

~~SECRET~~

MILLENNIUM ALERT AFTER ACTION REVIEW

The United States averted major terrorist attacks during the Millennium period. An after action review by the CSG revealed four areas of U.S. counter-terrorism policy that require immediate revision.

These policy changes would have budgetary impact that could require amending the current budget and the proposal for next year. In addition, the pace of activities caused by the Millennium Alert may also necessitate redirecting current year funds to on-going CT programs.

Overseas Disruption Activities

Conclusion 1: Our efforts to date to disrupt the Al-Qida terrorist network and its affiliates have failed to significantly degrade their global operational capability.

Program Two of PDD-62 is Disruption of Foreign Terrorist groups. Action overseas is assigned in the PDD to CIA.

In the wake of the UBL cell arrest in Jordan, the CIA implemented one of its largest global disruption operations ever, targetting terror groups and individuals in Europe, Africa, the Middle East and Asia. The agency received excellent cooperation from liaison services worldwide. Their actions led to arrests that threw a number of terror groups off-balance. However, last month's successful disruption activity achieved a tactical and temporary victory only; it did not seriously weaken the Al-Qida terrorist global web.

It is apparent in retrospect that the overseas disruption activities prior to the Millennium Alert had not prevented al Qida from maintaining robust activities in over 20 countries and some presence in over 50 nations. Using national cells such as the Jordanian group that was arrested in December in Amman and the Algerian cell in Canada, al Qida can still strike at multiple US targets in several countries simultaneously.

Using supposed NGOs as cover organizations and through other means, al Qida can and does move personnel, arms, and money through the Middle East, the NIS, Africa, and parts of Asia.

~~SECRET~~

DECLASSIFIED

E.O. 13526

NW 610-04

By KW NARA, Date 6/2/04

~~SECRET~~

2

The CSG recommends that CIA attempt to seriously attrit the al Qida and affiliates network to the point where large scale terrorist acts against the US by al Qida are not likely.

To do that CIA must sustain an operational tempo and level of operations for which it is not designed or funded currently. In addition to increasing the ops tempo level of existing assets, CIA would need the following capabilities if it were to attempt to degrade seriously al Qida's presence simultaneously in a large number of countries.

--a)

36 CFR 1256.46 - National Security Information

--b) Unilateral Capability: The US lacks significant unilateral HUMINT penetrations of al Qida affiliated terrorist groups and is overly reliant on second party services reporting which is often incomplete, unresponsive to timely collection tasking, or unreliable. The US also lacks a unilateral disruption capability, short of the use of military force.

36 CFR 1256.46 - National Security Information

~~SECRET~~

~~SECRET~~

3

Foreign Terrorist presence in the US

Program Nine in PDD-62 is Countering the Foreign Terrorist Threat in the US. Action is assigned to the Department of Justice.

Conclusion 2: The Ressam investigation revealed that the widespread organized terrorist supporters in the US could be a potential terrorist presence in the United States ("sleepers" and support networks) It also showed serious shortfalls in FBI and Justice capabilities to attack this domestic threat.

The CSG concluded that a number of groups have formed "sleepers cells" within the U.S. Their purpose is to engage in criminal activity, such as credit card fraud, cell phone cloning and black marketeering, to raise money for activities inside the United States and to provide funds for their comrades overseas. In addition, they provide the infrastructure to support foreign "hit teams" brought into the US or to carry out operations here when so ordered.

During interviews in connection with the Ressam case, FBI found numerous incidents of fraud and INS status violations by apparent supporters of terrorist organizations in cities throughout the country.

This foreign terrorist presence is widespread, including numerous metropolitan areas in which the FBI does not operate Joint Terrorism Task Forces (JTTFs) with other federal agencies and state/local police.

For example, in November, [REDACTED]

36 CFR 1256.46 - National Security Information

[REDACTED] As was the case with the World Trade Center bombing, the foiled plot to bomb the UN and mid-town tunnel, and most recently the role of the Algerians in Brooklyn to assist Ahmed Ressam, these groups do terrorist planning and can then support attacks or conduct attacks once activated.

The FBI and Justice were stretched to the limit of their capacity during the millennium threat and were forced to jury-rig their counter-terrorism operation to deal with the unprecedented number of FISA operations generated by the Ressam arrest. The DOJ and FBI infrastructure could not obtain

~~SECRET~~

~~SECRET~~

4

authorizations, do translations, absorb, process and disseminate in a time-critical manner the material necessary.

The CSG recommends that, to implement Program Nine of PDD-62, the FBI lead a significantly increased level of operations to identify and prosecute potential foreign terrorists engaged in criminal activity in the US including but not limited to: material support to terrorism, fund raising for terrorist groups, credit card/ cell phone fraud, alien smuggling, illegal possession of firearms, narcotics violations, identity fraud, and visa status violations. Supporting this effort should be Secret Service, FINCENT, ATF, IRS, OFAC, and DEA, INS.

To carry out this PDD-62 implementation effort DOJ and Treasury would need to:

- augment FBI special agent, analyst, and support personnel;

- establish an additional 12 JTTFs in US cities

- increase the non-FBI agent presence on JTTFs;

- create a national level FISA translation and analysis center for remoting electronic surveillance from cities around the country;

- augment DOJ attorneys to support increased indictments, prosecutions, and electronic surveillance;

- establish a counter-terrorism support cell in FINCEN.

Conclusion 3: The Ressam investigation revealed that a significant number of individuals residing in United States illegally that are aiding and abetting terrorist groups.

The December FBI and INS visits to potential terrorist supporters in the U.S. revealed widespread visa violations among the suspects and those sharing housing with them. Many arrive in the U.S. are "out of status" with the INS, without valid passports or entry visas.

At JFK airport alone, approximately 40 individuals arrive per week without papers, despite their having boarded with documentation. The aliens are usually given an INS court date some 6 - 9 months in future, but once released they blend into society and are never heard from again.

~~SECRET~~

~~SECRET~~

5

The Ressam investigation revealed the regular arrival of Algerians connected with the network upon tankers and freighters that dock in US harbors, such as the monthly LNG tanker that arrives in Boston from Algiers. The [] appears to involve a long standing alien smuggling operation some of which may be connected to the Montreal cell.

The Alien Terrorist Removal Court, which was meant to expedite the expulsion of possible terrorist supporters, has proved ineffective.

The CSG recommends the following steps:

- rewrite the Alien Terrorist Removal Court provisions;
- create in DOJ an interagency Center on the Smuggling of Humans, modelled on but smaller than the Counter-terrorism and Counter-Narcotics centers;
- step up implementation of PDD-9 on Alien Smuggling in areas where terrorist groups may use the organized human smuggling operations;
- increase holding space available to INS and routinely detain all personnel without papers entering the United States on scheduled airlines;
- increase enforcement against "non-crew" personnel on cargo and tanker ships docking in the US;
- continue and expand the INS program to track the visa status of foreign students from countries of concern;
- increase INS agent personnel.

Conclusion 4: The millennium threat revealed a significant shortfall in our border monitoring with Canada.

Canada has been used as a spring board for illegal penetration of the US for alien smuggling and drug distribution. In the Ressam case, this practice was expanded to terrorist activities. Our coverage of the northern border is inadequate. Chance played far too important a role in the arrest of Ahmed Ressam. Had Ressam chosen any number of unattended border crossings (there are 30 unmanned crossings in Minnesota alone) to enter the U.S., he would have shipped his explosives to their final

~~SECRET~~

~~SECRET~~

6

destination without a problem. We do not know how many other trips Ressam or his associates made carrying bombs into the US.

We do know that it is currently remarkably easy to enter the US from Canada carrying bombs or WMD material. It is also a simple matter for a terrorist to enter the US by driving through the unstaffed or daytime staffing only border crossings.

After the Ressam arrest, USCS augmented Canadian posts through increased use of overtime and other temporary measures for which it was not funded.

The monitoring presence on the northern border must be enhanced. While patrolling and controlling the northern border can not and should not approach the level of operations on the southern border, an increased presence is required. This includes deploying INS and Customs inspectors to previously unmanned crossings, increasing current coverage to a 24 hour presence at the highest priority posts and expanding our technological coverage through additional surveillance and explosive detection equipment.

The CSG recommends:

- achieving within two years a 24x7 presence at all Canadian border crossings;

- installation of physical (Jersey barriers) and technical (video cameras) at all Canadian border crossings;

- deployment of K-9 and/or trace detection equipment and WMD detection equipment at Canadian border crossings

~~SECRET~~

~~SECRET~~

7

Annex: Resource Requirements to Support the Revised Policy

Resource proposals to support the above recommendations are grouped into two categories; time-critical steps to be taken in the '00 budget and longer term steps that should be supported in the '01-'05 budgets.

Increased Intelligence Counterterrorism Operational Capability

Time Critical Steps

- HUMINT Funding for Remainder of 2000. CTC spent over 50% of its '00 budget during the Millennium Terror threat. As directed by the President, CTC continues a high tempo against Al-Qida and other transnational terror groups. At its current rate of operation, CTC will exhaust its '00 resources by May. \$80 million in '00
- Technical Collection. CIA requires additional funding to support computer operations, open source exploitation, clandestine technical collection and technical support. [REDACTED]

Longer Term Steps

- HUMINT CT Operations. Funding would support a more aggressive longer term operational tempo. 36 CFR 1256.46 - National Security Information
- Technical Collection. Funding would maintain the sustained level of technical collection. 36 CFR 1256.46 - National Security Information

Improving Northern Border Monitoring

Time Critical Steps

- Customs Service Overtime/TDY inspectors for next 6 months. This will provide an immediate response to the requirement to increase coverage of the northern border crossing. \$56 million in '00
- 24 hour coverage of high priority northern border locations. These are the highest priority border crossings, as identified by the Customs Service, that require immediate expansion of

~~SECRET~~

~~SECRET~~

~~SECRET~~

8

coverage to 24 hours. \$22.25 million in '00, \$35 million in '01

- Port Video Surveillance Equipment. Coverage will be expanded at 80 additional sites. \$8 million in '00

36 CFR 1256.46 - National Security Information

Longer Term Steps

- Increased Automation. To improve data processing and response. \$59.8 million in '01-'05.
- Improved Infrastructure at border crossings. This would provide more barriers, improved lighting, additional vehicles and secure communications. \$15.3 million in '01-'05

Strengthening Law Enforcement Counter-terrorism Capabilities

Time Critical Steps

- 5 Additional JTTFs. The FBI has identified 5 metropolitan areas that require immediate establishment of Joint Terrorism Task Forces. In addition, Treasury and INS should budget for increased representation at current and future JTTFs. (Need cost breakout for '00 from FBI)
- Linguist Capability. FBI relied on linguists from other agencies to translate and analyze data retrieved from the Deek, Idris, and Jordan cell computers. This resulted in unacceptable in analysis of potential threat information that could have had catastrophic consequences if additional threat information was discovered after the fact. FBI needs a more robust in-house Arabic and other unique language specialists on staff. \$3.8 million on '00

36 CFR 1256.46 - National Security Information

~~SECRET~~~~SECRET~~

~~SECRET~~

9

36 CFR 1256.46 - National Security Information

Longer Term Steps

- **Strengthen FBI Operational Capabilities.** A broad range of capabilities - such as terror incident response, extraterritorial investigations, and rapid deployment teams - require a sustained investment. \$20.1 million for '01-03.
- **Improved Collection Capability.** This would include an expanded digital collection system and new telecommunications circuits. \$40.7 million in '01 - '03

Restructured FISA Capability for Justice and FBI

- **Revamped Justice and FBI FISA Support.** The current Justice Department structure for supporting and overseeing FBI FISA activities is unable to respond to the present and predicted future environment. The OIPR office must be reconfigured and expanded to reflect the new requirements. This will require 26 additional FTEs for Justice and attendant information technological support. The FBI will need enhanced capability to prepare applications for surveillances and searches allowed under the FISA. \$700,000 in '01 for Justice, \$653,000 in '01 for FBI

~~SECRET~~

SECRET