

MEMORANDUM FOR THE RECORD

(R)

Event: Interview with Claudio Manno, TSA Deputy Administrator for Intelligence

Date: October 1, 2003

Special Access Issues: None

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Team Number: 7

Location: Commission Office

Participants – Non Commission: Claudio Manno; Brandon Strauss, TSA Counsel

Participants -- Commission: Bill Johnstone, Sam Brinkley, and John Raidt

Current Job and work history

[U] Manno currently serves as the Deputy Associate Administrator for Intelligence at the Transportation Security Administration (TSA). Prior to assuming his current position, Manno served in the following capacities (from earliest to most recent):

- Nine years as a Special Agent for the USAF Office of Special Investigations where he worked on criminal investigations, terrorism issues, counter intelligence and counter espionage.
- He went to work for the FAA in 1987 as an analyst in the agency's intelligence division. The division was under the Associate Administrator for Civil Aviation Security and had 5 or 6 staff members. (Manno noted that before 1986, FAA had no ability to receive, analyze or disseminate intelligence. FAA relied exclusively on other agencies for threat intelligence.) He helped the agency to build a SCIF, train air marshals, and establish liaison with other agencies.
- In 1990, he managed an FAA security field office in Rome, Italy that predominantly conducted foreign airport assessments.
- In 1992, he became Manager of the FAA Intelligence Operations Division working on "indications and warnings." He managed the Watch, handled liaison with CIA, State, later FBI, and much later NSA.
- In 1995, he became Deputy to the Director of the Office of Civil Aviation Intelligence (ACI) (Pat McDonnell). He served in that capacity until August of 2001 when he became the Director of ACI.

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- His office was transferred to the authority of the TSA when the agency was created in November, 2001.

Origins of ACI

[U] The FAA Intelligence division was established pursuant to the recommendations of a commission headed by Vice President Bush on the issue of anti-terrorism. The office was tasked with setting up Intelligence requirements and following-up on issues bearing on threats to civil aviation.

Intelligence Collection Goals

~~[SSI]~~ Manno was asked what the aviation collection requirements were beginning in the early 1990's for ACI. Manno reported that ACI asked the Intelligence Community for assessments of the threat from terrorists, and information about terrorist groups who had a demonstrated an interest in targeting aviation, such as Hezbollah, Abu Nidal and Palestinian groups. ACI tasked the IC to look for capabilities and intentions to target civil aviation.



~~[SSI]~~ The requirements were transmitted to the IC, particularly the FBI and CIA, in writing. In these communications ACI indicated what the categories of material they wanted made part of their "reading list."

ACI Liaisons to the IC

[U] Following the Pan Am 103 disaster, ACI established liaisons with State Department and the CIA sometime (in 1990-91). Liaison was established with the FBI in 1996 and then with the NSA sometime after that.

~~[SSI]~~ The CIA liaison was established in the "Reporting" section of the CTC under the auspices of the Director of Operations where information from the agency's collections points came into the CIA Headquarters. Manno indicated that he and his colleagues surmised they weren't getting everything that the IC has so they placed the liaison officers at the CIA and other agencies to help facilitate the flow of information.

~~[SSI]~~ The liaison officers reviewed the reporting that flowed into the CIA; advocated for FAA to receive the information they desired, and worked the "tearline" to develop unclassified information that the federal government could share with the industry about threats to civil aviation.

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~~[SSI]~~ The CIA liaison received a full background check and was fully integrated into the CTC. While priority one for the L.O. was to work on FAA issues, any leftover time could be used to work on issues for the CIA.

~~[SSI]~~ While FAA paid for the billet, Manno remembers that CIA was attempting to reimburse FAA for the cost, but this effort was scrubbed because of budget/administrative reasons.

~~[SSI]~~ The FBI L.O. was assigned to the Counter-Terrorism unit at FBI Headquarters.

~~[SSI]~~ Manno said that while the CIA liaison was able to review a steady stream of intelligence data flowing into the CIA, the FBI did NOT have any stream of reporting that went out to the various agencies.

~~[SSI]~~ Manno mentioned the "splintering" and "compartmentalization" that made liaison with the FBI problematic. The FBI liaison was not a full-time billet at first. The liaison worked at FBI two or three times a week. The job was made full time after 1996.

[U] As for the liaison with the State Department, DoS has automatic "slugging" (e.g. PTER for Political Terrorism) which assured that reports with particular headings were sent to ACI.

~~[SSI]~~ Manno stressed that the liaisons were high quality personnel, citing [redacted] who was the L.O. with CIA and was himself a former CIA officer. [redacted] served as the liaison to CIA leading up to and on 9-11).

~~[SSI]~~ Tom Arbutus (unsure of spelling of last name) is the TSA liaison to CIA today.



~~[SSI]~~ Manno said he communicated with the liaison officers via a STU 3 telephone. During these calls they would formulate questions and task the CIA or FBI to do particular follow-up. Manno found the CIA to be very responsive. Manno indicated that ACI had been "pests for information."

IICT

[U] Manno mentioned the Interagency Intelligence Committee on Terrorism which was a forum for the IC and non-IC agencies to meet and share information and assessments. The IICT did produce written threat assessments.

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[U] Manno mentioned that the IICT had been folded into the TTIC, and that [redacted] at the CIA would be familiar with their workings.

Intelligence Assessment at ACI

[U] ACI sifted through the intelligence they received from the IC with "aviation glasses" to see what might constitute a threat to civil aviation.

[U] The information would flow in the ACI's 24-hour watch, where the analyst would take important information and open an Intelligence Case File (ICF). Investigative follow-up on case files was done not by the FAA but by the FBI, CIA or local law enforcement.

~~[SSI]~~ About 200 ICF's a year were opened by ACI. ACI maintains an index of the ICF's. Commission staff expressed the desire to examine the index and ICF's of interest and indicated that a written request to TSA on this matter would be forthcoming.

International vs. Domestic Intelligence

[U] Manno indicated that ACI received intelligence on overseas' activities from the CIA, the State Department, and the FAA Civil Aviation Security Liaison Officers (CASLO'S) stationed at overseas' airports. He found the CIA to be "pretty responsive" to FAA requests.

[U] Manno agreed with the view that other ACI interviewees expressed to the committee that ACI had a blind spot when it came to domestic intelligence. He said that his colleagues used to say to the IC "You guys can tell us what's happening on a street in Kabul, but you can't tell us what's going on in Atlanta."

~~[SSI]~~ Manno attributed part of the blind spot to the fact that information at Field Offices never got back to FBI headquarters where the FAA liaisons had access to it, and because the FBI's mission was investigative not intelligence collection.

~~[SSI]~~ Manno said that when he would ask the FBI prior to 9/11 what the domestic threat is they would say "low." [redacted]

[redacted] the Bureau would say there was no specific and credible information on a threat to civil aviation.

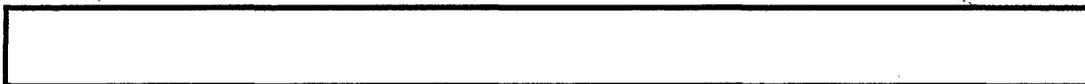
Specific Intelligence

[redacted]

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~~[SSI]~~ Manno said there were times when liaison officers were dissatisfied by the limits on information to which they were subject on specific cases, but were turned down on their request for greater access because of "need to know" reasons.

~~[SSI]~~ Manno said that to the FAA/ACI the issue was about gathering intelligence. To the FBI the issue was about conducting an investigation, and thus the Phoenix memo (on flight school training by suspected terrorists) was a case, not intelligence.

Intelligence Products

[U] Manno was asked about the products that ACI prepared for FAA and DOT leadership.

[U] ACI produced a Daily Intelligence Summary (DIS) to keep senior management informed of significant intelligence reporting. This included both a summary and comments section that was given to the Associate Administration for Civil Aviation Security (ACS 1).

[U] A copy of the DIS was sent to the DoT Director for Security and Intelligence within the OST. The DIS was used by the Director to create a briefing for the Secretary.

[U] Manno said that after Pan Am 103, ACS 1 would brief the FAA administrator once or twice a week, but the practice was dropped at some point—he wasn't sure when. Manno indicated that Admiral Flynn and Gen. Canavan would brief Administrator Garvey on intelligence information when it was necessary rather than on a routine basis.

[U] Another Intelligence product that ACI generated was "Intelligence Notes" that contained information on a particular subject such as a certain Method of Operation (MO) used by terrorists or a pattern of activity by terrorists or criminals that was of concern to commercial aviation. Manno reported he began the practice of issuing these Notes after he became Manager of the FAA Intelligence Operations Division in 1992.

[U] Manno indicated that the Intelligence Notes were used to backup Information Circulars and Security Directives issued by the FAA.

ICs and SDs

[U] ACS 1 was required to approve any Information Circular or Security Directive before FAA issued it to the industry.

[U] ACI determined when an IC was necessary and would draft the wording of the circular. (ACS 1 would have to sign off before it was issued). ACO and ACP would

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decide if intelligence information warranted a Security Directive requiring the industry to take some counter-measure. (ACS1 would have to sign off before it was issued).

[U] Prior to 1988 when SD's requiring the industry to take counter-measures was put into place, the FAA issued Security Bulletins which suggested actions, but did not compel them.

[U] Manno said that IC's were intended to "sensitize" the industry to problems. As the author of IC's he said that ACI was responsible for stating the threat but they didn't have responsibility to say what you had to do about it.

[U] Manno indicated that each SD and IC has a file to backup the communication which will help explain why it was issued.

[U] Manno said he wasn't aware of any IC's or SD's recommended by ACI or ACO/ACP that were turned down by ACS 1, but indicated that we should talk to others who could be more definitive. He indicated the Intelligence division was never prevented from "calling them as we saw them," but it was easier to state the threat than to implement counter-measures, which would raise questions of whether the industry could handle it.

Threat Matrix/Alert Levels

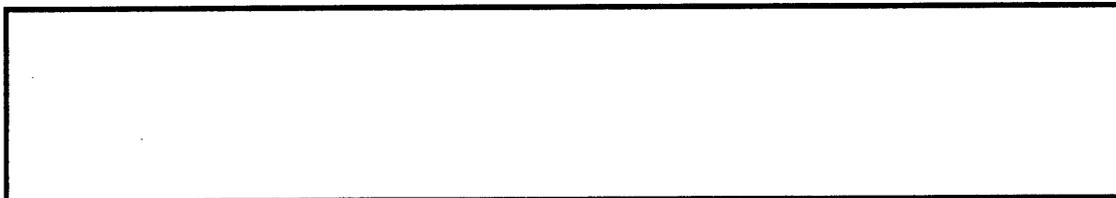
[U] Manno indicated that the analytical judgments were made by James Padgett and his group. The Strategic Analysis Division as a group discussed what threats demanded what actions using judgments.

[U] ACI didn't put together the threat matrix that married threats with responses, but would comment on the credibility of the threats, while others prioritized the counter-measures. Manno was not aware of any formal effort to connect threat with vulnerability to determine countermeasures.

[U] Manno indicated that the 1993 World Trade Center bombing indicated to ACI that a threshold had been crossed and the threat domestically had grown and was an issue.

Summer 2001 FAA Rulemaking

[U] Manno was asked about the threat analysis that accompanied the FAA's rulemaking in the summer of 2001 on screening company certification and screener training requirements. Manno indicated that the "economists" developed the threat analysis to address the cost-benefit issued related to rule-making.



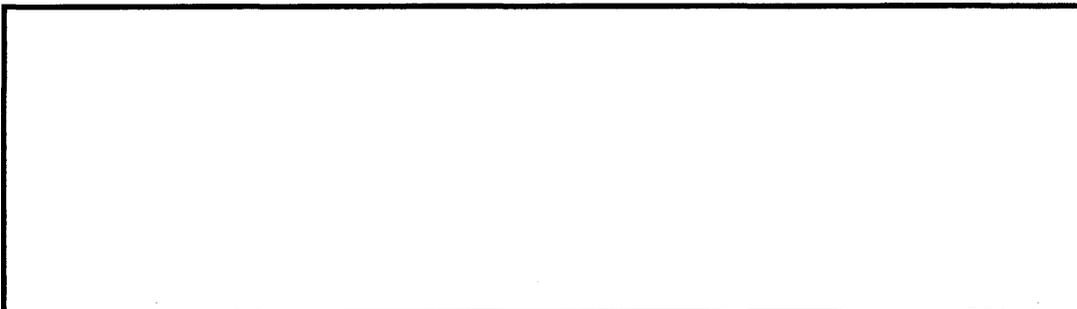
Suicide Hijacking

[U] Manno indicated that they did not conceive that hijackers would use the aircraft as a weapon of mass destruction.

[~~SSI~~] Referring to a 1998 ACI document on "suicide hijacking" Manno said that when the report was written, [REDACTED]

[~~SSI~~] The main hijacking threat that ACI perceived was that terrorists would hijack a plane to a third country to try and release the Blind Sheik or try to blow-up the plane over a city (such as with the Air France hijacking).

[~~SSI~~] Manno was asked if this concern about a hijacking to negotiate the release of terrorists or to blow up a plane over a city resulted in any Information Circulars or a tasking to the IC for more information. Manno replied that he didn't remember any IC's the threat concern provoked, but that an Intelligence Case File was established on the Air France and Air India hijackings.



[REDACTED] ACI thought al Qaeda was becoming more sophisticated in their techniques, and they had no information on its use of knives.

Red Teams

[U] Manno indicated that ACI did not see Red Team results, but noted that at one time Red Teams operated under the auspices of ACI. He indicated that the Red Teams received all ACI products, but that Red Team procedures and testing protocols were not examined by ACI.

Suspicious Activities

[U] Manno was asked how suspicious activities at airports and on aircraft were reported to ACI. He indicated that when ACI received such information from a Federal Security Manager or CASFO an ICF would be opened on the incident.

[U] Manno was not clear on whether there were routine procedures in place among airport and air carrier personnel for identifying and reporting suspicious activities. He believes that ACO may have had a suspicious activity report from air crews, but ACI didn't see it.

No Fly and Watch Lists

[U] According to Manno, prior to 9-11 there was no such thing as a "no fly list." However, if the FAA wanted to restrict someone who posed a direct and credible threat to aviation a Security Directive would be issued directing the air carriers not to let the listed individuals fly. He indicated that there was no such thing as a watch list before 9-11 either.

National Intelligence Assessment

~~[SSI]~~ Manno cited the 1995 intelligence estimate and the 1997 update as important documents about the level of threat that helped convince air carrier executives and security directors that the threat to civil aviation was real and substantial. Manno also mentioned that Air Carrier security directors would come into ACI for classified briefings, and that ACI would hold sessions for Ground Security Coordinators and other security personnel.

~~[SSI]~~ In May of 2001 Pat McDonnell toured civil aviation facilities providing a briefing on the security threat to civil aviation, mainly at CATX airports. Manno said that this tour was not intended to help sell the rulemaking that was pending in the summer of 2001.

~~[SSI]~~ Manno indicated that suicide hijacking was "on our mind" after 1998 and was included in a 2000 and 2001 CD ROM presentation on the terrorist threat to civil aviation, but again no specific, credible information was available. The Air India and Air France hijackings were the basis for the concern about the suicide tactic.

Summer of 2001

[U] The chatter in the Intelligence Community was that some type of attack was in the offing, but no indication of what it was. They assumed there was a potential domestic threat, but the few specific indicators they had, plus the historical pattern, pointed to a greater threat overseas.

~~[SSI]~~ Manno said that the community would receive what they called "TenetGrams" about every two weeks outlining the various problems. The communications were SCI. In response to a question raised by the 9/11 Families, Manno was not aware of the "9 warnings in July and 8 in August."

~~SSI~~**Moussaoui**

~~[SSI]~~ Manno said that the first he heard of the Moussaoui case was when ACI received a cable from the FBI on September 4th, 2001 that laid out the fact that he was in a flight school and that the FBI was seeking a warrant to search the subject's computer. On September 5th ACI prepared its DIS to ACS1 and ACO1 highlighting the information. He said that FAA was aware the FBI was pursuing leads including with French authorities. (CHECK TO SEE IF THIS WAS IN THE DIS FOR THAT DAY)

~~[SSI]~~ Manno was not aware of any accusation that Jack Salata (FAA liaison at the FBI) thought that Moussaoui memoranda had been watered down, or that Salata was worried in any way about the case. He indicated that he's unsure whether Salata ever talked to him about Moussaoui. Manno learned about the issue from the September 4th cable, and thinks that's the only communication he ever had. Manno said that as far as ACI was concerned the subject was in custody and the matter was under investigation.

Phoenix EC

[U] Manno says that the first time he ever heard of the Phoenix Memo was when staff from the Joint Intelligence Committee Inquiry showed it to him. Manno said that if he had the memo he would have asked the FBI to investigate further.

~~[SSI]~~ He said they were aware of pilot training by Al Qaeda but thought it was for transportation purposes.

The Day of 9-11

[U] Manno said that on the morning of 9-11 he was in a staff meeting at FAA Headquarters when someone from the watch reported that there might be a hijack in progress. This was sometime after 9:00 a.m.

[U] Manno went to ACI's 3rd Floor watch office. He said his role was to support operations with what information he could. ACI was not able to provide any relevant intelligence information on the plot as it was unfolding.

After-Action Reports

[U] Manno indicated that ACI did not conduct any after action reports of the office's performance leading up to and on 9-11. He stated that their threat assessments were still valid.

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Foreign civil aviation authorities



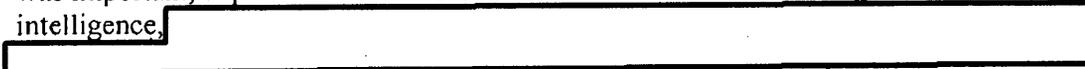
[U] The CIA and State Department handle most information with respect to the intelligence held by foreign countries.

Post 9-11 Intelligence

~~[SSI]~~ TSA's Intelligence office is focused on all major modes of transportation. Manno indicated that the office is authorized to double the number of analysts to 97, but that good, experienced analysts are hard to find, so that the office is not yet fully staffed.

~~[SSI]~~ He indicated that TSA has been told to detail people to the IAIP at the Department of Homeland Security.

~~[SSI]~~ Manno mentioned that there is a lack of analyst talent, and many agencies are competing for the pool of people available. He stressed that while training and education was important, experience is vital. He talked about some of the training facilities for intelligence.



~~[SSI]~~ Manno stated that Sec. Hutchison and Gen. Libutti are looking at the intelligence structure at DHS, such as the independent shops at TSA; BICE and CVP. One of the points of analysis is to determine whether these other shops should be folded into IAIP. Manno believes there is value in maintaining a unit with a focus on transportation threats.

[U] Manno observed that post 9-11 information is flowing very freely. No one wants to sit on anything so they are sharing everything so that TSA is inundated with information, and at some point the proper balance must be found.

~~[SSI]~~ TSA now has two liaison officers with the FBI which is useful.

~~[SSI]~~ Manno said his is participating in a working group on the Terrorist Screening center—watch lists and no fly lists are on the list of subjects they are working on.

Risk Assessment

[U] Manno stated that the process of vulnerability assessment is underway at TSA. Pre 9-11 ACI was responsible for threat assessment. Vulnerability assessments were done elsewhere (ACO/ACP) and he wasn't sure how the two were combined within the FAA.

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[U] Manno stated that the Office of National Risk Assessment (ONRA) is under TSA (Admiral Loy). He stated that ONRA is setting up its own SCIF and will have its own analysts. TSIS is not being consulted on the set-up of CAPPS II.

Intelligence Reporting to TSA leadership

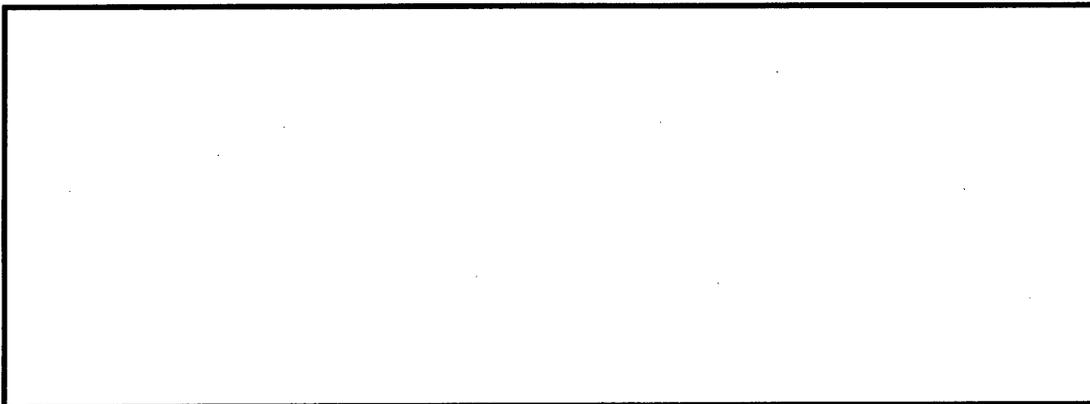
[U] Manno believes TSA leadership understands the importance of intelligence and he provides a daily briefing to a cadre of TSA senior officials including Loy, McHale, Lunner; Robinson, Fulton, Tiege, DiBatiste and Quinn. He indicated that they are gearing up for the Olympics.

~~[SSI]~~ Secretary Ridge and Asst. Secretary Hutchison receive a more comprehensive intelligence briefing that includes the DIS that TSIS gives to Loy.

[U] Manno stated that the former CASLO's are now Transportation Security Representatives (TSR's)

[U] He stated that there are no indications that the broader mandate to protect all modes has diminished aviation capabilities.

Future Threats



[U] TSA and ICE are working out an MOU on the Federal Air Marshall Service.

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