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GUIDE TO THE STUDY OF INTELLIGENCE

Who Are the Customers for Intelligence?

by Peter C. Oleson

Who uses intelligence and why? The short answer is almost everyone and to gain an advantage. While nation-states are most closely identified with intelligence, private corporations and criminal entities also invest in gathering and analyzing information to advance their goals. Thus the intelligence process is a service function, or as Australian intelligence expert Don McDowell describes it,

> *Information is essential to the intelligence process. Intelligence... is not simply an amalgam of collected information. It is instead the result of taking information relevant to a specific issue and subjecting it to a process of integration, evaluation, and analysis with the specific purpose of projecting future events and actions, and estimating and predicting outcomes.*[1]

It is important to note that intelligence is prospective, or future oriented (in contrast to investigations that focus on events that have already occurred).

As intelligence is a service, it follows that it has customers for its products. McDowell differentiates between "clients" and "customers" for intelligence. The former are those who commission an intelligence effort and are the principal recipients of the resulting intelligence product. The latter are those who have an interest in the intelligence product and could use it for their own purposes.[2] Most scholars of intelligence do not make this distinction. However, it can be an important one as there is an implied priority associated with a client over a customer.

Intelligence Communities — Plural

There are four communities that use intelligence: the national security community, the homeland security community, the law enforcement community, and the private sector.

When thinking about intelligence, often the first thought one has is of the *national* intelligence community. This is the grouping of 16 agencies (not including the Office of the Director of National Intelligence and its several centers) that are involved in intelligence support to national security, foreign and defense policy, military support, and counterespionage.[3]

The clients and customers of national security intelligence include the President and his national security team. While the President and members of the National Security Council represent the apex of this team, the national security team extends across many departments and agencies of the federal government and geographically to the commanders of the combatant commands and their subordinates.[4]

Since the attacks of 9/11, other intelligence communities have evolved in the US senior officials of the Department of Homeland Security (DHS) refer to "homeland security intelligence" (HIS) and the "homeland security intelligence community" as something distinct from the national intelligence community.[5] This homeland security intelligence community includes governmental elements not included in the national intelligence community, including the intelligence entities within the DHS Immigration and Customs Enforcement Bureau, the Customs and Border Protection Bureau, the Transportation Security Administration, the US Secret Service, and state and regional intelligence fusion centers throughout the US. There is some overlap between the national intelligence community and the homeland security intelligence community, as the Department of Homeland Security Office of Intelligence and Analysis and the US Coast Guard are members of both communities.[6] According to a former head of DHS intelligence, homeland security intelligence

1. Don McDowell. *Strategic Intelligence: A Handbook for Practitioners, Managers, and Users, Rev. Ed.*, (Lanham, Maryland: The Scarecrow Press, Inc., 2009), 53.
2. McDowell, 85.
3. See *http://www.odni.gov* for the listing of the organizations of the national intelligence community.
4. See the chart "Who Are the US Customers for Intelligence?" on pp. 57-58.
5. Remarks of Charlie Allen, former DHS undersecretary for intelligence to the International Association for Intelligence Education, Washington Chapter, September 14, 2010, from the notes of the author.
6. For a detailed overview of the HSI enterprise, see Mark A. Randol 2009, *The Department of Homeland Security Intelligence Enterprise: Operational Overview and Oversight Challenges for Congress*, Congressional Research Service 7-5700, (2009) *http://www.crs.gov*, R40602.

> *"…needs to be more than just counterterrorism. Instead HSI needs to be a strategic effort based on creating a new tradecraft rather than focusing on traditional formulas in terms of intelligence collection."*[7]

Customers for homeland security intelligence include some of the same as above. The President, the secretary of homeland security, and the attorney general are all principal customers for such intelligence. But so are governors and other officials at the state, local, and tribal levels of government. Under the US political system, if an incident occurs in a state, the governor of that state is the principal in charge of responding. The federal government plays a supporting role. The establishment of intelligence fusion centers[8] in many states represents a significant customer base for homeland security intelligence. These fusion centers are managed by state officials or a consortium of regional and local law enforcement officials. One example is the regional fusion center in the Cleveland, Ohio area, which is manned by state and local police agencies and DHS assignees. Other fusion centers serve an entire state.[9]

While there is a strategic aspect to HSI, the great emphasis is on operational and tactical intelligence that will allow prevention of a terrorist incident. Principal customers for this level of homeland security intelligence include the enforcement arms of the DHS, the Department of Justice, state and local police departments, and other first responders.[10] Special mechanisms have been created to allow the sharing of classified national intelligence with often uncleared state, local, and tribal police.[11]

Similarly, with the adoption of the "intelligence-led policing" concept since 2000, there has been a growing law enforcement intelligence community. The FBI uses intelligence for more than counterterrorism and counterespionage investigations, as do many of the other members of this intelligence community. Elements of the law enforcement intelligence community include the Drug Enforcement Administration (DEA); the Bureau of Alcohol, Tobacco, Firearms, and Explosives; the US Marshals Service; the Bureau of Prisons; and state, local, and tribal law enforcement agencies. Both the Los Angeles Sheriff's Department and the New York Police Department maintain sizable intelligence elements. As with the homeland security intelligence community, there is overlap. For example, the FBI is a member of all three intelligence communities, and DEA is a member of the national and law enforcement intelligence communities.

Law enforcement intelligence has many of the same customers that homeland security intelligence does. At the federal level, principal customers would be the attorney general and the secretaries of the Treasury and homeland security, and the enforcement arms of their departments. Principal customers at the state level include the state police organization and local jurisdictions, including tribal police. Many of the state intelligence fusion centers are "all threat" centers. This term means that they focus on criminal activity other than terrorist activity, such as drug production and smuggling and gang activity.

Intelligence is no longer the exclusive purview of the government. Intelligence techniques have been adopted by private businesses seeking to be competitive in an increasingly global marketplace. Many major corporations now employ analysts that utilize the intelligence skills and techniques traditionally identified with the national intelligence community. These include market analysis for business planning and investment, the protection of critical infrastructures against criminals and others who would exploit them, and identification and pursuit of counterfeiters of a company's goods.

Uses of Intelligence

Intelligence has no intrinsic value. Intelligence collected, analyzed, and put on the shelf is worthless. It is wasteful of expensive and often dangerous efforts. Intelligence is a service, and should be evaluated as such. Its *raison d'être* is to assist others in the accomplishment of their goals. This could be a national policymaker, a district police commander, or the board of directors of a company contemplating a major industrial investment. Intelligence is a specialized function that adds value to a larger enterprise. If it does not, it cannot be justified. In some cases the value of

7. *INSA Insider*, November 23, 2010. This is an e-mail sent periodically to Intelligence and National Security Alliance association members.

8. "State and major urban area fusion centers serve as focal points within the state and local environment for the receipt, analysis, gathering, and sharing of threat-related information between the Federal Government and state, local, tribal, territorial, and private sector partners." US National Intelligence: An Overview 2013, at *http://www.ODNI.gov.*

9. Briefing by the Cleveland fusion center to the annual AFIO conference in 2011.

10. See Chapter 2 of Carter, D. L. (2009). *Law Enforcement Intelligence: a Guide for State, Local, and Tribal Law Enforcement Agencies* (2nd ed.). Washington, DC: U.S. Department of Justice, Office of Community Oriented Policing Services. Retrieved from *https://intellprogram.msu.edu/resources/publications.php*.

11. The Interagency Threat Assessment and Coordination Group (ITACG) was created to help DHS, the FBI and the NCTC produce terrorism and related products tailored to the needs of state, local and tribal police as well as private sector partners.

WHO ARE THE U.S. CUSTOMERS FOR INTELLIGENCE?

Department / Agency	Principal Uses for Intelligence
President & Vice President	Threat understanding; policy determinations
Congress	Legislation & government oversight
National Security Community	
National Security Advisor	Threat understanding; foreign & defense policies coordination
Secretary of State	Foreign policy advice, negotiations, security of diplomatic posts
Secretary of the Treasury	Financial policy, enforcement of sanctions
Secretary of Defense	Defense policy advice, command & control of military forces, weapons systems R&D
Chairman, Joint Chiefs of Staff (CJCS)	Military advice; command & control of military forces
Combatant Commanders	Command & control of military forces
Subordinate Military Commanders	Command & control of military forces
Attorney General	Legal advice, direction of the FBI and prosecutions
Secretary of Homeland Security / Director, Secret Service	Protection of the president, vice president & foreign dignitaries
Secretary of Energy	Nuclear weapons R&D
Director of National Intelligence (DNI)	Threat understanding; intelligence advice
National Counterterrorism Center (NCTC)	Counterterrorism strategies & plans
National Counterproliferation Center (NCPC)	Counterproliferation strategies
National Counterintelligence Executive (NCIX)	Coordination of counterintelligence activities
Homeland Security Community	
Secretary of Homeland Security	Homeland security policy advice
Customs and Border Protection (CPB)	Anti-smuggling, WMD detection, illegal entry
Immigration & Customs Enforcement (ICE)	Visa / immigrant identity fraud
US Coast Guard (USCG)	Water borders & port security, anti-smuggling
Transportation Security Administration (TSA)	Airport, rail, and bus security
Attorney General	Oversight of FBI operations
Director, Federal Bureau of Investigation (FBI)	Counterintelligence & counterterrorism investigations; intelligence operations
State, Local & Tribal Law Enforcement Agencies	Counterterrorism planning & operations
Fusion Centers	Terrorism threat understanding
Law Enforcement Community	
Attorney General	Department of Justice management
Director, Federal Bureau of Investigation (FBI)	Counterintelligence, counterterrorism, criminal activity investigations
Director, Drug Enforcement Administration (DEA)	International drug smuggling; domestic abuse of controlled substances
US Attorneys	Prosecutions
Bureau of Alcohol, Tobacco & Firearms (ATF)	Investigation of firearms smuggling & explosives
Bureau of Prisons	Control of gangs
Secretary of Homeland Security	Oversight of subordinate elements
Subordinate DHS elements (USSS, CBP, ICE, USCG)	Investigation of selected crimes (e.g., threats to the President, financial cyber crimes, smuggling, fraud)

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WHO ARE THE U.S. CUSTOMERS FOR INTELLIGENCE?	
State, Local & Tribal law enforcement agencies (e.g., NYPD, LASD)	All types of criminal investigations
Other Federal Agencies	
Secretary of Commerce	Enforcement of export controls
US Trade Representative	Negotiation of trade pacts
Federal Trade Commission	Violations of US laws
Securities and Exchange Commission	Market manipulation, fraud, etc.
Secretary of Transportation	Aviation policy
Federal Aviation Administration (FAA)	Security of airlines
Federal Emergency Management Agency (FEMA)	Disaster and terrorism event mitigation planning & operations
Federal Reserve	Integrity of the US dollar
International Entities	
United Nations	
International Atomic Energy Agency (IAEA)	International nuclear industry & treaty compliance monitoring
Allies (e.g., NATO)	Coalition defense, counterterrorism, international crime & many other purposes
"Nontraditional Allies" or "Issue-Specific Allies" (e.g., Russia, China, Others)	Counterterrorism, international crime, cooperative operations (e.g., anti-piracy patrols)
Private Sector (illustrative examples)	
Technology Firms	Technology trends, competitor activities, market understanding, etc.
Natural Resources Firms (e.g., Oil Exploration Companies)	Strategic planning, investment, risk assessments, other
Financial Sector (e.g., Banks, Investment Firms, Reinsurance Companies, etc.)	Financial markets understanding, financial risk assessments, opportunity identification
Pharmaceutical Firms	Product counterfeiters

intelligence may be measured in increased efficiency, but most often it is for increased effectiveness.

Intelligence can be used for strategic, operational, and/or tactical purposes. McDowell notes that

> *Strategic intelligence analysis can be considered a specific form of research that addresses any issue at the level of breadth and detail necessary to describe threats, risks, and opportunities in a way that helps determine programs and policies. As such strategic intelligence is a manager's tool. Whereas, intelligence that services the daily needs of supervisors and line managers and focuses on immediate, routine, and on-going activities of the organization – the frontline functions, as it were – may be called tactical or operational intelligence….*[12]
> *[T]he most practical, intimate application of intelligence to identifying and dealing with target individuals and organizations has always been termed tactical. Activities involving operations against multiple targets of like or related character, where coordination of effort is the key, is called operational, and the intelligence designed to support it is operational intelligence.*[13]

Strategic intelligence is used in many ways by many entities, but principally for policymaking and resource planning. At its most fundamental, intelligence is used for strategic warning. It has been the failure of providing strategic warning that has led to the most in-depth examinations of the national intelligence community and calls for reform. The prime examples are the failures to warn of the 1941 Japanese attack on Pearl Harbor and the 9/11 2001 Al-Qaida attacks on the US.[14] At the national level, strategic intelligence studies are often used for educational purposes by policymakers.[15] This is especially true early in a new administration when policymakers are adjusting to their new positions and responsibilities. Intelligence analysis underlies most policy planning efforts that address foreign or defense issues. A more controversial use of intelligence is for the evaluation of existing policies and whether they are successful or not. This use of intelligence has often led to clashes

12. McDowell, 5, 7.
13. McDowell, 13.
14. See Thomas H. Hammond, "Intelligence organizations and the organization of intelligence," *International Journal of Intelligence and Counterintelligence* 23 (4), 680-722.
15. Of interest is former CIA official Jack Davis's article, "Insightful interviews: A policymaker's perspective on intelligence analysis," *Studies in Intelligence* 38 (5), 1995, 7-15.

between intelligence professionals and policymakers who are vested in a particular policy.[16]

Another use of strategic intelligence is for treaty monitoring. The 1979 ratification of the Strategic Arms Limitation Talks (SALT II) treaty was held up in the US Senate when concerns were expressed that the US could not monitor Soviet compliance with the treaty's terms. Not until Secretary of Defense Harold Brown testified in detail in executive session about US intelligence capabilities against the Soviet Union were these concerns allayed.[17]

Intelligence is critical to national defense resource planning and investment. President Eisenhower supported the development of the U-2 reconnaissance aircraft and of programs to develop satellite-based imagery and signals collection in order to learn about the size and capabilities of the strategic forces of the Soviet Union. Imagery from U-2 overflights of the Soviet Union (up until May 1960, when a Soviet surface-to-air missile downed Francis Gary Power's U-2) revealed that the estimated strength of the Soviet long-range aviation bomber force and intercontinental missile force were exaggerated. This permitted the President to avoid unnecessary investments in US strategic weapons programs at that time. Intelligence estimates are used to support investment decisions in the annual defense budget process. The sizing of US forces is justified in terms of the threats faced by the United States. During the Cold War, the intelligence community developed lengthy and detailed National Intelligence Estimates on Soviet strategic nuclear forces, conventional forces, and other strategic topics, which were used by US force planners to justify investments in military systems. The acquisition plans for major weapons systems are also based on intelligence estimates. Each planned major weapon system is supposed to respond to a validated intelligence threat assessment.[18] The underlying philosophy in both the sizing of forces and design of advanced weapons is to gain an advantage over a potential adversary.

Operational and tactical intelligence is used for various purposes. Warning or alerting of impending attack or commission of a crime is critical to operational commanders in the military, homeland security, or law enforcement communities. Intelligence also helps them decide how to deploy their forces in anticipation of an operation or response to a target's activities. Intelligence can also identify new targets or individuals previously unknown to military and law enforcement operators.

In the business intelligence field, intelligence is used also for gaining an advantage over competitors and influencing the development of corporate strategies, marketing campaigns, and investments for new products.[19]

In all of the communities identified the clients and customers for intelligence vary according to the subject, their mission and responsibilities, and circumstances. What is notable is how far the intelligence profession has spread since the early days of World War II to involve today so many governmental, private and international organizations.

Readings for Instructors

Don McDowell's *Strategic Intelligence: a Handbook for Practitioners, Managers, and Users*, Rev. Ed., (Lanham, Maryland: The Scarecrow Press, Inc., 2009) is an excellent guide to how to conduct intelligence analyses for different purposes.

The website of the Office of the Director of National Intelligence (*http://www.dni.gov*) has many reference publications useful for understanding the applications of intelligence.

The Congressional Research Service (CRS) periodically updates a paper entitled "Intelligence Issues for Congress." It contains non-partisan discussion of contemporary issues related to intelligence. It is available via the website of the Federation of American Scientists (*http://www.fas.org*). Also available at this website are other intelligence-related government documents useful for classroom instruction.

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16. An interesting case study related to this point is recounted in James J. Wirtz's article, "Intelligence to Please? The order of battle controversy during the Vietnam War," *Political Science Quarterly* 106 (2), Summer 1991, 239-263. *http://www.jstor.org/stable/2152228*.

17. Personal experience of the author who helped write portions of Secretary Brown's testimony when on the staff of the Office of the Secretary of Defense.

18. See Department of Defense Instruction 5000.02, *Operation of the defense acquisition system*, December 8, 2008, and *Defense Intelligence Agency Directive 5000.200*, "Intelligence threat support for major defense acquisition programs," January 19, 2005.

19. See Stephanie Hughes, "Competitive intelligence as competitive advantage: The theoretical link between competitive intelligence, strategy and firm performance," especially Figure 1, p 7. *Journal of Competitive Intelligence and Management*, 3 (3), 2005, 3-18.