

- ▶ dozens of flat-screen TVs;
- ▶ Sport Utility Vehicles they then gave away to other local agencies; and
- ▶ hidden “shirt button” cameras, cell phone tracking devices, and other surveillance equipment unrelated to the analytical mission of a fusion center.

All of those expenditures were allowed under FEMA’s rules and guidance, DHS officials told the Subcommittee. Yet none of them appeared to have addressed the deficiencies in the centers’ basic information analysis and sharing capabilities, so they could better contribute to Federal counterterrorism efforts.

Every day, tens of thousands of DHS employees go to work dedicated to keeping America safe from terrorism; Federal funding of fusion centers was intended to advance that Federal objective. Fusion centers may provide valuable services in fields other than terrorism, such as contributions to traditional criminal investigations, public safety, or disaster response and recovery efforts. In this investigation, the Subcommittee confined its work to examining the Federal return on its extensive support of state and local fusion centers, using the counterterrorism objectives established by law, Executive strategy, and DHS policy statements and assessments.

The investigation found that top DHS officials consistently made positive public comments about the value and importance of fusion centers’ contributions to Federal counterterrorism efforts, even as internal reviews and non-public assessments highlighted problems at the centers and dysfunction in DHS’s own operations. But DHS and the centers do not shoulder sole responsibility for the fusion centers’ counterterrorism intelligence failures. Congress has played a role, as well. Since Congress created DHS in 2003, dozens of committees and subcommittees in both Houses have claimed jurisdiction over various aspects of the Department. DHS officials annually participate in hundreds of hearings, briefings, and site visits for Members of Congress and their staffs. At Congress’ request, the Department annually produces thousands of pages of updates, assessments and other reports. Yet amid all the Congressional oversight, some of the worst problems plaguing the Department’s fusion center efforts have gone largely undisclosed and unexamined.

At its conclusion, this Report offers several recommendations to clarify DHS’s role with respect to state and local fusion centers. The Report recommends that Congress and DHS revisit the statutory basis for DHS support of fusion centers, in light of the investigation’s findings. It also recommends that DHS improve its oversight of Federal grant funds supporting fusion centers; conduct promised assessments of fusion center information-sharing; and strengthen its protection of civil liberties in fusion center intelligence reporting.