

I&A has established the SLPO Departmental Coordination Branch (DCB), staffed with Component detailees, that continues to engage Components to facilitate the deployment of Component representatives to fusion centers. These Component detailees are a vital conduit for information sharing with state, local, tribal, and territorial partners present at the fusion centers. As additional Component representatives become engaged, more products and knowledge have become available for distribution to fusion centers, further supporting the National Network mission. SLPO Component representatives continue to collaborate with deployed DHS personnel to engage and facilitate Component support, while gauging the future needs of the fusion centers through teleconferences and surveys. This exchange provides important information from the field that will be provided to Component leadership for use in evaluating their resources to best support fusion centers.

I&A also interacts with Component leadership, such as at the SES Advisory Group meetings and the HSIC, to present the needs and concerns of the fusion centers where appropriate. During these meetings I&A advocates for fusion centers, both addressing fusion center successes and concerns and providing a more fulsome portrayal of how fusion centers operate.

Recommendation #4: Survey component participation at fusion centers to ensure that the department's presence is appropriately reported, and align results with fusion center needs.

DHS Response: Concur. In the spring of 2011, SLPO conducted the *Requirements for Fusion Center Survey* to determine the extent to which representatives from Components should be assigned to fusion centers. This survey documented Component support to fusion centers as well as fusion centers' requests for additional Component and interagency personnel, system access, and training. I&A validated survey responses received from the majority of fusion centers and the results were presented to Component leadership at the June 2011 SES Advisory Group meeting. These results provided Component leadership with an enhanced Department-wide

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Management Comments to the Draft Report

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understanding of fusion center needs and can be used in targeting Component support to fusion centers and in developing the associated policy and budget recommendations in future years.

Additionally, SLPO led the development of the *Information Sharing Environment Guidance: Federal Resource Allocation Criteria (RAC)* policy, which defines objective criteria and a coordinated approach for prioritizing the allocation of federal resources to fusion centers. The goal of this policy is to enhance the effectiveness of federal support to the National Network to execute the statewide fusion process. The RAC policy will enable the Federal Government to concentrate resources in a manner that will improve the efficiency of its support to fusion centers and help bring consistency and transparency to the process of prioritizing federal resource allocation. The RAC policy provides Components with a clearly defined approach to assigning their personnel to fusion centers and focusing their resources. This policy will ensure that Component support to the fusion centers is prioritized and coordinated using defined criteria across DHS and interagency partners.

Recommendation #5: Work with DHS component leadership to develop and issue written guidance that ensures requirements and expectations for supporting the national network of fusion centers are communicated and implemented.

DHS Response: Concur. We envision that Component personnel will follow the same protocols established for I&A personnel—to maintain an official supervisory structure and receive programmatic guidance from their respective organizations while acknowledging the I&A Intelligence Officers' role as DHS team lead at the fusion center. To effectively codify this approach, we will convene a working group of Component representatives in the first quarter of FY 2012, and the working group will present its recommendations to Component leadership through the SES Advisory Group. This working group will consider all Memoranda of Agreement, Memoranda of Understanding, and Concepts of Operation currently used by different Components to define the roles and responsibilities of deploying Component personnel to fusion centers before a final set of documents regarding the presence of deployed assets is established.

Recommendation #6: Expand the Intelligence Officer orientation and training process to include a formal mentoring program where Intelligence Officers can network and discuss issues and concerns with peers.

DHS Response: Concur. SLPO formally established a mentoring program on March 24, 2010 with the publication of the "State and Local Program Office Sponsorship Program." This program established procedures for assigning sponsors to support newly hired and currently deployed Intelligence Officers (IOs) and Regional Directors (RDs) with less than 12 months of field experience. For a period up to 12 months, assigned sponsors provide new IOs and RDs with guidance and support during pre-arrival, on-boarding, and initial deployment. SLPO provides all IOs and RDs innumerable opportunities to network and discuss issues and concerns with their respective peers through collaboration during regularly scheduled and ad hoc conference calls, conferences, and off-sites, and by leveraging technology (including e-mail, telephone and video teleconferencing).

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Through the expansion of its IO and RD orientation and training process and the establishment of a formal mentoring program, I&A believes that it has answered the spirit of this recommendation and requests that it be closed.

Recommendation #7: In coordination with fusion center leadership, develop and document a process to identify and define roles, responsibilities, and expectations among Regional Directors and Intelligence Officers.

DHS Response: Concur. I&A has developed roles, responsibilities, and expectations for SLPO employees deployed to the fusion centers, which are outlined within each employee position description and detailed in other various internal documentation. Intelligence Officers serve as I&A's immediate, on-the-scene representatives to leverage the Intelligence Community's capabilities, resources, and expertise to support state and local homeland security priorities. As such, they conduct activities in support of the intelligence cycle at fusion centers, support the fusion centers in developing their Critical Operational Capabilities (COC), provide support to a fusion center and its state, local, tribal, territorial (SLTT) and private sector partners, and represent the DHS to federal, SLTT, and private sector partners.

Regional Directors are responsible for managing the activities of all DHS/I&A personnel stationed in their respective regions and for assisting senior state and local leadership with developing their fusion processes. RDs develop and lead regional initiatives that support the fusion centers and provide regular input and support to SLPO Headquarters when applicable. Their responsibilities include relationship development, promoting cohesion and collaboration, advocacy, mentoring and mediation, and administrative support. SLPO developed IO and RD roles and responsibilities to provide the most effective and efficient support possible to the fusion center mission and to fusion center leadership.

As a result of the established process to identify and define the roles, responsibilities, and expectations for Regional Directors and Intelligence Officers, which incorporates input from fusion center leadership wherever appropriate, I&A believes that it has answered the spirit of this recommendation and requests that it be closed.

Again, we appreciate this opportunity to review and comment on the draft report. In addition to this response, technical comments and a sensitivity review were provided under separate cover. The Department looks forward to working with you on future Homeland Security engagements.

Sincerely,



Caryn A. Wagner
Under Secretary for Intelligence
and Analysis

Homeland Security Grant Program Overview

The major DHS funding source that fusion centers are eligible to receive comes from the department's Homeland Security Grant Program. This grant program was created to enhance the ability of state, territorial, tribal, and local governments to prepare for, prevent, respond to, and recover from potential terrorist attacks and other hazards. The program has five sub-programs that target different aspects of homeland security.

State Homeland Security Program

The largest of these sub-programs is the State Homeland Security Program. This program, which consists of a set allotment for each state and additional state allocations based on DHS' risk assessment, intends to build state and local capabilities. DHS obligates these grant funds to a State Administrative Agency to administer and distribute.²³ States are required to dedicate at least 25% of the grant funds to law enforcement terrorism prevention-oriented planning, training and exercises, and equipment. Although fusion centers often conduct these activities, a state is not required to provide State Homeland Security Program funding to fusion centers. In FY 2010, \$842 million was available in the State Homeland Security Program for all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. territories.

Urban Areas Security Initiative

Certain centers may receive funding from the second-largest funding source, the Urban Areas Security Initiative. The grant amount is risk-based. A fusion center in a high-risk urban area may be eligible to receive funding from both the State Homeland Security Program and Urban Areas Security Initiative programs. In FY 2010, \$832.5 million was available for 64 predetermined high-risk metropolitan areas.

Metropolitan Medical Response System Program

Fusion centers are beginning to include their state or regional emergency response and public health functions in existing operations. The Metropolitan Medical Response System Program

²³ The State Administrative Agency is the Governor-designated body that applies for and administers Homeland Security Grant Program grant funds.

Appendix D

DHS Funding Sources for Fusion Centers

evenly distributes funding to 124 jurisdictions to support medical response capabilities to public health crises, including terrorist attacks. In FY 2010, \$39.4 million was available. A fusion center with a metropolitan area's medical emergency response functions may receive funding from the State Administrative Agency to support those capabilities.

Citizen Corps Program

For fusion centers that support collaboration between community and government leaders, and involve the community in emergency preparedness, planning, mitigation, response, and recovery, the Citizen Corps Program is a potential funding source. Funded at \$12.5 million in FY 2010, a set amount is distributed to states and U.S. territories, with the balance distributed based on population.

Attempted Colorado Bookstore Bombing

In June 2011, the Lakewood, Colorado Police Department received information that an individual had placed two improvised explosive devices at a Borders book store at the Colorado Mills Mall. The Police Department notified the FBI, who activated the Joint Terrorism Task Force. FBI and Bureau of Alcohol, Tobacco, Firearms and Explosives agents responded to the scene and passed information to the Colorado Information Analysis Center. A few hours later, the Center sent information to fusion centers nationwide and Terrorism Liaison Officers statewide, requesting information that may relate to the incident. Within 15 minutes the Center received vital information from a state trooper, that a suspect had crashed his vehicle and was taken into custody for felony menacing and driving under the influence of alcohol about 24 hours earlier. The trooper believed the suspect he arrested was also the suspect in the book store bombing attempt. The Center received another lead from a different Terrorism Liaison Officer, which linked the suspect to another device that partially detonated near a hotel a short distance from the book store. The Center passed this information to the FBI's Joint Terrorism Task Force to further support the investigation. The suspect was held on charges stemming from the incident.

Suspicious Tractor Trailer Travelling to New York City

On October 8, 2010, a police department released an advisory regarding a tractor trailer whose driver reportedly had been given \$10,000 to divert his route to New York City's Times Square. The IO alerted several fusion centers in the region. The Rhode Island Fusion Center was able to determine the origin and owner of the tractor trailer, and the Northern California Regional Intelligence Center coordinated with the state police to locate and search the vehicle. Upon questioning the occupants, officials concluded that the vehicle was not a threat. Within hours, the fusion centers, working with their IOs and local police were able to de-escalate the incident.

Times Square Bombing Attempt

Faisal Shahzad planned to detonate a car bomb at New York City's Times Square on May 1, 2010. Following the failed attempt, fusion centers across the country provided federal partners with other tips relating to Shahzad. These tips resulted in additional leads and the development of federal intelligence products. For example, the New York State Intelligence Center received a

Appendix E

Examples of Fusion Center Activities

suspicious activity report on May 2, 2010, from a locksmith who called the center and indicated that he had helped Shahzad get into the vehicle earlier that day.

New York City Subway Bombing Attempt

In September 2009, the Colorado Information Analysis Center received a tip on its website and 1-800 hotline number pertaining to suspicious activity. Najibullah Zazi was observed purchasing large quantities of hydrogen peroxide and acetone from local beauty stores. These chemicals can be used to make explosives. Zazi planned for multiple people to simultaneously set off the bombs, carried in backpacks, at the busiest stops on the New York subway system. The FBI already had Zazi under surveillance, and the fusion center's tip confirmed FBI suspicions. The Colorado Information Analysis Center worked closely with the FBI throughout the investigation, which ultimately resulted in the arrest of Zazi and his guilty plea.

Plotted Murder of Swedish Cartoonist

In September 2009, the Colorado Information Analysis Center received a report regarding a missing woman, Jaime Paulin-Ramirez, who had recently converted to Islam and was communicating with a man from Pakistan. The fusion center learned in the report that the missing woman was thought to be traveling to New York to meet with this Pakistani national. After providing the information to the FBI, the fusion center learned that Paulin-Ramirez was conspiring to murder a Swedish cartoonist who had depicted an Islamic religious figure as a dog in a cartoon. The Colorado Information Analysis Center also learned that Paulin-Ramirez was in communication with Najibullah Zazi and other suspected terrorists.

International Kidnapping Attempt

In May 2008, an IO, the Central California Intelligence Center leadership, and a county sheriff's department collaborated on an AMBER Alert for a 3-year-old child.²⁴ The suspected abductor was wanted for rape and murder and was a flight risk. Working

²⁴ The AMBER Alert™ program is a voluntary partnership among law enforcement agencies, broadcasters, transportation agencies, and the wireless industry to activate an urgent bulletin in the most serious child abduction cases.

Appendix E

Examples of Fusion Center Activities

with the DHS National Operations Center,²⁵ the International Criminal Police Organization,²⁶ and local law enforcement, the group determined the suspect was on a flight to the Kingdom of the Netherlands. The suspect was detained in Amsterdam and the child was found unharmed.

Attempted Campus Shooting

In January 2008, the Illinois Statewide Terrorism and Intelligence Center received a tip regarding a man traveling across state borders to kill a woman and her boyfriend, and to carry out a campus shooting. The Illinois Statewide Terrorism and Intelligence Center and the Virginia Fusion Center produced and disseminated an alert to hundreds of state and local law enforcement officers within hours of receiving the tip. The Virginia State Police and local law enforcement located and detained the suspect. The case was pursued by the FBI and resulted in a guilty plea.

Intercepted Explosives Transport

On August 4, 2007, a DHS IO received a call from Florida's Homeland Security Advisor regarding two state university students who were being questioned during a traffic stop in South Carolina.²⁷ The limited information available included the subjects' ethnicity, news that a bomb squad was involved, and vehicle registration information. The Florida Fusion Center employee received background information on the vehicle and registered owner from the officer in South Carolina conducting the traffic stop. This information was sent to DHS' National Operations Center and the FBI Joint Terrorism Task Forces in each state within minutes. The two subjects were charged and subsequently tried for providing material support to terrorists.

²⁵ The National Operations Center coordinates information sharing to help deter, detect, and prevent terrorist acts and to manage domestic incidents by providing real-time situational awareness and monitoring, coordinating incidents and response activities, and, in conjunction with I&A, issuing threat advisories and specific protective measures via the centers Intelligence Watch and Warning element.

²⁶ The International Criminal Police Organization is a worldwide law enforcement organization that facilitates cross-border police cooperation and supports and assists all organizations, authorities, and services whose mission is to prevent or combat international crime.

²⁷ A state's Homeland Security Advisor is, after the Governor, the lead point of contact between the state and DHS. The Homeland Security Advisor should be able to access the state's entire homeland security enterprise to make critical decisions during crises and keep the Governor informed of emerging threats, events, and responses. *A Governor's Guide to Homeland Security*, NGA Center for Best Practices (2010).

Appendix F
Major Contributors to this Report

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Katherine Roberts, Senior Inspector
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Department of Homeland Security

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Assistant Secretary for Office of Policy
Assistant Secretary for Office of Public Affairs
Assistant Secretary for Office of Legislative Affairs
Under Secretary for Office of Intelligence and Analysis
Principal Deputy Under Secretary, Office of Intelligence and Analysis
Under Secretary, National Protection and Programs Directorate
Administrator, Transportation Security Administration
Director, U.S. Immigration and Customs Enforcement
Commissioner, U.S. Customs and Border Protection
Commandant, U.S. Coast Guard
Director, U.S. Citizenship and Immigration Services
Director, U.S. Secret Service
Officer for Civil Rights and Civil Liberties
Chief Privacy Officer
Director of Local Affairs, Office of Intergovernmental Affairs
I&A Audit Liaison
TSA Audit Liaison
ICE Audit Liaison
CBP Audit Liaison
USCG Audit Liaison
U.S. Citizenship and Immigration Services Audit Liaison
U.S. Secret Service Audit Liaison

U.S. Department of Justice

Federal Bureau of Investigation
Bureau of Justice Assistance
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Office of Management and Budget

Chief, Homeland Security Branch
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Appendix G
Report Distribution

Congress

Congressional Oversight and Appropriations Committees, as appropriate

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