
An Examination of the Effectiveness of State and Local Fusion Centers Toward
Federal Counterterrorism Efforts

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ABSTRACT

After the terrorist attacks on the United States in 2001, Congress deemed the sharing of intelligence information between tribal, local, state and federal authorities to be a vital aspect of the intelligence community. In the post 9/11 atmosphere, the legislative branch authorized the Department of Homeland Security to lead this initiative and determine the proper progression of the program. Since 2003, the program created or expanded over 70 state and local fusion centers nationwide to strengthen the United States' intelligence capabilities and federal counterterrorism efforts.

The importance and effectiveness of information sharing regarding fusion centers has come under fire in recent years from scholars and government officials due to monumental spending and perceived lack of productivity. Opponents feel the massive allocation of federal funds from the Department of Homeland Security to fusion centers is not warranted due to the small number of terror related analytic products generated by the centers. The effectiveness of the facilities is in question by notable scholars and government officials. However, state and local fusion centers have played momentous roles in the cessation of terrorist plots at the national level in several notable examples. These foiled plans terminated by the Intelligence Community saved countless American lives and avoided significant physical damages and costs. Further, the absence of a large scale attack on U.S. soil illustrates the successfulness of the new information sharing structure of the Intelligence Community.

The terror attacks on September 11, 2001 created a frenzy in the counterterrorism realm. The federal government created numerous agencies and entities to compensate for the previously piecemeal efforts. There are substantial costs associated with the creation of these programs. Now that the horrendous attacks are over a decade behind us and a massive subsequent attack has yet to occur, the federal government began to cut funding to many of these programs. Due to the significant costs of operating fusion centers, they are among those entities on the reduction list. Cutting these facilities could potentially result in a detriment to the security of the United States.

INTRODUCTION

The terrorist attacks against the United States on 9/11 illuminated the lack of a national, comprehensive intelligence fusion program through the ability of the terrorists to easily orchestrate the strike. While their strategy remained concealed, the terrorists operations were boldly carried out. Numerous instances related to the attack should have set off alerts to the intelligence community notifying them of the threat. Across the United States, the terrorists used their actual names when reserving airline tickets and enrolling in flight programs while making no attempt to mask their disinterest in taking off or landing a commercial airliner. Further, they used common addresses and openly communicated via the internet. After the attacks, researchers and officials deemed the creation of a program aimed at integrating the information known by the CIA internationally and the FBI locally could have recognized the plot prior to execution.¹ President Bush created the Department of Homeland Security, which, in turn, constructed state and local fusion centers to compensate for the lack of a large scale, domestic counterterrorism program formulated to synchronize local, state and federal efforts.

¹ Jennifer Sims, "Intelligence to Counter Terror: The Importance of All-Source Fusion," *Intelligence and National Security*, Vol. 22, Issue 1 (2007), 41.

Fusion centers operate as the core of information sharing for crime and terrorist activities in certain areas by identifying patterns and warnings and facilitating interdiction and coordination. By design, they accumulate and furnish tribal, local, state and federal agencies with essential intelligence about terror plots prior to engagement.² This bottom up approach facilitates intelligence dispersal to all levels of law enforcement in an effort to "connect all the dots" and eliminate the stovepipe effect present within the intelligence community prior to 9/11. Fusion centers' success relies on alleviating the gap in information sharing between entities. While the new structure of the intelligence community and information sharing possesses significant positive attributes, there is substantial criticism surrounding fusion centers. Many researchers and government officials argue state and local fusion centers lack the attributes to successfully coordinate and disseminate intelligence effectively toward the federal counterterrorism effort. It is the purpose of this report to assess if the intelligence produced by fusion centers provide enough of an impact to the federal counterterrorism effort to justify the facilities.

In recent years, numerous scholars assessed the inefficiencies and failures of state and local fusion centers, especially in regard to national counterterrorism efforts. The sweeping arguments focus on massive monetary expenditures in comparison to a considerably low level of success stories. It is the position of this paper that the successful contributions of fusion centers in the last decade to national counterterrorism efforts outweigh the expenses, inefficiencies and failures.

LITERATURE REVIEW

In order to fully assess the effectiveness of fusion centers, one must wholly understand the concepts and objectives behind the implementation of the facilities. The notion behind fusion centers is relatively simple. Analysts from several entities, to include federal, state, local and private sector employees, are centrally located in an effort to fuse intelligence streams together and create a larger pool of information. Fusion centers assume that if enough data and information can be merged and analyzed as a whole, answers will emerge that are key to defending the homeland from domestic threats.³ The centrality of the location allows for better intelligence to assist policy-makers' decisions regarding counterterrorism, crime and emergency response. The fusion centers work in conjunction with Joint Terrorism Task Forces (JTTFs) to provide strategic intelligence about regional interests in an effort to more thoroughly cover threats to the homeland.⁴ Joshua Frelich, Steven Chermak and Joseph Simone provide an example to illustrate the importance behind linking federal, state and local authorities. Many preparatory activities are conducted by terrorist cells prior to an attack. These activities largely go unnoticed by the FBI because they are minor, legal daily activities. However, local authorities often encounter these activities in daily patrols. Information sharing provided by fusion centers allow for the dots to be connected prior to an attack, which will hopefully thwart the threat.^{5,6} To

² Robert W. Taylor & Amanda L. Russell, "Failure of Police Fusion Centers & the Concept of National Intelligence Sharing Plan," *Police Practice and Research: An International Journal*, Vol 13, Issue 2 (2012), 185.

³ James M. Simon Jr., "Intelligence Analysis as Practiced by the CIA," *International Journal of Intelligence and Counter Intelligence*, 26:4 (2013), 643.

⁴ Henry H. Willis, Genevieve Lester & Gregory F. Treverton, "Information Sharing for Infrastructure Risk Management: Barriers and Solutions," *Intelligence and National Security*, 24:3 (2009), 353.

⁵ Joshua D. Freilich, Steven M. Chermak & Joseph Simone Jr, "Surveying American State Police Agencies About Terrorism Threats, Terrorism Sources, and Terrorism Definitions," *Terrorism and Political Violence*, 21:3 (2009), 452.

illustrate this point, a 2007 Congressional report on issues and options for fusion centers provides two examples. The first involved a local narcotics investigation surrounding a Canadian organization providing precursor chemicals to a Mexican drug ring. The Mexican group proved to in fact be a Hezbollah support cell. Additionally, a local investigation into car theft ring in California uncovered a domestic assembly supporting Chechen terrorists.⁷ There is no way to determine if and when federal authorities would have uncovered these groups without the assistance of state and local entities.

Many scholars conducted a significant amount of research regarding the inefficiencies and failures surrounding state and local fusion centers. Several researchers state the breakdowns in fusion center intelligence gathering, analysis and dissemination are reason to terminate the program and restructure the Intelligence Community once more. Other scholars understand the potential of state and local fusion centers, yet believe the system would be effective enough with fewer facilities. The Heritage Foundation believes Congress should reduce the number of fusion centers nationwide in an effort to streamline the counterterrorism process by eliminating funding to those centers outside the 31 urban area designated to possess the highest risk of an attack.⁸ Either of the above calls to action would significantly hinder the progress and achievements of information sharing, which is now a vital aspect of counterterrorism efforts. There is a significant amount of research available pertaining to failures of fusion centers in utilizing the information available to detect terrorist plots in their respective regions. The argument's core is the centers' lack of focus on counterterrorism efforts in order to concentrate on community needs and local crimes.⁹ The lack of requirement for continuous counterterrorism efforts at a state or local level contributed to this shift in order to maintain productivity. Local law enforcement agencies are more tactical than strategic in nature, which inhibits their ability to effectively collect and analyze intelligence that is beneficial at a national level. Additionally, fusion centers are the focus of a substantial amount of public controversy.

According to R. Don Lauder, Jr., the list of inadequacies and disparities facing fusion centers is extensive. Among his list of issues, several gaps are worthy of noting. First, he states the information derived from fusion centers generally results in tactical analysis instead of the strategic analysis required to assess broader trends of terrorism. In order to conduct superior strategic analysis, the fusion centers require access to information obtained at higher levels of the Intelligence Community. Although information sharing has improved in the post 9/11 atmosphere, many fusion centers state they still lack the support of federal agencies and receipt of pertinent information, which hinders their ability to produce actionable products. Like other scholars, Lauder argues fusion centers must shift from a reactive to proactive position to offer significant contributions to the national effort to fight terrorism. Additionally, a lack of continuity between fusion centers increases the issues they face nationally. These disparities range from funding to staffing to metrics for measuring successes or failures due to a lack of

⁶Paragraph extracted from "All Source Fusion Centers: Does the Intelligence Gained Outweigh Potential Risks to American Civil Liberties?" by Tricia Devine, University of Texas at El Paso, December 1, 2013.

⁷ Congressional Research Service, "Fusion Centers: Issues and Options for Congress," by Todd Masse, Siobhan O'Neil and John Rollins, 144T (Washington D.C., United States Government Printing Office, 2007), 7-8.

⁸Jessica Zuckerman, Steven Bucci, James Carafono, "60 Terrorism Plots Since 9/11: Continued Lessons in Domestic Counterterrorism," The Heritage Foundation, July 22, 2013, accessed November 20, 2014, <http://www.heritage.org/research/reports/2013/07/60-terrorist-plots-since-911-continued-lessons-in-domestic-counterterrorism>.

⁹ Robert W. Taylor & Amanda L. Russell, "Failure of Police Fusion Centers & the Concept of National Intelligence Sharing Plan," *Police Practice and Research: An International Journal*, Vol 13, Issue 2 (2012), 187.

federal guidelines for the centers.¹⁰ Therefore, Ladner argues the products generated by the centers are frivolous in terms of national counterterrorism efforts.

However, many scholars support the implementation of state and local fusion centers. Proponents of the national information sharing system argue that the absence of large scale successful attacks on United States soil indicate the achievements of the new structure. The new information sharing atmosphere arose out of necessity and the termination of the Cold War "need to know" era of intelligence sharing to today's "need to share" structure. Budinger and Smith argue information sharing of the previous decade was inadequate in protecting Americans from the asymmetric threats of today's world.¹¹ Although there are considerable risks to the increase of information sharing due to civil liberty infringements, potential leaks of classified data and over saturation, the risks of not sharing the information and potentially compromising American lives are far greater.

Nearly a decade after the large scale implementation and proliferation of state and local fusion centers in the United States, several government and private groups have released evaluations of fusion centers. Understanding these assessments is essential to fully grasping the fusion center process and criticisms behind the facilities.

Permanent Subcommittee on Investigations Report

To begin, it is prudent to understand the controversies surrounding fusion centers. Congress ordered a bipartisan investigation by the Permanent Subcommittee on Investigations to assess the federal support and involvedness in state and local fusion centers in 2012. The committee concluded the contributions of state and local fusion centers has not played a significant role in federal counterterrorism efforts. The investigation asserted the intelligence discovered by fusion centers was mediocre in comparison to federal intelligence, rarely produced in a timely manner and often infringed on private citizen's civil liberties. Further, the report asserted the produced intelligence often originated from previously produced sources and at times was completely unrelated to terrorism. Instead, the reports often focused on criminal activity such as drug trafficking, human smuggling and gang activity. The report suggests the work of fusion centers is redundant and overlaps with federal agencies and programs such as National Crime Information Center and the Terrorist Screening Database. Committee members proposed several suggestions following the conclusion of the investigation. The report suggests statutory review of the basis of DHS's involvement in state and local fusion centers to ensure proper oversight of regulations and funding. In addition, an overview of the information sharing process and collection techniques must be addressed in order to produce more actionable intelligence while simultaneously ensuring the protection of civil liberties.¹²

Another largely contested aspect of fusion center regards federal funding provided through the Department of Homeland Security. The Senate Subcommittee evaluated the spending issue in their Congressional report and widely criticized the allocation of funds. It found DHS to be unaware of how the fusion centers utilized the resources due to a lack of accountability. The report illuminated DHS's inability to ascertain whether or not the spending of

¹⁰R. Don Ladner Jr., "A Trusted National Fusion Center Network: Are Baseline Capabilities and Accreditation Needed?" Naval Post Graduate School, Masters Thesis (2012), 24-32.

¹¹Zoe Baird Budinger and Jeffrey H. Smith, "10 Years After 9/11: A Status Report on Information Sharing," Senate Committee on Homeland Security & Governmental Affairs, October 12, 2011, 1-4.

¹²United States Senate Permanent Subcommittee on Investigations, Committee on Homeland Security and Governmental Affairs, *Federal Support for and Involvement in State and Local Fusion Centers*, by Carl Levin and Tom Coburn, Washington, D.C., United States Government Printing Office, 2012, 1-4.

federal monies by fusion centers contributed to federal counterterrorism efforts. Further, reports suggest state and local fusion centers allocated grants toward expenditures such as rent, vehicles and surveillance equipment which did not enhance their intelligence analysis capabilities. A major contribution to the issue was a lack of spending requirements for federal grants by DHS during the early years of the program. However, DHS and FEMA implemented oversight programs to partially alleviate these issues in recent years.¹³

Lastly, the Senate Subcommittee on Investigations assessed that state and local fusion centers lacked the ability to develop the needed capabilities to significantly contribute to federal counterterrorism efforts. According to the report, since the influx of fusion centers in 2003 DHS has been unable to clearly identify a single instance of fusion centers providing intelligence thwarting a terroristic plot. In a step further, the Senate Subcommittee stated in their findings that fusion centers actually hold the potential for hindering federal activity in counterterrorism and derailing their efforts. The Committee stated they were unable to substantiate whether or not the intelligence provided in the cases outlined by DHS was as significant as portrayed, unique to the analytical framework of fusion centers or would have been lacking if fusion centers were absent. The report determined the majority of fusion centers lacked physical security, proper training of personnel, the ability to distribute warning information to authorities and the capacity to effectively communicate and share information with federal agencies. Further, the report illuminated that some fusion centers decentralized their mission from counterterrorism to focus on criminal activity and public safety.¹⁴

The claims of fusion centers actually hindering federal counterterrorism efforts are rooted in a few cases. The first of which occurred in late 2011 at the Illinois State Terrorism and Intelligence Center. The center discovered an intrusion on the local water district's control system from an IP address located in Russia. The center claimed the intruder inserted commands to force the water pump to burn out. Upon further investigation, DHS determined the utility company was not under attack or at risk. An employee of the water district logged into the system while on vacation in Russia with family. Further, the water pump seized five months after his trip, indicating no connection between the two instances. The report by the fusion center and DHS resulted in a federal case, which diverted attention away from actual threats.¹⁵ The report cites the high profile shooting of Arizona Representative Gabrielle Giffords as another example of poor analytic efforts by a fusion center in which resulted in negative federal counterterrorism efforts. After the shooting, the Arizona Counterterrorism Information Center publically claimed the shooter targeted Giffords due to her religious background and asserted claims he was associated with an anti-semantic group. Upon further investigation, authorities deemed the assailant did not belong to such a group, but instead previously subscribed to a newsletter.¹⁶ In this case, the analytic capabilities of the fusion center were under fire and federal authorities determined it was operating out of its league. The Senate Subcommittee on Investigations concluded their report on fusion centers by asserting they were largely ineffective in federal counterterrorism efforts.¹⁷

¹³United States Senate Permanent Subcommittee on Investigations, Committee on Homeland Security and Governmental Affairs, *Federal Support for and Involvement in State and Local Fusion Centers*, by Carl Levin and Tom Coburn, Washington, D.C., United States Government Printing Office, 2012, 64-84.

¹⁴ibid, 83-84.

¹⁵ibid, 102.

¹⁶ibid, 103-104.

¹⁷ibid, 105.

American Civil Liberty Union Controversy

Because fusion centers collect, analyze, and disseminate information on potential criminal and terrorist threats, some entities, such as the American Civil Liberties Union (ACLU), have raised concerns that centers are susceptible to privacy and civil liberties violations. Since inception, a considerable amount of backlash has risen surrounding fusion centers by the ACLU around the possible infringement of American citizen's civil liberties during the collection of intelligence. The ACLU has outlined numerous threats to the American public with regard to Intelligence Fusion Centers. To begin, the nature of the fusion between federal, state and local law enforcement agencies allows for ambiguous lines of authority for oversight. There are a considerable number of federal employees working at the state/local levels within the centers. In addition, the federal government is granting security clearances to state employees, which grants them access to information usually reserved for an individual with federal ties. This overlay of employees creates an environment ideal for "policy shopping."¹⁸ Further, Intelligence Fusion Centers also incorporate intelligence acquired from the private sector. The ACLU takes issue with this for a myriad of reasons. The largest reason is the potential of private companies to distribute information to the federal government that may violate the rights of its employees or those who it does business with on a daily basis. Additional reasons surrounding the issue of the association of private sector with fusion centers is potential government misuse, unfair advantages, extending state surveillance into private companies and prospective spying.^{19,20}

The immense potential for civil liberty violations of United States' citizens is foremost in the argument. The ACLU states fusion centers lack clear lines of authority and engage in data mining.²¹ They argue these factors exacerbate failures and contribute to the collapse of the structure and neutralize any success fusion centers attain. The ACLU feels very strongly that Intelligence Fusion Centers equate to data mining. Data mining is the process of using readily available information and creating new knowledge considerably faster than any human could do manually. Ideally, data mining can establish connections between people, places and things in an effort to determine the possible development of sleeper cells within the United States.²² The ACLU fears this process will also result in innocent Americans being "flagged, scrutinized, investigated, placed on watch lists, interrogated or arrested, and possibly suffer irreparable harm to their reputation, all because of a hidden machinery of data brokers, information aggregators and computer algorithms."²³ Because the fusion process links information obtained from various agencies in hopes of identifying a potential threat, links have the potential of creating a false positive in regard to a terrorism threat on paper that does not actually exist, thereby inadvertently disrupting the life of an innocent American and violating his/her civil liberties. Siobhan O'Neil, who is partly responsible for *Fusion Centers: Issues and Options for Congress*, states the ACLU's claim against fusion centers is largely unwarranted, especially in regard to private sector

¹⁸American Civil Liberties Union, *What's Wrong With Fusion Centers?* New York. Michael German and Jay Stanley (2007), 10.

¹⁹Paragraph extracted from "All Source Fusion Centers: Does the Intelligence Gained Outweigh Potential Risks to American Civil Liberties?" by Tricia Devine, University of Texas at El Paso, December 1, 2013.

²⁰American Civil Liberties Union, *What's Wrong With Fusion Centers?* New York. Michael German and Jay Stanley (2007), 13-14.

²¹ *ibid*, 9.

²²Jennifer Sims, "Intelligence to counter terror: The importance of all-source fusion," *Intelligence and National Security*, 22:1 (2007), 51.

²³ American Civil Liberties Union, *What's Wrong With Fusion Centers?* New York (2007), by Michael German and Jay Stanley, 15.

relations.²⁴ To date, their concerns have not come to fruition. That is not to say they could never occur, but at this time the concerns should be understated.²⁵

By design, today's fusion centers must intimately interact with local law enforcement agencies, as they are generally in first contact with terrorists and local informants. This exchange led to a shift of tribal, state and local law enforcement to intelligence led policing (ILP). Robert Taylor and Amanda Russell argue that the shift to ILP caused an undesirable militarization of law enforcement agencies and forces them to assume roles, strategies and techniques akin to federal law enforcement agencies. This movement significantly increases the potential for civil liberty violations and racial profiling at local levels. The authors argue local law enforcement agencies will likely return to their traditional roles as the limitations of fusion centers do not outweigh the information attained and products generated.²⁶ On the opposing side of the argument, Robert Brooks argues that ILP does not modify the role of the police officer. Instead, it encourages the officers to do what they are trained to do - identify suspicious activity, report the crime and prevent the crime. He states that ILP ensures federal, state, local and tribal enterprises are able to fully contribute to the Homeland Security mission.²⁷

Federal Government's Commitment to Fusion Centers

Ronald Brooks, Director of the Northern California Regional Intelligence Center, points out that prior to the attacks on 9/11 and the establishment of fusion centers, tribal, local and state authorities lacked an adequate means of communicating threat information with federal partners. The National Network of Fusion Centers are a critical asset in the national prevention of terrorist attacks and protection of the public.²⁸ Brooks states, "The National Network of Fusion Centers plays a critical role in protecting the homeland and should be considered a national asset."²⁹

Contrary to the immense amount of criticism and backlash surrounding state and local fusion centers, the federal government is not abandoning them. The Department of Homeland Security and other federal agencies continue to provide fusion centers with funding and support in order to enhance their capabilities. Following the Senate Subcommittee's report, Homeland Security and Governmental Affairs Committee Chair Joe Lieberman voiced his disagreement with its findings. He asserts the important roles fusion centers nationwide played in numerous counterterrorism cases and the generation of leads in federal investigation cases. Lieberman states:

"Without fusion centers, we would not be able to connect the dots. Fusion centers have been essential to breaking down the information silos and communications barriers that

²⁴Congressional Research Service, *Fusion Centers: Issues and Options for Congress*, by Todd Masse, Siobhan O'Neil and John Rollins, Washington D.C., United States Government Printing Office, 2007.

²⁵Paragraph extracted from "All Source Fusion Centers: Does the Intelligence Gained Outweigh Potential Risks to American Civil Liberties?" by Tricia Devine, University of Texas at El Paso, December 1, 2013.

²⁶ Robert W. Taylor & Amanda L. Russell, "Failure of Police Fusion Centers & the Concept of National Intelligence Sharing Plan," *Police Practice and Research: An International Journal*, Vol 13, Issue 2 (2012), 188.

²⁷Ronald E. Brooks, "Statement for the Record- Ten Years After 9/11: A Status Report on Information Sharing," National Fusion Center Association, October 12, 2011, accessed November 12, 2014. http://fas.org/irp/congress/2011_hr/101211brooks.pdf.

²⁸ *ibid.*

²⁹ *ibid.*

kept the government from detecting the most horrific terrorist attack on this country - even though federal, state, and local officials each held valuable pieces of the puzzle."³⁰ He outlines numerous shortcomings of the report which skewed the committee's findings. Lieberman asserts ignoring the flow of information from the top down through fusion centers diminishes the importance of frontline authorities detecting and eliminating potential terror plots and better securing the homeland. Further, Senator Lieberman acknowledges the deficit of knowledge and products from fusion centers initially following inception. However, the Department of Homeland Security and the centers themselves greatly improved their capabilities in recent years.³¹

Significant federal funding and grants illustrates the federal government's commitment to fusion centers and recognition of their importance to counterterrorism efforts. Due to their feet on the ground approach, fusion centers are central to identifying local information regarding potential threats, homegrown terrorists and provide a means to distribute federal terrorism information to more localized agencies.³² In order to ascertain the quality of information prepared by fusion centers, several federal agencies partnered up in 2010 to orchestrate a methodical assessment of each fusion center's strengths, gaps and weaknesses, specifically with regard to their ability to gather, receive, analyze and disseminate intelligence information. DHS utilized the results of the assessment to develop and implement a Fusion Center Assessment Process to annually assess progress and deficits within the centers.³³

HYPOTHESIS

It is the initial assessment of the author that the research regarding the counterterrorism efforts and national contributions of state fusion centers will prove to outweigh the failures and inefficiencies outlined by scholars. State fusion centers played significant roles in the discovery, collection, analysis and dissemination of information pertaining to national terrorism threats. The cessation of attacks equivalent to September 11th on U.S. soil not only saves lives, but the monetary savings privately and publically are astronomical. This must be considered when comparing the successes and failures of fusion centers. Further, while the majority of analytic products generated by state fusion centers do not result in significant national counterterrorism information, the collaboration on the NYC subway bombing, for instance, support the need for the centers. The remaining reports are not worthless, but instead focuses on gang violence, human trafficking, drug smuggling and other more local crimes. These crimes are also vitally important to address on a national counterterrorism level, as some terrorists will engage in lower level crimes in preparation for a larger attack. The overall speculation of the author regarding the effectiveness of state and local fusion centers on the federal counterterrorism effort relies on the comparison of the potential costs of a terror attack which are eliminated due to the detection of the plots to the costs of operating the facilities.

³⁰ United States Senate Committee on Homeland Security & Governmental Affairs, "Fusion Centers Add Value to Federal Government Counterterrorism Efforts," October 3, 2012, accessed November 29, 2014, <http://www.hsgac.senate.gov/media/fusion-centers-add-value-to-federal-government-counterterrorism-efforts>.

³¹ *ibid.*

³² United States Government Accountability Office, "Information Sharing: Progress Made and Challenges Remaining in Sharing Terrorism-Related Information," by Eileen Lawrence, GAO-12-144T (Washington D.C., United States Government Printing Office, 2011), 10.

³³ *ibid.*, 12-13.

METHODOLOGY

In order to assess the value of the intelligence generated by state and local fusion centers, this report conducts an in-depth analysis of significant information sharing success stories to assess the efficiencies and success of state fusion centers' contributions to national counterterrorism efforts. Due to a lack of metrics and inconsistencies between the 77 state and local fusion centers, and quantitative analysis of contributions to the national environment is not possible. The subjective nature of a qualitative analysis is to be overcome through comparisons to fusion center failures and historical references. The information contained in this report was attained through internet research of new articles generated from local sources. To assess the situations further, the author contacted various state and local fusion centers and local FBI offices involved in specific cases to obtain additional information surrounding cases. After conducting an assessment of state and local fusion center success stories, this report offers a description of notable fusion center failures for comparison. By comparing state and local fusion center successes and failures, the value of the intelligence produced by the centers is to be determined. Lastly, a brief assessment of numerical values and costs associated with terrorist attacks is to be conducted in order to fully illustrate the potential effects of state and local fusion centers on the federal counterterrorism effort.

ASSUMPTIONS

In order to properly ascertain the effectiveness of fusion centers, several notions surrounding the facilities must be understood. The value added by fusion centers to the federal counterterrorism effort and their fundamental contributions rely on several assumptions. First, the inherent value that intelligence contributes in the prevention of terrorist attacks is assumed. Second, the fusion of data is essential to the creation of a comprehensive threat assessment. Third, tribal, local and state authorities as well as the public sector possess an exclusive vantage point which enables them to identify and collect information imperative to creating the thorough picture referenced above. Lastly, the positive outcomes generated from fusion centers benefit all levels of the government.³⁴

RESULTS

This report examines five instances of state and local fusion centers playing crucial roles in the identification, analysis and dissemination of information in terrorist plots which ultimately led to arrests and prevention of large scale attacks on United States soil. In addition, notable failures of fusion centers are offered in addition in order to provide a complete picture of the accomplishments of state and local fusion centers. Finally, an assessment of the direct costs of terrorism attacks on the United States economy is provided through the utilization of another researcher's computations and surveys of various types of terrorist attacks.

NYC Subway Plot

A major success story of fusion centers lies in the successful termination of Najibullah Zazi's plan to detonate explosives in the New York City subway system on September 11th, 2009. Officials estimate this attack possessed the potential to be the worst attack since 9/11 eight years prior. Countless American lives were saved by thwarting Zazi's plan, which included two additional co-conspirators. The three individuals were to act as martyrs and board separate

³⁴ Congressional Research Service, "Fusion Centers: Issues and Options for Congress," by Todd Masse, Siobhan O'Neil and John Rollins, 144T (Washington D.C., United States Government Printing Office, 2007), 3-4.

subway trains during New York City rush hour with backpacks containing explosives to be detonated in unison.

Zazi began collecting the supplies needed in August of 2009 and embarked on creating the explosive materials in early September in a small hotel room. The suspect encountered trouble with his concoction on September 6th and attempted email contact with a known al-Qaeda operative in Pakistan. During the course of several hours, Zazi sent the following three messages:

- "I need a [sic] amount of the one mixing of (flour and ghee oil) and I do not know the amount."
- "Plez reply to what I asked u right away. The marriage is ready flour and oil."
- "Me and friends r all ok and plz sends me details about [it] Right away plz."³⁵

This string of emails is what first alerted authorities to the plan. First and foremost, contact with a known terrorist from inside the United States alarmed authorities. Second, the references to baking and marriage signified explosives and a suicide attack. The Denver FBI office joined forces with the California Information Analysis Center and immediately enacted 24 hour surveillance on the suspect. Zazi acquired and rental car and began his trip from Denver to New York City. After Zazi reached New York City, his rental car was towed and searched only to discover his laptop with bomb making notes in the trunk. The subject became aware of the surveillance while in New York and decided to abort the plan without execution and return to Denver. The investigation and media attention surrounding the case eventually lead to cooperation among two of the three conspirators. In 2012, the three would-be terrorists were convicted in the case.³⁶

The plot to use explosives on the New York City subway system was ultimately spoiled due to the hard work, dedication and collaboration of the New York and Denver police agencies, the FBI, and DHS.³⁷ James Davis, the former head of the Denver FBI field office, stated in an interview that the California Information Analysis Center (CIAC) played a pivotal role in the case. The center provided analytic support in September of 2009 to the Denver FBI office regarding suspicious activity reported through its 1-800 number and website. The CIAC supplied investigative assistance and field operational support to the local FBI office during the exploration of the suspect.³⁸ In addition, the center's analysts uncovered information concerning the suspect's friends and relatives and a local state trooper who pulled the suspect over in a rental car on the interstate is the one who discovered he was headed to New York.³⁹ "Without the CIAC, there would be no system for gathering that information from those points of contact," Davis added. "There's no way the FBI would have the manpower to do that."⁴⁰ Further, upon

³⁵ James Davis, "The Role of the Fusion Center in Counterterrorism Operations," *The Police Chief: The Professional Voice of Law Enforcement*, Vol. LXXX, No. 2 (2013), 20-26. http://www.policechiefmagazine.org/magazine/index.cfm?fuseaction=display_arch&article_id=2865&issue_id=22013.

³⁶ *ibid.*

³⁷ Zoe Baird Budinger and Jeffrey H. Smith, "10 Years After 9/11: A Status Report on Information Sharing," Senate Committee on Homeland Security & Governmental Affairs, October 12, 2011, 4.

³⁸ "2007-2009 Fusion Center Success Stories," Department of Homeland Security, July 9, 2013, accessed November 13, 2014, <http://www.dhs.gov/2007-2009-fusion-center-success-stories>.

³⁹ Ex-FBI Denver Head Slams Terror Center Report, "CBS Denver.com, October 3, 2012, accessed November 13, 2014, <http://denver.cbslocal.com/2012/10/03/ex-fbi-denver-head-slams-terror-center-report/>.

⁴⁰ *ibid.*

discovery of the purchase of hydrogen tanks by Zazi in the Denver area, the FBI linked with the state fusion center to quickly investigate if the suspect purchased additional tanks of hydrogen elsewhere in the state. A network of Terrorism Liaison Officers enabled this rapid, mass search of purchases. Investigators utilized the same network of officers to canvas storage facilities throughout the state to uncover if the suspect possessed unknown explosive reserves.

Raleigh Jihad

In 2009, Daniel Patrick Boyd and six others were arrested for the attempted attack on Quantico in what's known as the "Raleigh Jihad" case. The men intended to attack the military base with the objective of killing service personnel. Prior to the execution of the assault, authorities detained the assailants while attempting to procure weapons and base maps to perform the attack.⁴¹ Inevitably, this ended the terrorists' plot and saved the lives of numerous service members at the Quantico military base.

Cooperation of state and federal authorities resulted in this success story. The FBI partnered with the North Carolina Information Sharing and Analysis Center for the investigation of this plan and successfully terminated the plot prior to execution.⁴² The North Carolina Information Sharing and Analysis Center obtained information through its community outreach program regarding a faction of homegrown extremists preparing to orchestrate the attack outside of Raleigh, NC. The fusion center provided the intelligence to the Federal Bureau of Investigation, which ultimately resulted in the conviction and incarceration of seven terrorists.⁴³

After further investigation, officials discovered Boyd and his coconspirators participated in militant camps in Pakistan and Afghanistan during the latter part of the 1990s and provided money, transportation and men to aid in terror activities overseas.⁴⁴ Further, Boyd traveled to Gaza to attempt entrance into Palestine with one of his sons to rally with other extremists in early 2006. In June of 2007, the assailant traveled to Israel to participate in violent acts of jihad. His failing endeavors forced him to return to the United States without successfully contributing to jihad. Upon return, United States authorities questioned him twice regarding his recent trip to Israel. However, Boyd made fictitious reports during both encounters. The following year, he solicited and transmitted funds overseas for others to engage in jihad. Lastly, Boyd and several other defendants acquired and sold numerous firearms to individuals seeking them for jihad purposes.⁴⁵

To attain additional information regarding this plot, the North Carolina Information and Analysis Center was contacted. The center stated it was unable to provide specifics on this particular case and directed contact to the North Carolina FBI. Unfortunately, the North Carolina FBI field office ignored the request for additional information regarding this case.

⁴¹Jerry J. Gilmore, "FBI, Navy Foiled Alleged Terror Plot on Quantico," U.S. Department of Defense News, September 25, 2009, accessed November 21, 2014, <http://www.defense.gov/news/newsarticle.aspx?id=55980>.

⁴²Newton Lee, "Counterterrorism and Cybersecurity: Total Information Awareness," Springer Science + Business Media: New York, 2013, 28.

⁴³"2007-2009 Fusion Center Success Stories," Department of Homeland Security, July 9, 2013, accessed November 13, 2014, <http://www.dhs.gov/2007-2009-fusion-center-success-stories>.

⁴⁴Brian Freskos, "Anti-Terror Agency Points to NC Case as Example of Success," StarNews Online, Feb. 22, 2013, accessed November 13, 2014, <http://www.starnews.com/article/20130222/ARTICLES/130229895?template=printpicart>.

⁴⁵"St. Louis Fusion Center: Terrorism Early Warning Group- Seven Charged with Terrorism Violations in North Carolina," FBI, July 27, 2009, accessed November 18, 2014, <http://www.sltew.org/screenprint.aspx?newsletterid=2088&AspxAutoDetectCookieSupport=1>.

Exploding Model Airplane Plot

In the fall of 2011, Rezwan Ferdaus attempted to fly model airplanes packed with C-4 plastic explosives into the Pentagon and Capitol building in Washington D.C. However, this was not his first effort to attack United States assets. Rezwan Ferdaus has a long term history of attempting to engage in jihad against the United States and its population. His saga began in early 2010 when he endeavored to supply material support and resources to al'Qaeda to commit attacks on U.S. soldiers and personnel stationed overseas.⁴⁶ However, the al'Qaeda recruiters he believed to be working with were in reality undercover FBI agents. Ferdaus provided the agents with mobile phones he modified to act as IED switches. The assailant believed the phones were to be used against U.S. soldiers. The agents followed up with Ferdaus the following summer and reported the phones were used to kill three United States soldiers and wound four to five others. He responded with, "That's exactly what I wanted!"⁴⁷ In September of 2011, Ferdaus produced a video demonstrating how to make the detonators and provided it to the undercover agents. He hoped the agents would produce additional IED devices on their own and further his pursuit against U.S. soldiers.

Ferdaus's interaction with federal agents continued for nearly two years. During that time, he divulged his plan to utilize three small drone planes packed with explosives and six individuals that were to fly the devices into the United States Capitol building and the Pentagon by providing the agents with thumb drives detailing the attack. Several months later, Ferdaus modified his plan after a site trip to D.C. He added a ground directive armed with automatic weapons to expand the attack. He also detailed this modification on a thumb drive provided to authorities. Following his trip, Ferdaus began acquisition of the needed equipment and stowed it in a storage facility rented under an alias. In September of 2011, Ferdaus received the planes, assault rifles and what he believed to be explosive material. After inspection, he obtained possession of the material and was immediately arrested.⁴⁸

His plan abruptly ended due to intelligence provided to Federal authorities from the Massachusetts state fusion center.⁴⁹ While the details of this case and the specifics of the contributions of state, local and federal authorities are not readily available for discussion, it is the common consensus among news sites that the Commonwealth Fusion Center located in Massachusetts contributed significantly to this case. For this report, the fusion center and the Massachusetts FBI field office were contacted for additional details. However, both offices declined to respond to the contact.

Seattle Military Recruiting Center Plot

In 2011, an informant in Seattle provided information to local authorities that thwarted a plot to attack a military recruiting center in the city leading to the arrest of two homegrown Islamic extremists.⁵⁰ This instance illustrates the accomplishments and effectiveness of state and local

⁴⁶"Massachusetts Man Charged with Plotting Attack on Pentagon and U.S. Capitol and Attempted to Provide Material Support to a Foreign Terrorist Organization," U.S. Attorney's Office, September 28, 2011, accessed November 18, 2014, <http://www.fbi.gov/boston/press-releases/2011/massachusetts-man-charged-with-plotting-attack-on-pentagon-and-u.s.-capitol-and-attempting-to-provide-material-support-to-a-foreign-terrorist-organization>.

⁴⁷ *ibid.*

⁴⁸ *ibid.*

⁴⁹Newton Lee, "Counterterrorism and Cybersecurity: Total Information Awareness," Springer Science + Business Media: New York, 2013, 28.

⁵⁰ Hal, Bernton, Mike Carter, and Steve Miletich, "FBI Says Terrorism Cases on Upswing," The Seattle Times, modified August 28, 2012, accessed October 13, 2014, http://seattletimes.com/html/localnews/2015427889_terror26m.html.

fusion centers in counterterrorism efforts. The informant provided tape recording of Joseph Anthony Davis preparing for a terrorist attack utilizing grenades and machine guns. Authorities used the third party to gain additional information by aiding him in attaining weapons.

Criminal Intelligence Analyst Kia Graham of the Washington State Fusion Center (WSFC) provided a timeline of events regarding this attack. In early June of 2011, an individual contacted the Seattle Police Department to report he was approached to participate in a terrorist plot by Abu Khalid Abdul-Latif, also known as Joseph Anthony Davis, to attack Joint-Base Lewis-McChord. Investigation into the case began immediately by a Seattle Police Detective assigned to the WSFC. The private citizen was interviewed by the detective and acceded to be a confidential human source in the case. Upon further investigation, the police department deemed it necessary for the case to be presented to the local FBI office. Three days later on June 6th, the detective, private citizen and the FBI- Joint Terrorism Task Force convened and the case quickly became a Federal Terrorism Case. Surveillance of the informant and Abdul-Latif commenced immediately that day, and the police department and terrorism task force jointly recorded audio and video tape of their conversations discussing attack plans. On June 8th, the Abdul-Latif opted to modify his target from Joint-Base Lewis-McChord to Seattle Military Entrance Processing Station (MEPS) after conducting further inspection of each target. The following week, Abdul-Latif and the contact began planning acquisition of weapons to execute the attack. Abdul-Latif's co-conspirator Walli Muhajidh of Los Angeles, CA began movement towards Seattle on June 20th. Two days later, Abdul-Latif and Muhajidh were arrested by federal authorities when they attempted to gain possession of the weapons.⁵¹

The WSFC received the initial information regarding this terroristic plot. The facility was instrumental in providing analytic and investigative support to federal agencies, which expedited the response time and thwarted the attack. The WSFC is centrally located within the Seattle FBI field office, which enabled analysts to coordinate and facilitate synchronization between local and federal entities.

The 2011 MEPS terrorism plot possesses ties to an individual with terroristic actions in Los Angeles from July of the same year. Michael McCright attempted to run a government owned vehicle off of highway I-5 on July 12, 2011. Two uniformed marines occupied the van and provided statements to the police regarding the incident. According to the driver of the van, McCright pulled up beside the vehicle and noticed the marine uniform on the passengers. At that time, the assailant attempted to run the van off the road. Following his failed attempt, he pulled in front of the van and slammed on his brakes forcing the military van to take evasive measures in order to avoid collision. After failing once more, McCright fled the scene and the marines called the police and reported the incident and the license plate. McCright was detained while driving his vehicle and positively identified in a police lineup.⁵²

The information regarding this case was submitted to the WSFC main intake email address as a lead. The reporting party attained the initial information from the Joint Regional Intelligence Center in Los Angeles, CA and knew the importance of further investigation due to the reporting party's familiarity with the fusion center process. Analysts at the WSFC identified inconsistencies in the case and determined the need to further vet the parties involved through background checks. The investigation resulted in case preparation and a Suspicious Activity

⁵¹ Graham, Kia, e-mail message to Tricia Devine, November 20, 2014.

⁵² Curtis Cartier, "Michael McCright, Seattle Ex-Con Charged with Running Marines off Road, May Also Have Connect to JBLM Terror Plot," September 14, 2011, accessed November 24, 2014, http://www.seattleweekly.com/dailyweekly/2011/09/michael_mccright_seattle_ex-co.php.

Report. A WSFC detective initiated investigative follow up, which uncovered McCright was a prison-radicalized Islamic Extremist. Further, McCright's called Abdul-Latif three times with his cell phone prior to his July 22nd arrest. This case turned into a federal investigation in September of 2011, and the assailant pled out to lesser charges.⁵³

University of Illinois Shooting Plot

The Illinois Statewide Terrorism and Intelligence Center prevented a "Virginia Tech Style" shooting plot in January of 2008. The center received a tip regarding a Virginia citizen declaring to be in route to the University of Illinois to gun down a female subject and her boyfriend. The alleged attacker then planned to open fire on the campus. Within hours of the initial lead, the fusion center worked in conjunction with the Virginia Fusion Center to generate and disseminate an Intelligence Alert to state and local law enforcement officers nationwide. State police located and detained the suspect the following day. Following the arrest, the case became federal and the subject pled guilty to five counts of transmitting in interstate commerce and communications threatening to injure the person of another.⁵⁴

There is little additional information available surrounding this case. However, the Department of Homeland Security determined the information and the actions by the Illinois Statewide Terrorism and Intelligence Center warranted referencing on their "2007-2009 Fusion Center Success Stories" list. Both the FBI Chicago field office and the Illinois Statewide Terrorism and Intelligence Center were contacted for additional information surrounding this case. Both offices declined to respond to the request.

Failures

Throughout the available research on information sharing failures of fusion centers, the two stories offered below regarding fusion center counterterrorism collapses are continuously referenced by scholars. These instances are earmarked as fusion center failures due to a disconnect in information sharing between local, state and federal agencies.

- **Boston Marathon Bombing**- The Tsarnaev brothers successfully planned and executed an attack on U.S. soil. While the death toll of the bombing of the 2013 Boston Marathon was low, the attack held significant symbolism. Many argue that this event was the result of a failure in communication between fusion centers and the intelligence community. Russian intelligence communicated to the FBI a concern for Tamerlan's growing Islamic radicalization. After analysis, the FBI deemed he was not a serious threat and placed him on a watch list. Later that year, the FSB reiterated their concern to the CIA, who placed him on a separate "look-out" watch list.⁵⁵ Yet, he was still permitted to travel in and out of the United States. Further, Boston Muslim community failed to properly report Tamerlan's radical beliefs and violent temper to the authorities.⁵⁶ It is unclear as to if the

⁵³ Graham, Kia, e-mail message to Tricia Devine, November 20, 2014.

⁵⁴ "2007-2009 Fusion Center Success Stories," Department of Homeland Security, July 9, 2013, accessed November 13, 2014, <http://www.dhs.gov/2007-2009-fusion-center-success-stories>.

⁵⁵ Bryan Bender et al, "Data Sharing Troubles Raise Questions in Marathon Case," Boston Globe, April 25, 2013, accessed October 13, 2014, <http://www.bostonglobe.com/news/nation/2013/04/24/government-terrorism-information-sharing-program-rated-high-risk-despite-years-effort-since/3ImcHIZOaPKfeeBYTAXRHN/story.html>.

⁵⁶Rohan Gunaratna and Cleo Haynal, "Current and Emerging Threats of Homegrown Terrorism: The Case of the Boston Bombing", *Perspectives on Terrorism*, Vol. 7, Issue 3 (June 2013), 53-54.

federal government included the local Massachusetts Fusion Center in on the potential threat of the brothers. This lack of communication is said to have contributed to the success of the attack. If the authorities were given the proper information, the disconnect between agencies and the potential threats of the brothers could have been eliminated.

- **Underwear Bomber-** On December 25, 2009, Umar Farouk Abdulmutallab successfully boarded Northwest Airlines Flight 253 with the intent to detonate a bomb hidden in his underwear. While he successfully initiated the explosion, the device failed to ignite properly. A series of human errors and systematic breakdowns contributed to his success that day. While the Intelligence Community possessed adequate information to prevent the attack, the intelligence community failed to properly fuse the information and articulate the threat.⁵⁷ While this does not pinpoint a specific fusion center failure, the blending of intelligence from the top down and the bottom up is the principle behind fusion centers. Because this synthesis did not occur, it equates to a failure of fusion centers.

In addition to federal authorities and fusion centers, local police departments and even private citizens play a large role in preventing terrorist attacks. In December of 2007, the Torrance, CA police department discovered papers detailing a terrorist plot against U.S. military installations, Israeli government offices and Los Angeles synagogues. The officers turned the information over to the FBI for investigation, thwarting the threat. Additionally, a Circuit City employee in Cherry Hill, NJ alerted authorities to a suspicious tape turned in depicting men in camouflage firing guns and speaking in a foreign language awaiting duplication at his store. The local police notified the FBI, which utilized an informant to uncover a plot to kill soldiers at Fort Dix, NJ.⁵⁸ These examples illustrate the need for a national response on numerous levels in order to achieve the greatest success in securing the homeland.

There is still considerable room for improvement within the information sharing realm and fusion centers. The realignment of priorities and information sharing prepared the Intelligence Community to fight yesterday's enemy.⁵⁹ As the community evolves, so do terrorist's tactics. The cycle of reform is never-ending, but it will continue to be focused on the ability of the Intelligence Community's to share information and communicate at tribal, local, state and federal levels due to the obscure and scattered nature of national threats. Budinger and Smith contend the uneven implementation of information sharing program must be rectified and leveled out in order to achieve maximum effectiveness. The authors assert additional steps are required and top down implementation of new knowledge and standards are the answer to this problem.⁶⁰

Physical and Economic Costs

To determine the worth of the information provided by state and local fusion centers to the federal counterterrorism effort, it is prudent to assign number regarding monetary expenditures

⁵⁷"White House Review Summary Regarding 12/25/2009 Attempted Terrorist Attack," The White House, January 7, 2010, accessed October 13, 2014, <http://www.whitehouse.gov/the-press-office/white-house-review-summary-regarding-12252009-attempted-terrorist-attack>.

⁵⁸ Ronald E Brooks, *Statement for the Record- Ten Years After 9/11: A Status Report on Information Sharing*, National Fusion Center Association, October 12, 2011, accessed November 12, 2014, http://fas.org/irp/congress/2011_hr/101211brooks.pdf.

⁵⁹ Zoe Baird Budinger and Jeffrey H. Smith, "10 Years After 9/11: A Status Report on Information Sharing," Senate Committee on Homeland Security & Governmental Affairs, October 12, 2011, 5.

⁶⁰ibid, 5-8.

and savings. This report provides a brief glimpse into the federal government's past disbursement of funds to fusion centers as well as an assessment conducted by another scholar regarding the costs of various types of terrorist attacks.

Fusion centers are funded through various programs. Some are exclusively financed through the federal government, some by the state and some are a combination of the two. Between fiscal year 2004 and 2009, the federal government provided \$426 million dollars to fusion centers nationwide. To provide an estimate of annual expenditures, the simplistic approach of dividing the value by 6 is used to determine an average of \$71 million per year. This assessment falls in line with information provided by the National Network of Fusion Center Final Reports from 2011, 2012 and 2013 which state \$76.71 million, \$67.87 million and \$57.87 million in direct federal expenditures respectively.^{61,62,63} According to a survey distributed by the Department of Homeland Security, fusion centers overwhelmingly stated that over half of their fiscal budgets are supported by federal funding. There is not a dedicated funding source for fusion centers. Instead, they compete with other entities for funding each year by submitting reports and applications for grants.⁶⁴ The lack of a focused terrorist attack on the United States in the last decade results in the reduction of federal funding to the Department of Homeland Security. A 2007 Congressional report declares the fate of state and local fusion centers will vary based on maturity of the facility, perceived success of the center among other factor.⁶⁵ Due to the shrinking national security budget, many fusion centers will be forced to cut down on personnel and spending.

The exact cost of terrorist attack is difficult to ascertain due to the varying nature of damage, destruction and death tolls. For example, the cost of a mass shooting is less than a bombing in regards to physical destruction. However, the death toll may be equivalent. For the nature of this project, terrorist attacks are assumed to be moderate, severe or nuclear and based on the calculations computed by Benjamin Zycher in *A Preliminary Cost/Benefit Framework for Counterterrorism Public Expenditures*. In his report, Zycher predominately relies of information attained from the 9/11 attacks on the United States to compute his predictions. However, he offers a comparison to destruction and death caused by terrorists in Northern Ireland and the Israeli-Pakistani conflict as well. The analysis of the numbers is computed based on the severity of the costs. Zycher discovered a 20-25% ratio between the destruction of people and injuries and the destruction of property. In the computations, economic and physical recovery are taken in to consideration. Zycher divides terrorist attacks into three categories based on death toll and injury rate.⁶⁶

⁶¹ National Network of Fusion Centers. *2011 National Network of Fusion Centers Final Report*. Washington, D.C., United States Government Printing Office, 2012, 24.

⁶² National Network of Fusion Centers. *2012 National Network of Fusion Centers Final Report*. Washington, D.C., United States Government Printing Office, 2013, 4.

⁶³ National Network of Fusion Centers. *2013 National Network of Fusion Centers Final Report*. Washington, D.C., United States Government Printing Office, 2014, 20.

⁶⁴ Zoe Baird Budinger and Jeffrey H. Smith, "10 Years After 9/11: A Status Report on Information Sharing," Senate Committee on Homeland Security & Governmental Affairs, October 12, 2011, 10-11.

⁶⁵ Congressional Research Service, "Fusion Centers: Issues and Options for Congress," by Todd Masse, Siobhan O'Neil and John Rollins, 144T (Washington D.C., United States Government Printing Office, 2007), 21-22.

⁶⁶ Benjamin, Zycher, "A Preliminary Benefit/Cost Framework for Counterterrorism Public Expenditures," RAND: Santa Monica, 2003, 12.

	Deaths	Injuries
Moderate	1,175	8,700
Severe	15,500	114,500
Nuclear	50,000	300,000

By utilizing the ratio the author computed regarding the relationship between destruction of people and destruction of property coupled with an assessment of the reduction of national GDP associated with terrorist attacks, Zycher determines the annual economic costs of the three categories of terrorist attacks.⁶⁷

	Annual Costs (in billions)
Moderate	11.3
Severe	183.3
Nuclear	465.0

An analysis of the economic costs of September 11, 2011 is offered for comparison in this report. It is difficult to concisely determine the economic costs of the terror attacks on 9/11, as there are numerous variables to take into account. However, researchers established numerical values for most of the variables to include the loss of human life. For this report, the findings of Eric Olsen and Walter Enders in *Measuring the Economic Costs of Terrorism* will be used for comparison. The direct costs to physical structures and equipment is estimated to be approximately \$16.2 billion with an additional \$10 billion in clean up costs. A loss of salaries estimate of \$2.5 billion dollars is to be added as well. Olsen and Enders use the 2005 Department of Transportation assessment of the value of a human life to be \$5.8 million dollars. Therefore, the loss of human life on 9/11 equates to \$45.9 billion. According to this assessment, the total direct economic costs of 9/11 equates to \$74.6 billion.⁶⁸ The number excludes insurance costs, the cost of rebuilding, declines in the tourism industry, pain and suffering by the victims and many other indirect variables. Further, increases in government spending are also omitted.

DISCUSSION

The examples of state and local fusion center success stories offered in this report illustrate the value offered by the centers to national counterterrorism efforts. While there is still obvious room for improvement within the functioning of the centers, the concept is relatively new to the government. As with any recent advent of any entity, trial and error illustrates successful aspects as well as facets that fall short of expectations. The ones that are failing require reform. Fusion centers possess great potential in counterterrorism efforts and abandoning the centers, as many scholars argue is best, would serve as a great disservice to the nation.

The cooperation of multiple agencies nationwide enabled the thwarting of the NYC subway plot. There is not one specific instance one can cite to pinpoint the importance of the California Information Analysis Center's role in the case. Success resulted due to a great combination of skilled analysts, a pool of tips flowing in through various sources, cooperation from local, state and federal agencies and mostly the ability to skillfully communicate pertinent

⁶⁷ *ibid*, 21.

⁶⁸ Walter Enders and Eric Olsen, "Measuring the Economic Costs of Terrorism," University of Alabama Department of Economic, Finance and Legal Studies, 7-9.

important information to create a complete picture of the threat. The CIAC facilitated these various components to unite. This fact confirms the importance of the fusion center in the case. The potential ramifications of this terrorist plan if it slipped by local, state and federal authorities were immense.

Due to the collaboration of the North Carolina Information and Analysis Center (NCIAAC) and the FBI, authorities successfully removed a significant threat to the United States population in the "Raleigh Jihad Case." When reviewing Boyd's history, it is evident the suspect wished to engage the United States in any way possible. His removal from society greatly benefits the nation as whole, as there is one less threat to homeland security. Numerous sources and reports on the case stated the NCIAAC played a vital role in the case, however, specifics were not provided. It is disappointing that both the fusion center and the FBI were unable and unwilling to provide a timeline of events or details surrounding the role of the fusion center. This information is vital in ascertaining whether federal authorities could have potentially discovered and eliminated the threat without the assistance of the North Carolina Information and Analysis Center.

A significant amount of controversy surrounds the intricate case of Rezwan Ferdaus's plot to attack the United States Capitol Building and White House. Many naysayers argue federal authorities provided too much assistance in his plots, which enabled him to take his plan much further than he would have been able to accomplish on his own. Many argue the assistance led to entrapment of the suspect. However, Ferdaus possessed his own motives and impulses. His aspiration to commit jihad was not caused by federal intervention. Therefore, their assistance resulted in the removal of a dangerous individual from American society who would have arguably attained assistance from another terrorists if not for federal intervention.

Like the "Raleigh Jihad" case, the FBI and the Commonwealth Fusion Center in Massachusetts disregarded the request for additional information surrounding this case. Attaining information regarding the fusion center's involvement in the discovery, analysis and dissemination of information surrounding this occurrence would prove to be vital in determining the value of the fusion center. Due to the lack of response from both entities, one can only consider the information provided by news reports and government websites, like the Department of Homeland Security, which state the center played a "vital role." Further determination of their role in the federal counterterrorism effort cannot be ascertained by this report.

The Seattle Military Recruiting Center plot is a prime example of the fundamental importance of fusion centers in the federal counterterrorism effort. The Washington State Fusion Center performed an integral role in the elimination of the threat and detaining the suspect. The center received the initial information regarding the plot and provided exceptional additional assistance to federal authorities throughout the investigation. However, without a crystal ball it is difficult to determine if the plot would have been thwarted without the fusion center. The link to the Michael McCright case is another prime example of how fusion centers provide quick links and agency cooperation across states to aid in the federal counterterrorism effort.

It proved to be incredibly difficult to attain information regarding the avoided catastrophe at the University of Illinois in January of 2008. Very little information is available through news outlets pertaining to the case, which is unusual for a case of this nature. However, the Department of Homeland Security included the plot in their "2007-2009 Fusion Center Success Stories" list which leads one to assume the Illinois Statewide Terrorism and Intelligence Center played a significant role in the detection and elimination of the case.

The intelligence fusion center failures highlighted in this report demonstrate the potential growth opportunities for state and local fusion centers. As with any agency and entity, there is always room for improvement. In the instance of the Boston Marathon Bombing, the failure of communication between agencies is the prime cause of the success of the attack. While the Boston fusion center is not directly identified as the point of failure, a definite breakdown in the information sharing process occurred. By design, fusion centers collaborate and disseminate pertinent intelligence to relevant agencies. Both federal authorities and the National Network of Fusion Centers missed the mark on this regarding the Tsarnaev brothers. Federal authorities should have provided the information to the network regarding the threat. It is not new news that fusion centers are not receiving all of the information they should from other entities. Because of this, the National Network of Fusion Centers should have advocated for more cooperation between federal, state and local authorities not just regarding this case but as a general complaint. Perhaps this terrorist attack could have been avoided. Full cooperation is required between all entities involved in order to better secure the homeland.

By utilizing the numerical values presented by Zycher in his report, we can assign potential numerical direct and indirect costs to the state and local fusion center success stories presented in this report. The New York City Subway plot by Najibullah Zazi is the only case presented with the potential to cause severe costs and damages to the United States' economy and population. This categorization is due to the potential death and injury toll of detonating three bombs during peak commuting hours in the largest U.S. city. This category holds a cost of up to \$183.3 billion. Although, it is more likely to result in a moderate case when utilizing the numerical values provided by Zycher in his report. The assessment of 9/11 illustrates this case well. This example caused well over the death/injury toll of a moderate case and had significant economic ramifications over the \$11.3 billion limit of a moderate case. However, it (thankfully) fell short of the 15,500 deaths of a severe case. It lands somewhere between the two with nearly 3,000 deaths and approximately \$80 billion in damages and economic losses. The remaining four cases outlined in this report lie in the moderate category, as the targets are smaller and less complex. However, moderate cases are not insignificant as they contain the potential to cost up to \$11.3 billion in losses and over 1,000 deaths a piece. The elimination of these threats prospectively saved up to 4,700 lives and \$45.2 billion to the U.S. economy. When you compare these numbers to the approximately \$71 million in annual direct federal expenditures, the question as to whether or not the benefits outweigh the costs seem clear.

The argument regarding the lack of regular production of terrorism related reports is insubstantial. While fusion centers may not produce terrorism related reports on a regular basis, the purpose of the centers is to provide an additional resource to the intelligence community and facilitate communication between tribal, local, state and federal authorities. The ability to force this cooperation between entities was the vital missing aspect prior to the terror attacks in 2001. On the other side, the instances outlined in this report that exemplify when to facilities played vital roles in the identification, analysis and dissemination of terrorist related activity are invaluable to the intelligence community. To illustrate this point further, take the work of a police officer into consideration. While police officers hold vital roles in our communities, their mission is to promote and foster the furtherance of law and order. Among the list of their responsibilities to accomplish this is writing traffic tickets, responding to calls from citizens, providing support to the community and possibly engaging suspects. If a police officer goes a day without doing any of the things offered on this list, are they considered useless? No. Just

their mere presence throughout the day within the community could have possibly thwarted numerous criminal acts. The same is true for state and local fusion centers. The centers offer an additional set of eyes to the intelligence community to oversee threats to society.

Additionally, while some information may be useless, often fusion centers have first contact with terrorists. This fact cannot be taken out of the equation when assessing the value added by the facilities. Often, preparation for terrorist attacks involve participation in lesser, more localized crimes. This accounts for the value of many fusion centers shift to an all-crimes approach. Identifying information involving gang violence, money laundering, weapon and human trafficking and so forth could potentially lead to isolating a terrorist plot. Further, even if a terror plot is not uncovered by authorities it is highly possible the arrest of the suspect prevented a future attack by removing a corrupt individual from the street. While this notion is highly variable and there is no way to ascertain its likelihood, it must be taken into consideration when assessing the value of the centers. Further, state and local fusion centers track the purchases of potentially harmful substances, such as ammonium nitrate. These substances are often utilized to construct explosives like car bombs, which terrorists have historically used to orchestrate attacks. The information regarding the purchases are tracked statewide and entered into the state/local fusion center database. This enables authorities to identify suspicious purchases and potential hazards. Without state and local fusion centers, many transactions may be overlooked nationwide.

The most complicated aspect of determining the effectiveness of state and local fusion centers in the federal counterterrorism effort is placing value on events that this not occur. It is impossible to ascertain and value events that didn't happen. The shift in focus of fusion centers to an all-crimes approach enables the centers to identify and apprehend suspects engaging in an array of crimes. This eliminates threats from society that could potentially progress into greater public risks, such as terrorism. While this argument is impossible to prove, it cannot be discounted. Fusion centers provide a vital link between entities which results in increased security at the local, state and federal level.

Most fusion centers have dissimilar mission statements and focuses due to their locations. Border states and cities have different local threats than the State of Iowa Intelligence Fusion Center, which may focus on homegrown terrorists and extremist groups. This variance is viewed as a negative facet in regard to the federal counterterrorism effort because it leads to unfocused efforts. However, this deviation is also what leads to a more secure homeland through the identification of specific threats to specific regions. By recognizing local threats, state and local fusion centers provide significant contributions to the federal counterterrorism effort.

In summary, it appears that state and local fusion centers have not met the expectations of the Department of Homeland Security and other federal entities in regard to information sharing capabilities. However, it should be noted that poor interagency collaboration is not unique to fusion centers. Though the value added by fusion centers providing minor state and local agencies to retrieve information that would be otherwise out of their realm of acquisition is astronomical. The reluctance to share this information with state and local entities is the major obstacle in the information sharing process. Whether it is due to "turf" wars, competing missions or a lack of trust between agencies, this issue must be addressed in order to properly utilize the fusion center process to the best of its ability. This will enable momentous contribution to the federal counterterrorism effort by state and local fusion centers.

Implications

While this report illustrates some notable success stories of fusion centers contributions to the federal counterterrorism effort, it is inconclusive in regard to ascertaining the effectiveness of state and local fusion centers. It is not possible to determine if local and federal authorities could have generated the same results without the assistance of fusion centers. In order to accomplish this task, full access to the specifics of the cases is needed to provide a complete picture of the circumstances surrounding each instance. This is simply not realistic due to the classified nature of some aspects of the topic. Further, even if full access to the information is granted, some of the facets of the cases contain too many "what ifs" that predicting the outcome would simply be a guessing game. Due to the extraordinary costs of running the facilities, many individuals suggest cutting the programs and eliminating the federal grants and expenditures. Significant risk surrounds this suggestion. While determining the effectiveness of state and local fusion centers is not truly possible, it is clear that the centers are making some degree of difference in the federal counterterrorism effort. Since the inception of the centers in the post 9/11 atmosphere, there has yet to be another large scale attack on United States soil. Determining whether this is a coincidence or due to an increase security efforts is not feasible. While it would be naïve and incorrect to assume this is simply due to the fusion of intelligence by state and local fusion centers, they have undoubtedly played a role in the reduction of threats. While the expenditures for not only fusion centers but all federal intelligence and homeland security programs nationwide are great, it does not surpass the potential costs of another large scale terrorist attack. It would be a great risk to eliminate the programs which have helped secure the nation in the complicated, dangerous post 9/11 world. The reduction of federal funding of state and local fusion centers will significantly affect the identification, analysis and dissemination of intelligence from the top down (federal to local) and the bottom up (local-federal). This will negatively impact national homeland security due to a decrease in resources to detect, analyze and disseminate threats. Gaps remain in the centers detection, reporting and dissemination of terrorism related intelligence. A reduction in federal funding will only hinder this process even more.

CONCLUSION

The federal government's concern with state and local fusion centers is not surprising due to its vested interest in the success of the centers. Over the course of the last decade, the government provided hundreds of millions of dollars to the centers and dedicated federal personnel and equipment to the effort. While the government developed the centers with the intention of thwarting future terrorist attacks on United States' soil and capturing homegrown radical extremists, it is no surprise that the focus of the centers is now predominately on state and local events. The centers and local authorities are exposed to community and regional crime reports and concerns daily. While drug smuggling, gang violence and human trafficking are not directly associated with the federal counterterrorism effort, eliminating these crimes is a vital role in securing the homeland. Fusion centers often possess the unique opportunity to have first contact with terrorists, as smaller more localized crimes are often associated with the planning of a large scale terrorist attack. Examples of these forms of contact and lesser crimes are peaceful gatherings/protests, the acquisition of weapons and explosives, suspicious transfers of funds and additional questionable behaviors. Fusion centers allow of more eyes to be fixed on society to detect these behaviors and terminate the activity before it transforms into a more serious federal concern.

While this report detailed considerable evidence supporting the successes of several state and local fusion centers nationwide, there was a lack of concrete evidence available to support the hypothesis regarding the effectiveness of state and local fusion centers contributions to the federal counterterrorism effort. Numerous factors contributed to this stalemate. It is difficult to ascertain the effectiveness of the centers contributions due to an inability to determine the number of attacks they eliminated by simply existing and providing analytic support at the local and state level. Further, in regard to thwarting large scale attacks, one cannot establish the degree of participation and whether or not the federal authorities alone could have generated the same outcome. The numerical assessments of federal funding and the price of terror attacks provided in this report are simply rough estimates. The wide range of costs associated with both sides vary due to specific factors that cannot be determined without an actual attack.

However with all of this said, state and local fusion centers' contributions to the federal counterterrorism effort cannot be discounted or diminished. The potential economic costs and loss of life associated with a terrorist attack well outweighs federal expenditures on a philosophical level. The amalgamation of local, state and federal security enterprises in the last decade arguably significantly increased degree of security within the United States, as illustrated by the absence of an additional terror attack rivaling 9/11. Pinpointing which venture owns the majority of the recognition for this accomplishment is complex. State and local fusion centers are an element of this national achievement and should be treated as such.

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