

DDI's State of Analysis Speech
All-Hands Meeting
CIA Auditorium
10 A.M.
11 February 2004

Good morning. When we last met in this auditorium in December I told you the DI was a national asset, and that I was committed to ensuring it continued as such. The programs we created with your help, on recruiting, training and other important issues are well under way. But today, I want to talk about the "state of analysis" in the Directorate.

Today's Environment

Our Agency and our Directorate are taking a lot of criticism these days. In fact, Agency veterans to whom I have spoken say they haven't seen anything like it since Vietnam, or since the period in the mid-1970s when the Church committee was investigating the Agency. Some of you may feel that the criticism we are subject to is unfair. After all, we are not the only intelligence agency in Washington.

But the responsibility that comes with daily access to the President, means that we must meet a higher standard--a standard that is set by the Administration, the Congress, the press, the American public, and by ourselves. Last week, you heard the Director defend the analysis that was done on Iraq's WMD before the war; he also pointed to some areas where he thought we could have done better. Today, I want to give you my perspective on the "state of analysis," and equally important, I want to hear what you think. We need a serious and immediate dialogue on several questions that are central to our mission:

- How are we doing?
- What do we mean by "quality of analysis"?
- What are our analytic strengths and weaknesses?
- Where do we go from here?
- What do I need from you?
- And, what do you need from me?

Let me take a moment to speak to the current controversy about our work on Iraq. Going to war is not a decision any government makes lightly. The information available to the President, his advisors, and the Congress in making that decision is critical. As a result, it is absolutely natural that subsequent to such a decision there will be questions and reviews conducted on the quality of that information. In an election year, a political dimension is added to the equation as well. And, since this is an election year, you should be prepared for the debate and the criticism to be heated--sometimes uninformed--and to continue for several months to come.

As we go through this period of scrutiny, there are a couple of things I want you to know and carry with you:

- First and foremost, you need to know our integrity has held firm. There has been a lot of talk about whether we were pressured to shade our analysis. I would ask you to set that question aside and ask instead: If there is pressure, do we cave? No, we do not; and those who know us, know we did not. Our integrity goes hand-in-hand with our analytic objectivity. There is nothing more fundamental or important than our mandate to "call it as we see it." It is a core value--not just of the DI but of the CIA. This is the foundation upon which we do our work -- It must be protected at all costs. And, I firmly believe that is what we did, and what we continue to do.
- It may surprise some of you to hear me say that. Many of you might have thought I would have said, "being right" is the most important thing. But, as the Director said last week, we will never be "all right" or "all wrong." We have made mistakes and we will make mistakes. And when we do, we will admit them, will study them and learn from them. A commitment to constant improvement is also one of our core values.
- A second thing I would ask you to keep in mind during this time: is that this debate and these criticisms affect us all. Those of you who don't work on Iraq, on WMD, or on terrorism, might be tempted to think, "well, how does this affect me?" "This isn't my problem." Well, it is--it affects all of us. Not only is this our Agency, and our directorate, it is our credibility as CIA analysts and managers that is being called into question. You need to understand that no matter what topic you work--for better or for worse—our consumers will increasingly question our accuracy and may be increasingly skeptical of our judgments.
- For newer analysts, you should know that many of your colleagues have faced similar times of intense scrutiny in the past whether they worked on the fall of the former Soviet Union, Central America in 1980s, Indian and Pakistani intentions to conduct nuclear tests, or Chinese missile sales to Pakistan. And, at some point in the future, it may be your issue that comes under fire. So learn as we go through these months. And, remember rigorous questioning of our judgments is not to be feared; it is welcomed. It is the price we pay for being relevant and influential--for being taken so seriously. It should be something that we, as

intelligence professionals, welcome, and it is why we spend so much time emphasizing our tradecraft.

- A final thing to keep in mind is that while it will be hard not to take the criticisms personally, you can't let them distract you from our mission and our focus on the future. The criticisms will be pointed and harsh. It is a natural instinct for any entity under attack to try to "protect" itself, but we cannot and should not become defensive. While some of the criticisms will be unmerited, we have to recognize that many will be justified.

We know we can improve. It will be difficult, but we will be the better for it. And, I am confident that coming out of the Auditorium here today, we will have started down the road to doing just that.

The State of Analysis

Let's turn to the issue at hand, how would I characterize the "state of analysis" in our Directorate today?

- I would say it is strong with room for improvement.
- I would say that we have true expertise on some of the most difficult issues of our times.
- I would say that the men and women who work in the Directorate are the most talented group of individuals anyone could ever hope to lead. And, I am lucky enough to know that first-hand.
- I would also say that US policymakers have benefited enormously from your work, from your insights, and from your dedication. They count on the analysts in this Directorate to do their utmost to ensure that they get the best information available, delivered in a timely fashion, and presented in a precise and understandable manner.

And that is not easy.

When collectors get the entire set of a foreign leader's talking points or the inside penetration of a critical network, we get a direct understanding of the forces at work. However, when that doesn't happen, there are few jobs as complicated as ours.

This is a difficult profession. You are asked to inform the debate on some of the country's most important policy judgments, usually based on limited and conflicting information. What information we have is sometimes obtained second-hand from sources with their own unique political agenda or motivations. Often, we lack the ability to get close to an issue:

- we look at a satellite image, but can't get our feet on the ground;
- we assess the physical or mental health of a world leader without ever meeting or touching the patient.

We only get pieces of the puzzle. It is like trying to do a 1,000 piece jigsaw puzzle with only 200 pieces. And, as a kicker, you don't get to see the lid of the box to tell you what it is supposed to look like.

So, it falls to us, the intelligence analysts, to sift through the pieces and to figure out what it means. It is not unusual to find a piece of intelligence that is in absolute direct contradiction to another piece. How is an analyst here in Washington going to know which piece is right and which one is wrong--or perhaps both are wrong or could it be, that there is an explanation, that would show both are right.

As I said, our work is not easy, and yet, this is our job and we have had some stunning successes. Remember, it was:

- Analysts, working with their military counterparts, who pored through mounds of documents and successfully identified the network that was protecting Saddam Hussein.
- Analysts who, in 2002, identified and warned about the military buildup on the India-Pakistan border in time for diplomatic intervention to be successful.
- Analysts, who have mapped the progress and contours of Iran's nuclear program.
- Analysts working in our African group last summer who accurately assessed every turn in the road for policymakers as the US government pressured President Taylor to leave Liberia.
- And the list could go on.

As intelligence analysts in the DI, you are part of a proud tradition and profession -- a profession with high standards and goals for excellence. Our performance against those goals is measured not by being always right, but by always delivering rigorous, well-reasoned, and appropriately caveated analysis.

Periods of self-examination are important and serve as one of the best ways of constantly working to improve the "quality of our analysis."

The "quality of analysis" is a phrase we use regularly, but what does it really mean. If you are a brand new analyst, what are we talking about when we say the "quality of our analysis." Like any catchall phrase, it is shorthand for a lot of different things. To help

those new analysts and, to reiterate to the rest of you, let me tell you what it means to me. It means:

- Sophisticated, value-added analysis on key national security issues. We don't simply gist cables. Anyone can do that. We give policymakers a sense of what it means, the bigger context, the nuances and details that will drive a critical foreign decision or situation.
- It's bringing the depth of our world-class expertise to bear on the issue. And, we do have world-class expertise. Policymakers turn to us because they want to know what we think. But, it is expertise that they seek -- not just opinion. Everyone has an opinion; we provide intelligence analysis built on a foundation of expertise.
- It means taking a hard look at what you assume to be true. Sometimes it is possible to hang on to a judgment or a model for too long. Look at the recent polls before Iowa. Almost every political "talking head" expert got it wrong. They firmly held to longstanding assumptions that organization was the critical factor, and that those candidates with the biggest organized structure would win handily. They were dead wrong--and yet they had close to total access, lots of information, and were operating in an open society. Something had changed in Iowa, and they missed it. The indicators and predictive tools they used were either wrong or were no longer weighted appropriately. The same thing can happen to us.
- What else does the "quality analysis" mean to me.
 - It means giving our policymakers full transparency into how we made our judgments.
- It means:
 - precision of language,
 - a clear articulation of your judgments and your confidence in them,
 - an explicit lay down of what you base those judgments on,
 - knowing the strength of the sources you have used,
 - understanding and carefully explaining your intelligence gaps
 - and, an examination of other analytic possibilities.

Where Do We Go From Here?

As I said earlier, we are experiencing a time of harsh public scrutiny. We are being judged severely sometimes by those who don't fully understand what we do, or how we do it.

- But, it is not our critics to whom we must answer; it is ourselves.
- We don't need to wait for others to tell us to take stock. This is our profession, and we are the stewards of our craft. Each and every one of us must personally assume the mantle of that stewardship, and improve the quality and process of intelligence analysis.

We have already initiated a number of efforts designed to do just that.

The Iraq Review Group. Six months ago, I established a group of senior analysts to review the critical judgments we had made on Iraq's WMD programs. The analysts selected to join the group were knowledgeable about WMD, but not directly involved in our analysis on Iraq, so they came at it with a fresh perspective.

I established the group--and got the Director's endorsement for it--because as DDI, I needed to know:

- why we made the judgments we did.
- when those judgments changed, I needed to know why they changed, and
- I needed to know if we had appropriately and consistently used the necessary caveats.

We needed to see what we could learn from our performance, and to ensure that those lessons were incorporated into the Directorate's training programs. And, where the review showed flaws in our system we needed to find ways to rectify the problems.

It was this group's work that led to the discovery of an overlooked, fabrication notice that had been issued on a source. A notice that was available electronically to analysts, but because it was overlooked, we continued to use the information in intelligence community products. This mistake, once discovered, was acknowledged to the policymakers, the Congress, and to the public. Acknowledged at our initiative. We will not cover up our mistakes--this too, is an essential part of our analytic integrity. And for his part, the DCI would accept no less.

In addition to revealing an analytic error, it revealed flaws in the way Community fabrication notices are posted electronically without appropriate links between the original report and the fabrication alert. I think everyone in this room -- whatever issue you work on -- can understand what a serious problem this poses.

The President has now established a commission to look into intelligence performance on weapons of mass destruction, we will expand and extend this review group's mission so that it can provide full support to the Commission. I am asking a senior DI officer to head this effort for us.

The Information Sharing Issue. People often ask me what is the biggest lesson I have learned in the past year? Without a doubt, it is the importance of getting the analyst as much information as possible about a source's access. Analysts can no longer be put in a position of making a judgment on a critical issue without a full and comprehensive understanding of the source's access to the information on which they are reporting.

We have found cases in which a single source has different source descriptions increasing the potential for an analyst to believe they have a corroborating source. In other cases, we found out, after the fact, that while the source is reliable, the information being reported actually came from a sub-source about whom we know little. It is the responsibility of the analysts to know the difference.

In an age where policymakers are relying on intelligence to inform their decisionmaking, we cannot let these imperfections in our system continue. When it comes to foreign intelligence there should be no such thing as DI and DO information, it is Agency information. We are not brushing aside the Agency's duty to protect sources and methods, but barriers to sharing information must be removed. Information sharing built solely on personal relationships must be institutionalized – If you work the issue you need to know the information. Period.

The DCI agrees and is adamant this must change. The DDO has long been an advocate of information sharing and has issued clear instructions for improvement. And the EXDIR has established a group including the ADDI and the ADDO/CI to ensure that significant breakthroughs are made quickly. The DCI has given the EXDIR 30 days to devise a permanent and lasting solution.

Grading Our Homework. I have also reestablished and enhanced the Production Evaluation Staff to assess the quality of our analysis -- to grade our homework if you will. They will look at the accuracy of our judgments, our use of tradecraft, and whether we adequately explain the reasons for changes in our judgments. I have selected several issues for the staff to begin evaluating immediately. Each year, the DDI will choose the list of substantive topics to be studied; this staff also will be used for ad hoc projects as the need arises.

They will produce quarterly reports for me on the "best and worst" findings and will provide "early warning" of emerging problem areas. And, given what they are finding-- they also will look for key areas in which our tradecraft training should be revised. Today, I am announcing a senior DI officer as my Special Advisor for Analytic Tradecraft. He will have full access to all of my substantive meetings and direct access to me.

Let me turn to some of the other issues of concern and how I think we should move forward:

The PDB Three years ago, we dramatically revamped the President's Daily Briefing. These changes significantly improved the quality of the product we put in front of the President every morning. That said, it is worth reviewing to see if further improvements can be made, and to see if some of the strong points of our earlier approach have been lost. I am asking a senior DI officer to oversee a working group that compares the quality and approach taken in the PDB in 2000 with the PDB in 2004.

The NIC One area that I want to study in greater depth is the relationship between the National Intelligence Council and the Directorate of Intelligence. Because the NIOs know so many of you and because we share a building, there is a natural tendency for NIOs to reach into the Directorate when they need assistance and expertise. Supporting the NIC is fundamentally important and we must find the best ways of getting quality analytic products while reducing the tension analysts feel as they are pulled in different directions by competing masters.

The DCI has sent guidance directing that I and the relevant DI analyst and manager brief him fully on a draft estimate NLT 48 hours prior to an NFIB. He expects us to treat Estimates with the same professional rigor as we would our own papers. I am asking a senior DI officer to lead a focus group to establish guidelines for analyst interaction with the NIC.

For both the PDB and NIC reviews, these groups will report their recommendations to me by March 15th.

Inherited Assumptions. A final area I want to focus on is the danger of inherited assumptions. This may be the single most important aspect of our tradecraft that needs to be examined. This is something that I speak about to every new CAP class: More experienced analysts are a wealth of information for new analysts, but how do we ensure that we are not passing along assumptions that haven't been sufficiently questioned or reexamined.

As a Directorate, we need to do fresh research on topics, looking for new factors which could change our judgments, testing our hypotheses against viable alternatives, looking for new collection opportunities, revalidating some assumptions and disposing of others. That is why in the DCI's Strategic Direction we have committed to raising our longer-term, intellectual capital building production to 30 percent of our analytic effort.

Quite simply, we need to take a hard look at what we assume to be true. Are there fundamental changes underway in a society? Even if we do not know where these changes are leading, we need to recognize that the tectonic plates are shifting, and that the dynamic is changing. For example, we need to ask ourselves today:

- How will China's newfound wealth change China's decisionmaking and the role it plays in world politics.
- What will be the ramifications of a "stolen" election on the nascent reform movement in Iran – will it set back the cause of reform or cause the disenfranchised to explode into unrest.
- Where will Putin take Russia in a second term, and how will his pursuit of a legacy will play out.
- And, when we are writing about proliferation or technical issues we must ask ourselves what are the social dynamics at play in a society--the context in which the people live and work.

There are critical assumptions that underlie the answers to such questions; we need to know what they are, to rigorously examine them, and, at all costs, we must avoid group-think.

I am going to ask each of the Issue Managers to assemble 3-5 of the biggest questions we will face in their issue areas in the next couple of years. In addition, I am also going to ask for their plan to provide the best quality analysis against those questions. They will be accountable for the quality of the question being pursued as well as the plan they devise to pursue it. Issue managers will be responsible for questioning analysts' assumptions and making sure intelligence gaps are explained.

First-line managers will be accountable for challenging analysts to test the judgments they make in the products they write, to increase the depth of the analysts' substantive knowledge, and to exert care in their use of sources. The team chief's substantive and tradecraft knowledge also is critical to our analytic effort, and is often the last level at which that sort of detailed substantive management can take place. It will also be the responsibility of first-line managers to explain fully the reasoning behind substantive changes in analyst's drafts, so that a lack of communication does not create an atmosphere of cynicism or questions of integrity.

For analysts, you are responsible for the precision of the language you choose, the clarity of the analysis you present, and the care with which you address your assumptions and gaps when making your judgments. You also are accountable for coordinating honestly and professionally, for recognizing value of the contribution others can and will make to your analyses, and for driving collection.

Doing sophisticated, in-depth, value-added analysis requires a dialogue. It can't be done in a vacuum. You must challenge your supervisors and the established analytic line. Be courageous. And remember, we are not preempting your role as analysts when we question your judgments, we are executing our responsibilities as DI managers.

We deal with questions that have no easy answers or formulaic solutions. A constant testing of ideas is essential to achieve consistent excellence in our work.

For the front office leadership and the members of the senior analytic service, this substantive dialogue begins with you. You must lead with your knowledge and take responsibility for nurturing the less experienced. Talking to analysts, asking what they think, discussing alternatives is critical to improving the quality of our work. As a Directorate, we are younger, more junior, and more inexperienced than ever before. We must develop a serious mentoring effort in every group that isn't a "nice to have", but a key component of our future success.

For the DDI. The responsibility and accountability for the "quality of our analysis" in our Directorate runs up the chain from the newest analyst to me. As DDI, I am ultimately responsible for any product produced in this Directorate. I have high standards for myself, and I have them for you. But, if you apply good tradecraft--and do your job to the fullest--you can be sure that I will defend your analysis before any critic. I will fight to get us get the resources necessary to provide analysts with the tools they need to do their job and to hire enough analysts to provide the best global coverage possible.

Conclusion

The demands and expectations on us are enormous, but recognize that they are a result of your success. What you do, matters. There are some who say we shouldn't try to make the tough calls. I wholeheartedly disagree. This would undermine the fabric of who we are. We can't avoid making a judgment because we are afraid we will be wrong--we are paid to make the tough call. That is what a professional intelligence analyst does. But remember, when you are "calling it as you see it," you must give the policymaker full transparency into your confidence in the judgments you are making. Be clear, tell them what we know, what we don't know, what our judgment is, and occasionally tell them when we really don't know what your gut tells you. Dare to stick your neck out, but be explicit when you are doing so.

You'll recall in my speech to you in December I announced the development of the Advanced Analyst Training Program. Yesterday, I approved the courses and requirements for that program, and we are moving forward.

Today, I am announcing a new requirement for a one-day Tradecraft Refresher Course that will be mandatory for all analysts and managers. In the military, they call this a safety standdown. Where you stop in your tracks and take a day to completely review every aspect of how you do your job.

This is that serious. We cannot move forward without a thorough review of our tradecraft and where we find it falls short, we must find immediate solutions.

I have also asked each office director to arrange a series of follow-up meetings, beginning at 1:00 pm today, on how to operationalize these principles and standards

I've laid out in each of your individual offices. I expect each office to report its recommendations to me no later than March 1st.

In conclusion, I would reiterate it is essential that we continuously work to improve the quality of our analysis. When we make mistakes we need to learn from them collectively as a Directorate. We will enhance our expertise and broaden our point of view by reaching out to others, employing contrarian analyses, and perhaps most importantly by expanding the diversity of our workforce.

We must do this together. We must, together, show care and passion for our work.

We are professional intelligence officers and our profession now demands that the bar be raised. You are exceptionally gifted men and women and there are none better to stand up to this challenge to improve the quality and precision of our work.

Each and every one of us has a duty to help strengthen this Directorate and leave it better than we found it. And, I ask for your help in doing so.

Thank you.