



Testimony

Before the Ad Hoc Subcommittee on State, Local, and Private Sector Preparedness and Integration, Committee on Homeland Security and Governmental Affairs, U.S. Senate

For Release on Delivery
Expected at 2:00 p.m. EDT
Thursday, April 17, 2008

HOMELAND SECURITY

Federal Efforts Are Helping
to Address Some Challenges
Faced by State and Local
Fusion Centers

Statement of Eileen R. Larence, Director
Homeland Security and Justice Issues





Highlights of [GAO-08-636T](#), a testimony before the Ad Hoc Subcommittee on State, Local, and Private Sector Preparedness and Integration, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

Following the September 11 terrorist attacks, state and local governments formed fusion centers, collaborative efforts to detect, prevent, investigate, and respond to criminal or terrorist activity. Recognizing that the centers are a critical mechanism for sharing information, the federal government—including the Department of Homeland Security (DHS), Department of Justice (DOJ), and the Program Manager for the Information Sharing Environment (PM-ISE), which has primary responsibility for governmentwide information sharing—is taking steps to partner with fusion centers.

This testimony focuses on (1) the characteristics of fusion centers as of September 2007 and (2) federal efforts to help alleviate challenges centers identified. This testimony is based on GAO's October 2007 report on 58 fusion centers and related federal efforts to support them as well as updated information GAO obtained in March 2008 by reviewing plans describing selected federal efforts and attending the second annual national fusion center conference.

What GAO Recommends

While this testimony contains no new recommendations, GAO has recommended that the federal government define and articulate its long-term fusion center role and whether it expects to provide resources to help ensure their sustainability. PM-ISE agreed with the recommendation and is in the process of implementing it.

To view the full product, including the scope and methodology, click on [GAO-08-636T](#). For more information, contact Eileen Larence at (202) 512-8777 or larencee@gao.gov.

HOMELAND SECURITY

Federal Efforts Are Helping to Address Some Challenges Faced by State and Local Fusion Centers

What GAO Found

Almost all states and several local governments have established or are in the process of establishing fusion centers that vary in their characteristics. Centers were generally established to address gaps in information sharing, and the majority of the centers GAO contacted had adopted broad missions that could include both counterterrorism and law enforcement–related information. While law enforcement entities, such as state police, are the lead or managing agencies in the majority of the centers GAO contacted, the centers varied in their staff sizes and partnerships with other agencies. The majority of the operational fusion centers GAO contacted had federal personnel, including from DHS or the Federal Bureau of Investigation (FBI), assigned to them as of September 2007.

DHS and DOJ have several efforts under way that begin to address challenges fusion center officials identified.

- DHS and DOJ have provided many fusion centers access to their information systems, but fusion center officials cited challenges accessing and managing multiple information systems.
- Both DHS and the FBI have provided security clearances for state and local personnel and set timeliness goals for granting clearances. However, officials cited challenges obtaining and using clearances.
- DHS, DOJ, and the PM-ISE have also taken steps to develop guidance and provide technical assistance to fusion centers, for instance, by issuing guidelines for establishing and operating centers. However, officials at 21 centers cited challenges with the availability of training for mission-specific issues. DHS and DOJ have continued providing a technical assistance program for fusion centers and disseminated a baseline capabilities draft in March 2008 that outlines minimum operational standards for fusion centers. While this support and guidance is promising, it is too soon to determine the extent to which it will address challenges identified by officials contacted.
- Finally, officials in 43 of the 58 fusion centers contacted reported facing challenges related to obtaining personnel, and officials in 54 centers reported challenges with funding, some of which affected these centers' sustainability. To support fusion centers, both DHS and the FBI have assigned, and continue to assign, personnel to the centers. To help address funding issues, DHS has provided funding for fusion-center related activities.

The National Strategy for Information Sharing, issued in October 2007 by the President, states that the federal government will support the establishment of fusion centers and help sustain them through grant funding, technical assistance, and training. However, some fusion center officials raised concerns about how specifically the federal government was planning to assist state and local governments to sustain fusion centers as it works to incorporate fusion centers into the ISE and to implement the strategy.

Mr. Chairman, Ranking Member, and Members of the Subcommittee:

Thank you for inviting me to participate in today's hearing on fusion centers. Since the attacks of September 11, 2001, most states and several local governments have established fusion centers to address gaps in homeland security and law enforcement information sharing by the federal government and to provide a conduit of this information within the state. While fusion centers vary, reflecting differences in state and local needs, the Implementing Recommendations of the 9/11 Commission Act of 2007 (9/11 Commission Act) defines a fusion center as a "collaborative effort of two or more federal, state, local, or tribal government agencies that combine resources, expertise, or information with the goal of maximizing the ability of such agencies to detect, prevent, investigate, apprehend, and respond to criminal or terrorist activity."¹

With information-sharing weaknesses recognized as a major contributing factor in the nation's lack of preparedness for the September 11 attacks, a number of information-sharing initiatives were mandated in the Intelligence Reform and Terrorism Prevention Act of 2004 (Intelligence Reform Act). For example, the Intelligence Reform Act, as amended in August 2007 by the 9/11 Commission Act, requires the President to take action to facilitate the sharing of terrorism-related information by establishing an Information Sharing Environment (ISE) to combine policies, procedures, and technologies that link people, systems, and information among all appropriate federal, state, local, and tribal entities and the private sector.² To oversee development and implementation of the ISE, the act also required the President to appoint a program manager, which the President did in April 2005.³

The Program Manager for the ISE (PM-ISE), the Department of Homeland Security (DHS), and the Department of Justice (DOJ) are taking steps to partner with fusion centers as part of the information sharing environment. In November 2006, the PM-ISE issued a plan for implementing the ISE that incorporated presidentially approved recommendations for federal, state, local, and private-sector information

¹Pub. L. No. 110-53, § 511, 121 Stat. 266, 322 (2007).

²See Pub. L. No. 108-458, § 1016, 118 Stat. 3638, 3664-70 (2004), amended by Pub. L. No. 110-53, § 504, 121 Stat. at 313-17.

³On June 2, 2005, the President issued a memorandum placing the PM-ISE and its staff within the Office of the Director of National Intelligence.

sharing. The implementation plan acknowledges that the collaboration between fusion centers and with the federal government marks a tremendous increase in the nation's overall analytic capacity that can be used to combat terrorism, and it identifies the creation of an integrated nationwide network of fusion centers as a way to promote two-way information sharing with the federal government. Under the plan, DHS and DOJ are to assume responsibility for technical assistance and training to support fusion centers. Both DHS and DOJ have established program offices to oversee their relationships with fusion centers. In October 2007, the President issued the first National Strategy for Information Sharing: Success and Challenges in Improving Terrorism-Related Information Sharing (National Strategy), which further highlights the importance of state and local fusion centers as valuable information-sharing resources to be incorporated into the national information sharing framework.

In addition, the 9/11 Commission Act contains several provisions related to fusion centers.⁴ For example, in accordance with the act, DHS established a fusion center program office. This office is responsible for providing operational and intelligence advice and assistance to fusion centers, facilitating coordination and information flow between fusion centers and DHS, and deploying DHS personnel to fusion centers. In addition, the act requires that the Secretary of DHS, in consultation with the Attorney General, establish guidelines for fusion centers that include standards related to privacy policies and training.

My testimony today discusses (1) the characteristics of state and local fusion centers as of September 2007⁵ and (2) the extent to which efforts under way by the PM-ISE, DHS, and DOJ are helping to address some of the challenges identified by fusion centers. My statement is based on (1) the results of our October 2007 report⁶ that discusses the status and characteristics of 58 state and local fusion centers as well as federal efforts underway to help address challenges the centers identified; and (2) updated information we obtained in March 2008 about selected federal

⁴See, e.g., Pub. L. No. 110-53 § 511, 121 Stat. at 317-24 (adding section 210A to subtitle A, title II of the Homeland Security Act, Pub. L. No. 107-296, 116 Stat. 2135).

⁵For purposes of this report, we use "local fusion center" to refer to centers established by major urban areas, counties, cities, and intrastate regions.

⁶GAO, *Homeland Security: Federal Efforts Are Helping to Alleviate Some Challenges Encountered by State and Local Information Fusion Centers*, GAO-08-35 (Washington, D.C.: Oct. 30, 2007).

efforts to support fusion centers.⁷ To obtain updated information, we reviewed plans and documents describing these federal efforts and attended the second annual national fusion center conference.⁸ We conducted this work according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Summary

Fusion centers, which vary in their characteristics, are operating or being established in almost all states and several local jurisdictions across the country. Specifically, officials in many (43 of 58) of the fusion centers we contacted described their centers as operational as of September 2007.⁹ These centers were generally created by state and local governments to improve information sharing across levels of government and to prevent terrorism or other threats. While 9 of these operational centers had opened within the couple of years after September 11, 2001, 34 had opened since January 2004. The majority of the centers had scopes of operations and missions that included more than just counterterrorism-related activities, such as a focus on all crimes or all hazards. Adopting a broader focus helped provide information about all threats and increased the center's sustainability, for instance, by including additional stakeholders who could provide staff and support, and is consistent with the definition of a fusion center in the 9/11 Commission Act. Law enforcement entities, such as state police, were the lead or managing agencies in the majority of the operational centers we contacted. While the centers varied in their

⁷Because we selected a non-probability sample of fusion centers to include in our review, the results of our work are not generalizable to the population of all fusion centers. However, because we selected all state-operated fusion centers, as well as local fusion centers on the basis of their stage of development and geographic diversity, the information we gathered from these centers provided us with an overview of challenges encountered and federal efforts to support the centers.

⁸Over 900 federal, state, and local law enforcement and homeland security officials attended the conference, according to its sponsors, which included the Office of the Director of National Intelligence, DOJ, DHS, FBI, PM-ISE, and the Global Justice Information Sharing Initiative.

⁹We contacted all 50 states, the District of Columbia, and 8 local areas. However, 1 state did not plan a fusion center. For that reason, we reported responses from 58 fusion centers—43 operational and 15 in the planning or early stages of development.

staff sizes and partnerships with other agencies, as of September 2007, at least 34 of the 43 operational fusion centers we contacted reported that they had federal personnel assigned to their centers. Twelve of the centers were colocated with Federal Bureau of Investigation (FBI) field units. Many of the operational centers reported having access to unclassified and, to a lesser extent, classified DHS and FBI systems and networks. Thus far, products disseminated and services provided varied from daily bulletins to in-depth reports or assessments.

We reported in October 2007 that fusion centers face challenges in several areas and that—in light of the importance of fusion centers in facilitating information sharing among levels of government—federal efforts are under way that begin to address these challenges.¹⁰ As of March 2008, many of these efforts are still ongoing.

- DHS, DOJ, and the PM-ISE have taken steps to provide fusion centers access to federal information systems, but some fusion center officials cited challenges accessing relevant, actionable information and managing multiple, competing, or duplicative information systems. For example, officials in 30 of the 58 centers we contacted reported challenges related to volume of information or managing multiple systems. As a result, these center officials said that their ability to receive and share information with those who need it may be limited. Ongoing efforts to improve the quality and flow of information include the Interagency Threat Assessment and Coordination Group's efforts to provide a nonfederal perspective to the intelligence community and its products.
- Both DHS and the FBI have provided clearances to numerous state and local officials and have set timeliness goals for the issuance of new clearances. However, obtaining and using security clearances represented a challenge for 44 of the 58 centers we contacted, which could limit their ability to access and use some information. In addition, while law and executive order provide that a security clearance granted by one federal agency should generally be accepted by other agencies, officials in 19 of the centers encountered difficulties with federal agencies, particularly DHS and the FBI, accepting each others' clearances. DHS and DOJ officials reported that they were not aware of recent fusion center challenges with reciprocity of clearances. However, they said that there were complications in the clearance process, for instance, because several

¹⁰We presented information about challenges encountered by 58 fusion centers—those in all stages of development—as they were establishing and operating their centers. Fusion centers may have encountered more than one challenge related to a particular area, for example, related to guidance and training.

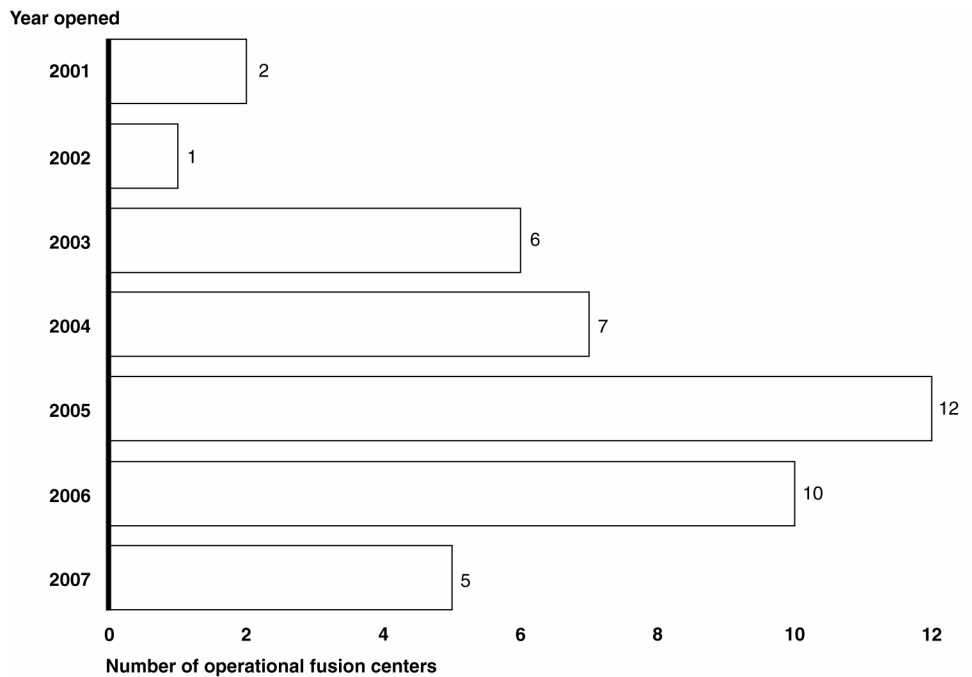
federal agencies conduct their own processes without central coordination.

- Fusion center officials also cited challenges obtaining guidance and training. In particular, they cited the need for clearer and more specific guidance in a variety of areas, including standards for analyst training and information-sharing policies and procedures, to help address operational challenges. DHS, DOJ, along with the PM-ISE, continue to take steps to develop guidance and provide technical assistance and training. For instance, DHS and DOJ disseminated a draft baseline capabilities document that outlines minimum operational standards for fusion centers to state and local officials in March 2008 for feedback.
- Notwithstanding DHS and FBI efforts to deploy personnel to fusion centers and DHS's grant funding to support their establishment and enhancement, fusion center officials reported challenges obtaining and retaining qualified personnel and ensuring sufficient funding to sustain the centers. To improve efforts to create a national network of fusion centers, in our October 2007 report we recommended—and DHS and the PM-ISE concurred—that the federal government determine and articulate its long-term fusion center role and whether it expects to provide resources to centers to help ensure their sustainability. The National Strategy, issued by the President in October 2007, states that the federal government will support the establishment of fusion centers and help sustain them through grant funding, technical assistance, and training. However, some fusion center officials raised concerns at the national conference about how specifically the federal government plans to assist state and local governments to sustain fusion centers as it works to incorporate these centers into the ISE and to implement the strategy.

Most States and Several Local Jurisdictions Have or Are Planning Fusion Centers That Vary in Their Characteristics

Almost all states and several local governments have established or are in the process of establishing a fusion center. Specifically, officials in 43 of the 58 fusion centers we contacted described their centers as operational, and officials in 15 centers considered their centers to be in the planning or early stages of development as of September 2007. Officials cited a variety of reasons why their state or local area established a fusion center. To improve information sharing—related to homeland security, terrorism, and law enforcement—among federal, state, and local entities and to prevent terrorism or threats after the attacks of September 11 were the most frequently cited reasons for establishing a fusion center. Several officials cited the need to enhance information sharing within their own jurisdictions across disciplines as the reason why they established a center. While 9 centers opened in the couple of years after the attacks of September 11, 2001, 34 of the 43 operational centers have opened since January 2004 as shown in figure 1.

Figure 1: Number of Operational Fusion Centers GAO Contacted Opened by Year



Source: GAO analysis, information from fusion centers.

Consistent with the 9/11 Commission Act’s definition of a fusion center and the purpose of a fusion center, as defined in the Fusion Center Guidelines, officials in 41 of the 43 operational centers we contacted said that their scopes of operations focused on more than just counterterrorism. For instance, officials in 22 of these centers described their centers’ scope as all crimes or all crimes and counterterrorism, and officials in 19 operational centers said that their scopes of operations included all-hazards information (such as related to public health and safety or emergency response). Further, 23 of the 36 operational fusion centers that provided us mission statements had missions that involved collecting, analyzing, and disseminating criminal as well as terrorism-related information. Eleven other fusion centers had missions that involved enhancing, supporting, or coordinating information and intelligence dissemination to both law enforcement and homeland security agencies. Officials told us that adopting a broader focus helped provide information about all threats because of the link of many crimes to terrorist activity and also increased the centers’ sustainability, for instance, by including additional stakeholders. Indeed, the National Strategy highlights the importance of the centers fostering a culture that

recognizes the importance of fusing “all crimes with national security implications” and “all hazards” information, which often involves identifying criminal activity and other information that might be a precursor to a terrorist plot.

Law enforcement entities, such as state police or state bureaus of investigation, were the lead or managing agencies in the majority of the operational centers we contacted. The centers varied in their staff sizes and partnerships with other agencies, ranging from fewer than 5 employees to over 80. In addition to a variety of state and local law enforcement agencies, some centers included personnel detailed from emergency management, fire, corrections, or transportation partners. As of September 2007, at least 34 of the 43 operational fusion centers we contacted reported that they had personnel from at least one federal agency assigned to their centers. For example, DHS had deployed full-time intelligence officers to 17 of the 43 operational fusion centers we contacted and was in the process of staffing 8 additional centers. About three quarters of the operational centers we contacted reported that the FBI had assigned personnel, including intelligence analysts and special agents, to their centers. Additionally, 12 of the operational centers we contacted were colocated in an FBI field office or with an FBI task force, such as a Joint Terrorism Task Force or a Field Intelligence Group. Further, 19 of the operational centers reported that they had other DHS or DOJ components represented in their centers, such as personnel from Customs and Border Protection; Immigration and Customs Enforcement; Transportation Security Administration; Bureau of Alcohol, Tobacco and Firearms; or Drug Enforcement Administration.

Many fusion centers reported having access to DHS’s and DOJ’s unclassified networks or systems, such as the Homeland Security Information Network (HSIN) and Law Enforcement Online (LEO), containing, among other things, terrorism-related information.¹¹ For example, as of September 2007, 40 of the 43 operational centers reported they had access to HSIN, and 39 reported having access to LEO. In addition, 16 of the 43 centers said they had or were in the process of obtaining access to DHS’s classified network of secret-level homeland

¹¹HSIN serves as DHS’s primary nationwide information-sharing tool for communicating sensitive but unclassified homeland security information. LEO serves as a real-time online controlled-access communications and information-sharing data repository for sensitive but unclassified information about, among other things, antiterrorism, intelligence, law enforcement, and criminal justice.

security data, and 23 reported they had or were in the process of obtaining access to the FBI's classified systems containing, among other things, secret-level investigative case files.

Thus far, products disseminated and services provided also varied. Fusion centers reported that they issued a variety of products, such as daily and weekly bulletins on general criminal or intelligence information and assessments that, in general, provided in-depth reporting on an emerging threat, group, or crime.

Federal Agencies' Efforts to Support Fusion Centers Help Address Some Reported Challenges

Fusion center officials identified challenges in establishing and operating their centers in several areas, such as accessing and managing multiple information systems, obtaining and using security clearances, finding sufficient guidance and training, obtaining and retaining personnel, and obtaining funding. DHS and DOJ, recognizing the importance of fusion centers in information sharing, have efforts under way that begin to address many of these challenges.

DHS, DOJ, and PM-ISE Have Some Actions Under Way to Address Fusion Center Challenges with Accessing and Managing Information Systems

Fusion center officials reported challenges accessing and managing multiple information systems. In October 2007, we reported that DHS and the FBI had provided many operational fusion centers access to their primary unclassified information systems (HSIN and LEO) and had outlined plans to provide access to their primary classified networks to state and local centers that had federal personnel at the center. However, officials at 31 of the 58 centers we contacted reported challenges obtaining access to federal information systems or networks. For instance, officials in some centers cited challenges with DHS and the FBI not providing fusion center personnel with direct access to their classified systems. Fusion center personnel in these centers had to rely on federal personnel who were assigned to the center or other state personnel assigned to FBI task forces to access these systems, obtain the relevant information, and share it with them. Further, officials in 12 fusion centers reported challenges meeting system security requirements or establishing the technical capabilities necessary to access information systems, and DHS and the FBI had taken some steps to address these challenges. For example, we reported that DHS reviews the fusion centers' security status and assesses its adequacy in light of its intention to deploy personnel and information systems to the center. In March 2008, the DHS Under Secretary for Intelligence and Analysis stated that DHS planned to deploy its secret-level homeland security data network to 41 fusion centers by the end of fiscal year 2008.

While officials in many fusion centers cited challenges obtaining access to systems, primarily classified ones, officials in 30 of the 58 fusion centers we contacted reported that the heavy volume of information or the existence of multiple systems with often redundant information was a challenge to manage. Officials in 18 fusion centers said that they had difficulty with what they perceived to be the high volume of information their center receives, variously describing the flow of information as “overwhelming,” “information overload,” and “excessive.” For example, officials described how center personnel must sort through the large amount of information, much of which is not relevant to the center, to find information that is useful or important to them. In addition, officials in 18 fusion centers found the lack of integration among these multiple, competing, or duplicative information systems challenging, or said they wanted a single mechanism or system through which to receive or send information.

In October 2007, we reported that officials from the PM-ISE’s office were collaborating with other agencies, including DHS and DOJ, to identify potential opportunities to streamline system access and improve the quality and flow of information. For example, PM-ISE officials reported that these entities had completed a review of the most commonly used systems, such as HSIN, LEO, and the Regional Information Sharing Systems,¹² that included an examination of users’ needs to identify potential areas to streamline system access. In October 2007, we also reported that such a review was in accordance with recommendations that fusion centers made during the first annual national fusion center conference in March 2007 and with what several officials we contacted told us. Specifically, officials in 23 of the 58 fusion centers told us that DHS and DOJ, to facilitate implementation of a national network of fusion centers, should reduce the number of existing systems or develop a unified platform or mechanism for information sharing with fusion centers. In addition, the PM-ISE, along with DHS, DOJ, and other federal agencies, are taking steps to improve the quality and flow of information through the establishment of an Interagency Threat Assessment and Coordination Group (ITACG), which was made a statutorily mandated body by the 9/11 Commission Act.¹³ This group, which is to include state,

¹²The Regional Information Sharing Systems is a nationwide initiative to share sensitive but unclassified criminal intelligence among stakeholders in law enforcement, first responders, and the private sector.

¹³See Pub. L. No. 110-53, § 521, 121 Stat. at 328-32 (adding section 210D to subtitle A, title II of the Homeland Security Act, Pub. L. No. 107-296, 116 Stat. 2135).

local, and tribal representatives detailed to work with the National Counterterrorism Center, is to provide advice, counsel, and subject-matter expertise to the intelligence community about the types of terrorism-related information needed by state, local, and tribal governments and how these entities use that terrorism-related information to fulfill their counterterrorism responsibilities. In doing so, the PM-ISE reported that the ITACG is to enable the timely production by the National Counterterrorism Center of clear, relevant, and federally coordinated terrorism-related information products intended for dissemination to state, local, and tribal officials. In October 2007, we reported that PM-ISE officials indicated that the ITACG had achieved an initial operational capability. As of March 2008, four state and local law enforcement representatives had been detailed to the ITACG to provide a nonfederal perspective to the intelligence community in its situational and threat reporting and intelligence products, by, for example, requesting changes to report language to better address state and local needs. According to one of the representatives, these changes have involved requesting that specific tactical information be included in reports or that, where possible, the security classification of a report be lowered so that it could be disseminated more broadly to state and local officials. While these efforts to improve the quality and flow of information to state and local users are promising, it is too soon to determine the extent to which they will address the challenges in accessing and managing information reported to us by fusion center officials.

DHS and the FBI Provide Clearances to Fusion Center Officials, but Officials Cited Some Challenges with Obtaining and Using Clearances

Both DHS and the FBI have provided security clearances for numerous state and local personnel in order to access classified information and have set goals to reduce the length of time it takes to obtain a security clearance. For example, DHS set a goal of 90 days to complete a Secret clearance, and the FBI set a goal of 45 to 60 days to complete a Secret clearance and 6 to 9 months to complete a Top Secret clearance. DHS and the FBI have also provided centers with information about the security clearance process and time frames, stating that processing time for individual security clearances can vary, depending on complexity. However, obtaining and using security clearances represented a challenge for many of the fusion centers (44 of 58) we contacted. For instance, officials at 32 of the centers cited difficulties with the length of time it takes to receive a security clearance from DHS or the FBI. However, some fusion center officials acknowledged that the length of time to conduct the required background checks was necessary to ensure that clearances were only given to individuals who meet the requirements.

In October 2007, we also reported that while law and executive order provide that a security clearance granted by one government agency should generally be accepted by other agencies, officials in 19 of the centers we contacted encountered difficulties with federal agencies, particularly DHS and the FBI, accepting each others' clearances. This reported lack of reciprocity could hinder the centers' ability to access facilities, computer systems, and information from multiple agencies. DHS and DOJ officials said that they were not aware of fusion centers encountering recent challenges with reciprocity of security clearances. However, they said that there were complications in the clearance process because, for example, multiple federal agencies carry out their own processes and grant clearances without central coordination.

DHS and DOJ Continue to Provide Guidance, Technical Assistance, and Training to Fusion Centers

DHS, DOJ, and the PM-ISE continue to provide fusion centers with guidance, technical assistance, and training to help address their challenges in these areas. In October 2007, we reported that DHS and DOJ had, in August 2006, issued jointly developed Fusion Center Guidelines that outline 18 recommended elements for establishing and operating fusion centers. Intended to help ensure that fusion centers were set up and operated consistently, they cover elements such as ensuring appropriate security measures are in place for facility, data, and personnel. Officials in many (48 of 58) of the fusion centers we contacted said that they found the guidelines generally good and useful, however others said they were not specific enough to address their challenges. In addition, officials at 19 fusion centers said that they lacked guidance on specific information-sharing policies and procedures, such as privacy and civil liberties issues. Furthermore, officials at 21 of the centers we contacted said that the availability of adequate training for mission-related issues, such as training on intelligence analysis, was a challenge. Officials in 11 centers, most of which were operational centers that had been in existence for more than 2 years, expressed a need for the federal government to establish standards for training fusion center analysts. This could help ensure that analysts are trained in a similar way nationwide, thereby facilitating communication amongst fusion center analysts.

DHS and DOJ provide a technical assistance service program for fusion centers, which, among other services, includes assistance developing a

comprehensive privacy and civil liberties policy,¹⁴ and have ongoing efforts to provide training to fusion centers. Additionally, along with the PM-ISE and others, DHS and DOJ have sponsored regional and national conferences, including the second annual national fusion center conference in March 2008, which was designed to support fusion centers in building capabilities and understanding their roles and responsibilities as described in the National Strategy. In addition, DHS and DOJ, in collaboration with others, disseminated in March 2008 a draft baseline capabilities document.¹⁵ Building on the Fusion Center Guidelines, the document outlines baseline capabilities and steps that fusion centers could take to ensure compliance in 12 topic areas, including management and governance, security, intelligence analysis and production, and intelligence and information dissemination. The document states that when a fusion center achieves all of these standards, it is considered to have the standards, structures, and tools in place to support the gathering, analysis, and dissemination of terrorism, homeland security, and law enforcement information. Such a baseline level of capability is critical to establishing a national, integrated network of fusion centers, according to the National Strategy. DHS and DOJ solicited the feedback of state and local officials on this document at the national fusion center conference—the results of which have yet to be compiled and released.

Fusion Center Officials Cited Challenges with Personnel and Funding; DHS and the FBI Are Helping to Address These Issues to Some Extent

Many fusion center officials we contacted reported challenges related to obtaining personnel (43 of 58) and obtaining and maintaining funding when establishing and operating their centers (54 of 58)—challenges that some of these officials also said affected their centers' sustainability. For example, officials in 37 centers said they encountered challenges with federal, state, or local agencies not being able to detail personnel to their fusion center, particularly in the face of resource constraints. Fusion centers rely on such details as a means of staffing the centers and enhancing information sharing with other state and local agencies.

¹⁴The 9/11 Commission Act requires that the guidelines established by DHS for fusion centers include standards for centers to develop, publish, and adhere to a privacy and civil liberties policy that is consistent with federal, state, and local, law, and standards for providing privacy and civil liberties training for all representatives at the fusion center. Further, the act requires that DHS employees who are detailed to fusion centers receive privacy and civil liberties training.

¹⁵DHS, DOJ, Global Justice Information Sharing Initiative, *Baseline Capabilities for State and Major Urban Area Fusion Centers, A Companion Document to the Fusion Center Guidelines* (March 2008).

Furthermore, officials in 20 of the centers we contacted said that they faced challenges finding, attracting, and retaining qualified personnel. For instance, one official said that it was challenging to find personnel with the expertise to understand the concept behind the development of the center and to use the tools to build the center. While many of these reported challenges were attributed to difficulties at the state and local level, we reported that DHS and the FBI had ongoing efforts to assign personnel to support centers and facilitate information sharing. Both DHS and the FBI have continued to support fusion centers by deploying personnel, consistent with the 9/11 Commission Act. As of March 2008, DHS had deployed 23 officers to fusion centers and has plans to place officers in as many as 35 centers by the end of fiscal year 2008, and the FBI had assigned about 200 personnel to 44 fusion centers, according to DHS and FBI officials respectively.¹⁶

In terms of funding, officials encountered challenges obtaining both federal and state funding. Specifically, officials in 35 of the 58 centers encountered challenges with the complexity of the federal grant process, uncertainty as to whether they would receive federal funds, or declining federal funding, and officials from 28 of the 58 centers reported having difficulty obtaining state or local funding. They said that these issues created confusion for their centers over the steps needed to secure federal funds, made it difficult to plan for the future, and created concerns about the fusion centers' abilities to sustain their capabilities for the long term. Fusion center officials also identified challenges with restrictions on the use of federal grant funds, unclear and changing grant guidance, and a lack of understanding of how federal funding decisions are made.¹⁷ For example, officials in 21 fusion centers said that obtaining adequate funding for personnel was difficult, and officials in 17 fusion centers found federal time limits on the use of grant funds for personnel challenging.¹⁸

¹⁶These deployments may be to fusion centers other than the 58 centers that were included in our October 2007 report.

¹⁷A primary federal funding source for fusion centers is DHS's Homeland Security Grant Program, which awards funds to state, local, and tribal governments to enhance their ability to prepare for, prevent, and respond to terrorist attacks and other major disasters.

¹⁸According to the fiscal year 2007 DHS homeland security grant program guidance, Urban Areas Security Initiative and Law Enforcement Terrorism Prevention Program funds could be used to hire new staff or contractor positions to serve as intelligence analysts to enable information and intelligence sharing capabilities. The costs associated with hiring the new intelligence analysts were allowable for 2 years, after which states and urban areas shall be responsible for supporting the costs to sustain those intelligence analysts.

In October 2007, we reported that DHS had provided grant funding for fusion-related activities and had made some changes to ease the grant process and adjust some of the restrictions on the timing and use of grant funds. For example, DHS expanded grant funding in fiscal year 2006 in the area of allowable costs for information sharing and collaborative efforts. Funds could be used by states to develop and enhance fusion centers, particularly by hiring contract or government employees as intelligence analysts; purchasing information-technology equipment; or hiring consultants to develop and enhance fusion centers. However, we also reported that, despite this funding, fusion center officials were concerned about the extent of federal support they could expect over the long term, especially in relation to the role of their state or local jurisdictions. Given that at the time, federal plans or guidance did not articulate the long-term role the federal government expected to play in fusion centers, we recommended, and the PM-ISE and DHS concurred, that the federal government determine and articulate its long-term fusion center role and whether it expects to provide resources to help ensure their sustainability. Further, we stated that particular emphasis should be placed on how best to sustain those fusion center functions that support a national information-sharing capability as critical nodes of the ISE.

In promoting that fusion centers achieve a baseline level of capability, the National Strategy states that the federal government will support the establishment of fusion centers and help sustain them through grant funding, technical assistance, and training to achieve such a baseline level of capability. The strategy outlines specific roles and responsibilities for federal, state, local, and tribal authorities in five areas that are related to the establishment and continued operations of fusion centers and for establishing a national integrated network of centers. It notes that these roles and responsibilities were developed in partnership with state and local officials and represent a collective view. While the strategy acknowledges that fusion centers are owned and managed by state and local governments, it identifies the objective is to assist state and local governments in the establishment and sustained operation of these centers. However, some fusion center officials raised concerns at the national fusion center conference about how specifically the federal government was planning to assist state and local governments to sustain fusion centers. For example, whether federal funding for fusion centers would continue to be available through DHS's homeland security grant program or whether in the future there would be fusion-center specific funding has yet to be determined. In addition, some officials raised questions about limits on federal funding for personnel. For example, according to the fiscal year 2008 homeland security grant program

guidance, costs associated with hiring new intelligence analysts are still allowable for 2 years. After which, the states and urban areas will be responsible for supporting the sustainment costs of those intelligence analysts (as well as providing a budget plan for doing so) after the 2-year federal funding period is over. In our October 2007 report, we reported on challenges that officials found with federal time limits on the use of grant funds for personnel. In particular, some of these officials expressed concerns about maintaining their personnel levels, and one official told us that the 2-year limit on the use of DHS grant funds for personnel made retaining personnel challenging because state and local agencies may lack the resources to continue funding the position, which could hinder the center's ability to continue to operate. In discussing the implementation of the National Strategy at the fusion center conference, a Homeland Security Council official stated that the question of federal versus state and local roles in sustaining fusion centers is a very difficult question and one that is not yet resolved but is ongoing.

In closing, Mr. Chairman, fusion centers are operating or are being established in almost all states and several local jurisdictions. Although fusion centers were primarily established to meet or enhance information sharing within a state or local area, they have become a critical component of the federal government's plans as it works to improve information sharing in accordance with law and policy. Indeed, the National Strategy recognizes fusion centers as vital assets to information sharing and critical in the creation of an integrated national network to promote two-way sharing of terrorism-related information. Given the federal interest in fusion centers and the centers' interest in supporting such a national network, it is important that the federal government continue to provide fusion centers with added value as an incentive to facilitate such a network. In October 2007 we reported that DHS's and DOJ's efforts to assist fusion centers, such as providing access to information systems, security clearances, guidance and technical assistance, personnel, and funding, had begun to address a number of the challenges fusion center directors identified to us. Several of those efforts are continuing and evolving, including the establishment of ITACG to improve the quality of information provided to state and local users and the release of baseline capabilities for the operation of fusion centers. These efforts are promising; however, it is too soon to determine the extent to which they will address all of the challenges reported to us by fusion center officials. It is also important for fusion center management to understand the federal government's role with respect to these centers since this affects state and local governments' support to centers. In this regard, we recommended in our October 2007 report that the federal government

define and articulate its long-term fusion center role. The National Strategy clearly articulates a vision for the federal government's role in supporting centers—that is by helping to sustain centers through grant funding, technical assistance, and training. However, fusion center officials raised some concerns about sustainability of funding and personnel as the federal government continues work to incorporate fusion centers into the information sharing environment and implement the National Strategy.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions that you or other members of the subcommittee may have at this time.

Contact Information

For further information on this testimony, please contact Eileen Larence at (202) 512-8777 or by e-mail at larencee@gao.gov. Individuals making key contributions to this testimony include Mary Catherine Hult, Tom Lombardi, and Jeffrey Niblack.

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "E-mail Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, DC 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Ralph Dawn, Managing Director, dawnr@gao.gov, (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548