

MEMORANDUM FOR THE RECORD

Event: Mark Steinitz  
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 Team Number: Three (Counterterrorism Policy)  
 Location: Main State  
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**Interviewee Background**

(U) Mark Steinitz joined the State Department in 1983 and has been with INR, in various capacities, since that time. In 1988, he became the Director of INR's Office of Analysis for Terrorism, Narcotics and Crime (INR/PC/TNC). In this capacity he oversees 15 analysts. Steinitz received a BA from Gettysburg College and a masters from Georgetown University.

**I. INR and Consular Affairs**

*Information Flow within the State Department*

(C) Steinitz emphasized that his knowledge of how information flows to and from Counselor Affairs (CA) is limited. He went on to say the level of classification dictates what they get directly in their Bureau. They are restricted by communications methods, facilities (SCIF space) and storage/safes. INR must give them information they can't get directly such as NSA technical intelligence and CIA HUMINT, each of which has handling restrictions. INR gives them a pouch each morning for briefing their seniors including raw and finished analysis from INR and from outside State (i.e. the rest of the IC). [redacted]

(U) In response to the question of whether there were changes in the kinds of materials INR passed to other bureaus over the past 10 years, Steinitz responded that [redacted] they can pass on more highly classified materials. But he also pointed out that this is for the seniors; this is not how intelligence gets into the visa process. In response to the question as to whether the people getting this information changed over 10 years, he remarked that the positions of people getting the intelligence in the top echelon was very consistent. However, many junior people are not cleared for SCI. The top echelon includes the assistant secretaries, their deputies, and selected office directors.

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(U) Steinitz said they get infrequent tasking from CA, but they are routinely provided all assessments.

(U) Steinitz attends a weekly meeting with Diplomatic Security, S/CT and CA where they cover current threats, etc. and that has been happening over the past 10 years. They abide by the rule of "no double standard" under which they make threats public. This is part of their Advisory System.

(U) As to whether there were changes in intelligence flow after "signal events", Steinitz responded that he couldn't recall whether there were institutional changes between INR and CA after WTC bombing I, but there were no procedural changes. He mentioned that he was overseas at the time of this event though. Since 9/11 he pointed out again that some bureaus 9/11 Agency Internal Matters could get easier access to information and keep documents longer but that this was not specifically related to CA. Relations with diplomatic security changed as a result of the lost lap top incident at the direction of the DCI.

(S) When asked whether INR provides information to CA in the field, Steinitz responded that this information flow was under the Ambassador and that the TIPOFF office handled this. TIPOFF was in INR until the late 1980s/early 1990s when it became more operational. INR analytic products are sent to overseas posts. However, this is also limited because some embassies and separate CA offices can't receive SCI. There is limited distribution at the posts that can receive SCI to the front office and to the political and economic advisors. CA doesn't have much finished intelligence.

(U) Steinitz remarked that terrorist threat information comes through the DCI's National Threat Warning System that formerly was done in CTC. This has now been passed to TTIC and referred to the State detailee at CTC, Ken Duncan. This initiates "top-down alerting" to the embassies and military bases for personal and force protection purposes. Through TIPOFF, CA gets sanitized information through their databases for visas.

(S) Steinitz went on to say information filters back to CA through the pouch information for their morning briefings, again including INR and OGA assessments. What can go to overseas posts is limited by communications, facilities and cleared personnel. But he corrected himself to say most embassies  can get SCI information.

#### *Intelligence flow to INR*

(S) Steinitz confirmed that INR was getting intelligence reports on terrorists in Saudi Arabia during the 1990s including UBL, al Qa'ida, Shia from Iran, Hezbollah (Lebanese), etc. They connected these groups to the Khobar and National Guard attacks. They knew there were networks and cells in Saudi after UBL went to Afghanistan in 1996. He said he was certain there were some reports but none specifically came to his

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mind. He said they reported on Saudi attitude toward the Taliban and they tried to pressure them politically and diplomatically to expel UBL. He assumed reporting was done on UBL recruiting in Saudi but he couldn't recall specific reports.

(S) When asked whether the need to maintain good relations with the Saudis affected the reporting and whether they were really pressuring the Taliban as much as possible, Steinitz remarked that [redacted] tried to verify Saudi claims. He did not know whether the Saudis wanted UBL back.

(S) When asked about terrorist mobility, Steinitz responded that INR and CIA were trying to determine where the cells were and trying to obtain information about their plans, intentions and capabilities. But INR analysis was not so specific, particularly reporting passed to the Undersecretary for Political Affairs, Deputy Secretary of State and Secretary of State. When asked about other agencies, he responded that the Commission should ask CIA that question.

*Relations and information flow between INR and the FBI*

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(S) INR has wanted to get more raw information according to Steinitz. This would include case files beyond immediate threats. Getting information the FBI got abroad was very difficult (i.e. Khobar in 1996 and the USS Cole in 2000). There were always restrictions on information when FBI investigated. According to Steinitz, the only after-action information they received after Khobar Towers was a short report from the FBI stating in essence, [redacted] without supporting documentation or analysis.

(U) Steinitz remarked that meetings about information exchange were initiated but didn't amount to much. He noted that Rule 6C has secrecy protections on investigation materials and discovery.

(U) When asked if he had gotten any information from the FBI on terrorists getting into the US, Steinitz responded that he couldn't recall anything except specific threat reporting and that threat reporting briefings from the FBI included only the bare essentials.

*Relations with INS*

(U) Steinitz responded that he didn't know anyone at INS including Dan Cadman in the National Security Unit.

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*Relations with the CIA*

(U) Steinitz said that in the early 1990s [redacted] was head of CTC/Analysis and in the mid 1990s the NIO for NESA was [redacted] earlier CTC/Analysis Chief and then Deputy at CTC, were his contacts. [redacted] was [redacted] Deputy for Analysis.

*Relations with Main DoJ*

(S) Steinitz remarked that he had few relations with main DoJ and not at the analytic level. He was tasked to work on information sharing relative to Law Enforcement and Intelligence. He said he spent lots of time on this but not much was done despite their numerous recommendations. He was hoping for more robust and raw information on CT from the FBI flow (to combine with SIGINT and HUMINT).

(U) He got nothing in connection with FBI prosecutions. But the FBI did give some briefings to S/CT. INR instead needed some written/vetted reports, not briefings. He attempted to get Mary Jo White to brief State (specifically S/CT's Michael Sheehan) in the late 1990s. It was very difficult to get briefings like that. He also wanted information to assist with the annual reevaluation of the State Sponsors of Terrorism list.

*Alien Smuggling Information*

(S) Steinitz commented that he got little information on alien smuggling. But in 1994/5 Organized Crime was added to INR but the focus in the 1990s was on Russia. INR didn't spend much time on it assigning only one person (Amy O'Neill). Most of the work was not on terrorism but was on human trafficking.

*Borders*

(U) Steinitz was not given any specific tasks relating to the Canadian or Mexican borders, although these issues have come up during other INR studies. Steinitz responded that he had not seen any specific intelligence reports on the southwest borders, but did see one on Rexam and Canada.

(C) Steinitz had no interaction with INL on terrorism. But he did interact with them on alien smuggling. As to whether INR was inhibited by the lack of interaction, Steinitz responded that this was difficult to assess. He did not consider it an impediment. But he knows that terrorists are still looking for people to enter the US legally like the 15 Saudis used in 9/11. They could use CN or a Coyote (alien smuggler). [redacted]

[redacted]

(TS/SCI) When asked about information on corrupt border officials, Steinitz responded that he does reporting if it concerns terrorism or drugs. As a recent example he cited that [redacted]

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(U) As to the success of US efforts to remove corrupt border officials, Steinitz responded that some officials had been removed but he doesn't get anything on that.

*Relations with S/CT*

(C) Steinitz remarked that his two highest official priority bureaus for intelligence are INL and S/CT. He occasionally responds to the Legal Advisor's Office and CA. There are no analysts in CA; their relationship is less institutionalized. INR is organized to mirror the bureaus on the 6<sup>th</sup> floor (the Assistant Secretaries). INR distributes both raw materials from other agencies as well as INR finished materials.

**II. INR and Counterterrorism Policy**

*CT Policy in the early 90's*

(U) When asked what were the main tenets of CT policy in 1992-1993 with regard to Al Qa'ida and the Taliban, Steinitz first stated that INR is not a policy-making body, but rather an implementer of stated administration policy. He further said that he was out of the country in Latin America during this time period.

(C) With these caveats, Steinitz stated that INR was most concerned during this period with

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(U) Steinitz said Bin Laden was "on the scope" pretty early. Somalia was a focus of Bin Laden-related reporting. During this time, they were generally aware of UBL's role as a financier and terrorist facilitator. {Note: UBL was watchlisted by TIPOFF-INR in August 1993}. UBL was not thought of as a "major operative," during this time.

(C) INR's focus during this time was on: Middle East State Sponsors of terrorism -- Iran (Hezbollah), Libya (although they were pulling back after the blowback from Pan Am 103), Abu Nidal (in decline), Saddam Hussein "surrogates" (such as the PLFPGC), and Devsal (?)(in Turkey, who killed some Amcits in Gulf War I), as well as on terrorist

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movements elsewhere, such as Sendero Luminoso (Peru), Manuel Rodriguez Patriotic Front (Chile), 17 November Group (Greece), and the Red Army Faction (Germany).

(U) As Steinitz termed it, the terrorism concerns of the 90s were still "largely the one's of the 80's," i.e., mainly a concern with state sponsors of terrorism.

*The Mid-90's Shift of Focus to Al Qa'ida*

(C) When asked when the focus of CT intelligence analysis shifted to Al Qa'ida, Steinitz said it was after UBL went to the Sudan. The 1995 assassination attempt on Mubarak in Addis Ababa was an important event in this shift. The attack had its origins in Sudan. It was done by the [redacted] (Steinitz was not sure), but UBL's role in it was significant. UBL had a lot of Egyptians coalescing around him in Sudan, facilitators and supporters of terrorism, and it was clear that UBL had provided logistical support to the operation. Steinitz added that Sudan has a longstanding enmity for Egypt.

(C) During this period – in the mid-90's, Steinitz said, there was a transition in focus as Al Qa'ida was formed from Hezbollah to Al Qa'ida. The Khobar Towers attack and who had responsibility for it was very important to the thinking of INR and the IC. [redacted]

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*CT Policy in the late 90's*

(U) As we moved into the late 90s, Steinitz said, UBL's public pronouncements became more irate. He was expelled from the Sudan in 1996. He issued the February 1998 and August 1998 Fatwas. These incidents drove the shift in focus from Hezbollah to Al Qa'ida.

(U) When asked who was driving the shift, i.e., whether it was UBL's rhetoric and actions during this period or decision making by the IC to change focus to UBL, Steinitz said these things were happening simultaneously, one was not driving the other.

(U) We asked Steinitz what was the U.S. policy during this time period. Steinitz reiterated that it was hard for him to answer because he was not a policymaker. He recalled getting tasked to examine Sudan's role as a state sponsor in the mid-90's. He also recalls, when UBL moved to Afghanistan, being asked about the Taliban and UBL's prospects there.

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*UBL in Sudan and the "Offer" to turn over UBL*

(C) When asked about UBL in the Sudan, what was the U.S. doing, and how was UBL viewed by us during that time, Steinitz said UBL was still viewed primarily as a bankroller of Islamic groups, but Steinitz did say UBL was seen as developing an operational capability with an Al Qa'ida terrorist arm of his own. INR was providing assessments during this period on how much support UBL was providing to other groups.

(C) Steinitz was asked about the Turabi/NIF relationship in Sudan. He said there were different political factions in Sudan. Turabi was in UBL's camp.

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*The Saudis and Bin Laden*

(C) In Steinitz's view, there was always some question about the Saudi attitude toward UBL.

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*Sudanese Support for UBL in the Late 90's*

(C) On the topic of Sudan's support for UBL in the late 90's, Steinitz said it was a matter of "two steps forward, and one step back." In 1996, UBL left, and Carlos the Jackal was turned over. However, thereafter, there were still persistent links with Al Qa'ida. The facilitators were still in Khartoum and, according to Steinitz, Sudanese government officials knew it. Al Qa'ida front companies were still in play. As Steinitz termed it, Sudan was trying to give the impression that they were changing without surrendering Islamic radicals. They were trying to have it both ways. They were making allegations about their progress -- e.g., "we expelled three known terrorist facilitators" -- that were hard to verify and backsliding on those allegations of progress would have been easy.

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*The Sudan Today - What's Changed and Why?*

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(U) When asked why Sudan has improved, Steinitz ventured that it stemmed from the Sudanese realization that their burnishing of their radical credential had cost them too much internationally.

*Embassy Bombings Response*

(C) On the USG response to the Embassy Bombings in August 1998, Steinitz said INR was not asked to make suggestions as to a proposed response. Steinitz said that the threat report level had been rising but

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*FBI Threat Reporting*

(U) FBI threat reporting, Steinitz said, increased incrementally during the 90's. However, other information on methods and capabilities of terror groups never improved.

*UBL in Afghanistan*

(U) Steinitz said that when UBL went to Afghanistan, the Taliban was the focus of study by the Near East/South Asia Bureau of State. He said the question at that time was whether the Taliban was the lesser of two evils in Afghanistan.

(U) Steinitz could not recall Robert Oakley coming to him to discuss the Afghan environment.

(S) Pakistani role with the Taliban. Steinitz said Pakistan was a supporter of the Taliban. The Taliban provided a buffer state and friendly government. The Taliban also gave Pakistan strategic depth versus the Indians. Steinitz saw Pakistan's position as creating a conflict between their larger strategic interest and the U.S. interest in capturing UBL. By assisting the Taliban, Pakistan in turn assisted UBL. According to Steinitz, "It was a big dilemma."

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(S) Steinitz said that, in his view, nothing would have worked to eliminate the Taliban and UBL. The Taliban would never have given up UBL on their own. Indeed, although UBL had initially sought safe haven with another Afghan faction, Steinitz saw the UBL/Taliban relationship as getting closer over time. UBL helped the Taliban gain control of the country. As the Taliban were isolated, UBL gave them cachet in the radical Islamic world. Thus, although Steinitz heard that

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, he saw no hope for delinking the Taliban and UBL.

*Al Qa'ida in Western Europe*

(S) On the topic of Al Qa'ida in Western Europe, Steinitz said it was not really on INR's radar screen before 9-11. This issue was dealt with mainly as part of analysis of the GIA and Salafist groups who carried out the Air France hijacking. It also took place in the context of analysis of Al Qa'ida and Egyptian groups in the Balkans. There was some concern as well

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These threats, as described above by Steinitz, were more in Southern Europe, not in Germany.

(S) Steinitz cannot recall any assessments of the Al Qa'ida presence in Germany. Steinitz commented that part of what shapes analyst tasking is what information is available. There was not much intelligence available in Western Europe since it was not a focus of intelligence collection on terrorist groups. The collection focus was in the Middle East, South East Asia, and the Gulf.

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### III. INR and the Intelligence Community

#### *TNC's Role in the IC*

(C) Steinitz confirmed that INR, and specifically TNC, is part of the formal Intelligence Community. He went on to explain that the rest of the DoS is not part of the Intelligence community. But, as a result TNC is eligible for funding from NFIP.

(C) According to Steinitz, there is some personnel exchange between INR and other groups in the Intelligence Community. For example, Ken Duncan is a DoS officer with the CIA's CTC. Currently none of Steinitz's analysts are detailed elsewhere, but he noted that both CTC and NSA have detailed personnel to TNC. There have been no detailee exchanges between TNC and the FBI.

(C) INR also holds weekly meetings with representatives of [redacted] services to discuss terrorism.

#### *Types of Intelligence Received*

(S) Steinitz also described the type of intelligence that his office receives. Most of the intelligence he is provided with is HUMINT, but he noted that TNC also receives SIGINT, photo imagery and Embassy reports. The photo imagery is easy for TNC to get and is very helpful when watching [redacted]. Generally the HUMINT quality is good and he gets a fair amount of it from DIA. He mentioned that the DIA intelligence does not get filtered but the intelligence the CIA provides is. He has also received many more finished reports from the FBI since 9/11.

(S) TNC is not involved in collection but INR does have a bureau for HUMINT/SIGINT tasking. HUMINT is the hardest to task and is "not very nimble." SIGINT and photo imagery is much better for real time analysis.

(S) Steinitz discussed foreign source material and noted that it is difficult to determine the foreign service providing it. He feels that the foreign liaison material is of varying quality and that one problem is that the Intelligence Community has to rely on the foreign source's "sources."

#### *TNC's Strategic Role*

(C) The general focus at INR has changed with the arrival of Carl Ford. Ford, who is leaving the post shortly, pressed for fewer, but higher quality, assessments so as to provide a more long-term outlook for the consumers. As a result, the seventh floor now receives fewer, but slightly longer, assessments.

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(S) Steinitz went on to describe TNC's operational and strategic plan. As a manager, he feels that it is important to articulate TNC's goals to his analysts. In doing so, he stresses flexibility so as to adjust to unanticipated events. In connection to Al Qa'ida, Steinitz mentioned long, mid and short-term goals. [REDACTED]

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[REDACTED] Steinitz noted that while TNC products are created for the DoS, they are provide to other outfits in the Intelligence Community.

(C) As for Tenet's "Declaration of War" against Al Qa'ida, Steinitz did not see any changes in Intelligence Community operations resulting from this. But he mentioned that Al Qa'ida was already being taken seriously in the Intelligence Community.

*Thoughts for Improvement*

(C) Steinitz says it is hard to create an analytical device to grade TNC and that a metrics system does not work very well, as it is hard to gage the quality of reporting. He mentioned that he gets feed back from INR's front office as well as from the seventh Floor and S/CT. Steinitz indicated that TNC occasionally participates in after action/lessons learned reports. But it appeared that these were few in number.

(C) He is also concerned with a "fire and forget" mentality at INR. That is, analysts provide quality assessments but have to move on to other issues which makes it hard to conduct follow up.

(C) Steinitz appeared very concerned with the interagency administrative demands on TNC's time. He feels that the Intelligence Community is spending too much time on conducting self-analysis and coordination; this is inhibiting TNC's ability to focus. He opined that there is "too much [interagency] baggage taking up too many resources and that we're not getting a good return" on this investment.