

NOT FOR THE SYSTEM

INFORMATION MEMORANDUM  
S/S

UNCLASSIFIED

TO: The Secretary

FROM: M - Bonnie R. Cohen

SUBJECT: Security & Intelligence Study of the Department

SUMMARY

Attachment (A) is Booz·Allen & Hamilton's study of our security and intelligence management practices. As you know, they were commissioned to review the ARBs' recommendations concerning the management of our security and intelligence programs. They have completed their work and have provided recommendations that would elevate the role of Diplomatic Security and establish clear lines of communication, responsibility and accountability on security and intelligence matters. Booz·Allen's final report contains recommendations that are consistent with the briefing you received in August, but has additional material. This report echoes many of the security concerns about the Department cited in the Inman Panel Report, Admiral Crowe's Accountability Review Boards (ARBs) and the Overseas Presence Advisory Panel report. I believe Booz Allen's findings are well reasoned and in

conversations with others in the security field represent best practices, as well as sound organizational objectives.

## DISCUSSION

I propose to proceed with implementation of the report's recommendations that fall under my responsibility and recommend that you authorize the implementation of the recommendations which call for consolidating our security and threat intelligence functions under one entity and for having DS reporting to you.

With respect to implementation of those Booz Allen findings under my responsibility, we have done the following:

- Tom and I are sending a message requiring that RSOs report to, and be evaluated by, DCMs or Principal officers, rather than their current reporting relationship to administrative counselors (attachment B). This will elevate the role of security at posts, ensure that senior post management are engaged in the decision making process of security/threat issues, and establish clear lines of accountability, responsibility and communication. This will correct

a number of problems that have arisen by having DS personnel part of the administrative section at post.

- DS has redefined its global risk management plan to include threats from transnational terrorism. Booz Allen has indicated this meets the objectives of the recommendations in their analysis to define, assess and respond to threats, and to track performance of risk mitigation activities.
- Starting in June 2000, seven DS regional directors will be established to provide greater management oversight of our overseas security operations. These regional directors will evaluate RSOs against security criteria and competencies to ensure that not only DS programs, but also personnel are properly managed. Regional Directors will furnish senior level DS supervision of regional security officers (RSOs) and their programs, provide counseling and mentoring to RSOs, and consult with senior post management on security matters.
- I am developing a position description, which will ensure that the person responsible for DS have management skills and a professional security and law enforcement background. We have all now seen the

benefit of having a security professional on board.

This will be completed by January 2000.

- DS is working more closely with the Intelligence Community (IC) to define our threat intelligence requirements, and is developing stronger liaison relationships with the intelligence and law enforcement communities to improve threat intelligence coordination and cooperation. This has already led to a better understanding by the IC of DS' global security mission and our threat intelligence requirements.
- We have developed procedures with the Intelligence Community to ensure the rapid dissemination of threat intelligence information to our posts.

Your decision is now required with respect to the Booz Allen recommendations that fall under your authority:

- Elevating the role of DS within the Department by creating an Under Secretary position. The person who holds this position must have a security and law enforcement background.
- Combining pertinent security and threat intelligence units into one single unit within DS (operational threat

intelligence functions of Intelligence & Research (INR), DS Intelligence and Threat Analysis (DS/ITA), and the threat analysis unit of Counter-Terrorism (S/CT). This will ensure that we have one single entity within the Department responsible for all operational security and threat intelligence, and it also establishes clear, formalized lines of communication and accountability on threat matters with the IC and the Department.

I concur with Booz Allen's recommendations to establish a new Under Secretary and consolidate our security and threat intelligence activities under this position. This reorganization will, I feel, unequivocally clarify the procedures, policies, and coordination of operational threat intelligence and security issues. The Under Secretary would coordinate on your behalf all operational threat intelligence and security issues with other USG agencies.

This reorganization offers better command, control and accountability of Departmental security functions and responsibilities; streamlines the flow of security and threat intelligence information with DS as the focal point for the intelligence agencies; sends a strong signal to the Hill and

others that we are taking security seriously by this reorganization; addresses the ARBs' findings; and institutionalizes the security apparatus at State to reflect a robust, progressive and disciplined approach to security, which is unaffected by political or personal preferences.

If elevating DS to an Under Secretary is not the path chosen, I strongly recommend that the DS Assistant Secretary should at a minimum report directly to the Secretary. In either case, you would not be burdened with routine security matters any more than you are now with management issues.

The issue of DS reporting directly to you is controversial with the Corporate Board. The Board's concerns are twofold: creating an Under Secretary position and moving DS out from under M. As to the first, there is a strong feeling that there are already enough Under Secretaries. That may be right in general, but it does not reduce the need for this specific one. As to moving DS out from under M, I believe the Board feels M should make tradeoff decisions between DS and administrative functions. However, the

tradeoffs have proven in our two years here to be so critical as to require your knowledge and agreement.

Creating a new Under Secretary position for Diplomatic Security and consolidating all operational security/threat activities will require at least a reprogramming notice, and possibly legislation. H believes that Congress will require us to trade off an already established Under Secretary position rather than authorize an additional one.

#### Next Step

Much needs to be done to address the institutional problems associated with the management of our threat intelligence and security activities. I recommend a meeting soon with Dave Carpenter and me, as well as Tom, Strobe and Wendy who appeared the most engaged on this matter on the Corporate Board to chart a course of action with respect to the proposals outlined in this memorandum. However, you may want to discuss with the entire Corporate Board.

Attachments:

As stated.

cc: D - STalbott  
P - TPickering  
C - WSherman  
DS - DCarpenter



**ALJAZEERA**  
**AMERICA**