

(Continued)

- ▶ Some terrorism-related “intelligence” reporting was based on older news releases or media accounts.
- ▶ Some terrorism-related reporting also appeared to be a slower-moving duplicate of information shared with the National Counter Terrorism Center through a much quicker process run by the Federal Bureau of Investigation’s Terrorist Screening Center.

In interviews, current and former DHS officials involved in the fusion center reporting process stated they were aware that “a lot of [the reporting] was predominantly useless information,” as one DHS official put it.²⁶ A former reporting branch chief said that while he was sometimes proud of the intelligence his unit produced, “There were times when it was, ‘what a bunch of crap is coming through.’”²⁷

The Subcommittee investigation also examined DHS’s management of the fusion center counterterrorism intelligence reporting process. The investigation discovered:

- ▶ DHS required only a week of training for intelligence officials before sending them to state and local fusion centers to report sensitive domestic intelligence, largely concerning U.S. persons.
- ▶ Officials who routinely authored useless or potentially illegal fusion center intelligence reports faced no sanction or reprimand.

The Subcommittee investigation also reviewed how the Federal Emergency Management Agency (FEMA), a component of DHS, distributed hundreds of millions of taxpayer dollars to support state and local fusion centers. DHS revealed that it was unable to provide an accurate tally of how much it had granted to states and cities to support fusion centers efforts, instead producing broad estimates of the total amount of Federal dollars spent on fusion center activities from 2003 to 2011, estimates which ranged from \$289 million to \$1.4 billion.

The Subcommittee investigation also found that DHS failed to adequately police how states and municipalities used the money intended for fusion centers. The investigation found that DHS did not know with any accuracy how much grant money it has spent on specific fusion centers, nor could it say how most of those grant funds were spent, nor has it examined the effectiveness of those grant dollars.

The Subcommittee conducted a more detailed case study review of expenditures of DHS grant funds at five fusion centers, all of which lacked basic, “must-have” intelligence capabilities, according to assessments conducted by and for DHS. The Subcommittee investigation found that the state and local agencies used some of the Federal grant money to purchase: