

A HISTORY OF FAILURE, A FUTURE OF OPPORTUNITY: REINVENTIONS AND DEJA VU

by

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Introduction

I'm surprised that a favorite saying among computer specialists and information analysts hasn't come up yet and that is "Garbage in, Garbage out." It's applicable to both closed and open source systems. Given this truism, what can you say about a field which agrees with this premise but nonetheless has *garbage specialists* and considers *garbage analysts* an important source (usually open source) of information? Examples: a French consular official was caught collecting **Texas Instrument** garbage not long ago. One of the leading "private" French specialists on the **French Communist Party** simply when around collecting garbage from organizations associated is that party and didn't need intelligence service sources to show a very close link between the French Communist Party and the **Northern European Bank**.

Good intelligence means, at a minimum, at least either good guessing (which is never consistent) or good sources. But good sources do not necessarily mean good intelligence. Therefore a lesson to be learned is that good sources, open or closed, are a necessary but not a sufficient condition for good intelligence, and inversely bad intelligence is a sufficient but very far from a necessary condition for bad intelligence. We will be giving concrete examples of both cases.

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I've had the rather unique (and continuing) experience of analyzing intelligence services and being analyzed by intelligence services. This uncomfortable situation nonetheless provides some unique insights into the working of intelligence systems and their relationship with their sources.

Definition of Source-Driven Intelligence

Widely defined *intelligence* is hard to get information on a subject which has value to an individual or institution. Intelligence therefore has a source and a consumer and usually a go-between which processes raw source information into intelligence. In what follows we will assume that "intelligence consumers" are nations, their governments or their political leaders. The intelligence "go-between" are official intelligence services. In this framework:

A "**closed system**" is one where the sources know the consumer well and know what the consumer wants and in what "style" it should be presented. Sources also often know what other, if any, alternative sources of intelligence exist. The consumer usually has little knowledge of the sources which are either single, unique sources or one of such a limited choice that competitive comparison is impossible.

Given this definition of a "closed intelligence system", an **open system** becomes by definition one in which the consumer has either:

- a wide choice of intelligence sources
- the possibility of comparing at least two sources

- detailed information concerning the sources' history, activity, and competence;
- and sources either:
- don't know who their consumer is
 - what other sources are available to the consumer
 - or what "style" or "spin" their client wants.

Therefore **source-driven intelligence** is by definition a form of closed-system intelligence in which:

- *the source can largely influence, even determine, the consumer's representation or idea of a specific part of reality.*

All capitalists are devils so in the 1960s Russian school children looked for horns on the foreheads of visiting Americans.

American programs taught Amazonian Indians that Communism was the ultimate evil so when Saigon fell in 1975 they described Saigon as having been invaded by jungle snakes.

These are not explicitly examples involving intelligence services so let's try to find a few real ones.

How about the new European Union that came into existence a few days ago, a rather open system if one even existed: 12 nations and 12 intelligence services, all supposedly working together. Among other things, they're trying to create **Europol** and the **European Drug Unit**. At a recent meeting in Brussels, the representative of the **Bundeskriminalamt** (BKA) stood up and gave a closed-intelligence system speech on closed borders being the only solution to Germany's cocaine consumption "epidemic". That was the BKA's reality. The next speech was by a German ethnographer who had done survey interviewing of cocaine users in Munich and showed that cocaine consumption was an in-grained, nearly stable problem. The "epidemic" was based on the "hard facts" of police cocaine seizures due to a change in police policy. The ethnographer's open-system sources gave a picture of a larger reality than the BKA's narrow slice of reality.

This can serve as an illustration of what we wrote in *Intelligence Newsletter* in presenting this **Open Source Solutions** conference. A traditional rule of thumb in intelligence is that 80% of intelligence service information comes from open sources. Of the remaining 20% of "closed source" information, as much as 80% can be redundant, unverifiable or, even worse, false or deliberate intoxication. According to **John Stockwell**, chief of the CIA's Angola Task Force in 1975, fully 85% of agency activity in the field was locally generated and producing little or no valuable information. However, it did fulfill its primary function of keeping local assets in pay and active.

But let's not talk in abstract terms. Let's look at the nuts and bolts of intelligence collection involving non technical sources.

A member of the West German Rote Armee Faction (RAF) or Beider-Meinhof group takes a train. The Bundesamt für Verfassungsschutz (BfV) discreetly registers the name of all persons on the train and flags them "RAF". But those "flagged" names are reviewed and dumped after three years from the Wiesbaden computer. Moreover a "flagged" person can obtain their file and challenge information in it. This guarantees a minimum of intelligence usefulness for retained information (remember *Garbage in, Garbage out*).

Several years ago a well-known European journalist covering a delicate political trial in Paris anonymously asked me over the telephone to meet him in his hotel for breakfast to discuss the case. No names and no room numbers were mentioned. When I arrived I was shown immediately and without a word to his room. Ten minutes after I left the hotel, two French Direction de la Surveillance du Territoire (DST) counter-espionage officers showed up at the hotel and asked the desk clerk-owner which room or person I had visited. He said he didn't know. Names, occupations and other information on all 55 occupants of the hotel were then taken down by the DST officials and are probably still "flagged" to this day. In France there is no provision for obtaining or confronting information in an intelligence file on you. Moreover, the Vichy government's file on all French Jews is periodically rediscovered and once again "destroyed".

Let's try another one. The French Socialist Party allowed several French leftist solidarity groups to use an office to start a documentation center. Steel bars were put in the windows, the door steel-plated and a security lock was also put in. The different groups' archives were moved in and two or three issues of a newsletter were published. But political infighting broke out and Socialist free rent dried up. The groups quietly moved their archives back out and kept their dispute quiet enough that the French Renseignements Généraux (RG) political intelligence police didn't know about it. Looking for subversives and documentation, the police finally raided the office one day. It was empty; no people, no documents. An intelligence failure? Wrong! Someone's career would have seriously suffered if that were true. It's a closed system and so another explanation was found. Although there were no trials and no arrests, all persons associated with the center were "flagged" for having access to an agent infiltrated into RG intelligence which tipped off the center that a police raid was going to take place. False but nice, tight, and irrefutable intelligence in a closed system.

But that's kids' stuff. Let's try the KGB. With *perestroika* and *glasnost* in full swing I traveled to Moscow to meet journalists and officials who could then talk about intelligence. After telephoning for five days to a Central Committee staff member, someone finally answered but not the man I wanted. Why? Because he was never at his desk since that very week Gorbachev had cut non-essential personnel by half at the Central Committee. So the person I was looking for has running around typing his own reports, photocopying and meeting people. Since the Soviet system was structured like concentric circles, with the Central Committee in the middle, then the KGB, then the Red Army, then the military-industrial complex, etc., I deduced that within a week or two the KGB would lose half its non-essential personnel. The person on the telephone confirmed this and I wrote it up in the next issue of *Intelligence Newsletter*. Alarm bells went off at the DST.

Why? It was a case of open sources.

Because the DST knew the KGB was reducing personnel and would like to get some political mileage out of it. So, according to the DST, the KGB would be contacting its favorite journalists to give them the scoop. But eavesdropping hadn't revealed how *Intelligence Newsletter* got the information.

There were only two explanations in a closed-system environment:

(1) *Intelligence Newsletter* had a direct and unknown line to the KGB and the DST wasn't doing its job because it hadn't identified that link;

(2) Even more serious, *Intelligence Newsletter* had an informer inside the DST who gave us the information.

These are individual incidents or cases of what can happen in a closed system. Let's look at what happens at the level of an entire intelligence service.

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Failure of closed system intelligence and attempted reorganizations.

Several historical examples are often cited of "intelligence failures" that in reality are far more "political failures" because clear and precise intelligence did exist. Classic examples of this are Great Britain's lack of preparedness to confront Nazi Germany, the war in Vietnam (we will mention Regional Survey Methods below), Angola in 1974-75 (where **Henry Kissinger** "didn't want to lose another war"), the Iraqi invasion of Kuwait (where **Westinghouse** radar technicians knew three days ahead of time and got the Kuwait royal family out just in time), and the Balkans where Slovenia had known and planned for the last ten years for a confrontation with Serbia. But there are real intelligence failures and they are usually associated with closed systems.

Reinhard Gehlen was Hitler's chief of Eastern Front Military Intelligence. At the end of the war, he turned his operation over to the United States. With the U.S.A., Great Britain and France lacking assets (sources) in the East, Gehlen knew full well he could monopolize and channel Western intelligence on Eastern Europe. Besides founding the West German **Bundesnachrichtendienst (BND)**, he put into operation what some U.S. intelligence specialists have called the greatest intelligence "paper mill" in modern history.

This served two strategic objectives: (1) it guaranteed his dominance and authority over a "closed source" non-competitive system; and (2) it guided and determined Allied knowledge of the new adversary, guaranteeing that the adversary remained an "absolute enemy" - ruthless, monolithic, efficient, resourceful, well-armed, well-trained, well-fed, motivated, etc. This in turn guaranteed money and resources for Gehlen and his service since they were the only ones capable of furnishing this "intelligence".

Intelligence historians now know that the **Red Army** at the end of the war was incredibly overextended: all railroad switching stations were destroyed from the front to Moscow. A major proportion of personnel and equipment, considered to be up to 45 percent, were moved by horse-drawn transport. Food and munition stocks were empty. General **Patton**, who had good intelligence, may have been right when he said that with a German division quickly re-equipped with Western material he could drive back the Red Army.

Now that the Berlin wall has fallen, recent arrests and Stasi archives are revealing how thoroughly Gehlen's "reorganized" intelligence service was infiltrated and manipulated. Indeed, *Soviet and Eastern services had the same strategic objectives as Gehlen*: (1) Guaranteeing his dominance and authority so hard-won moles inside Gehlen's BND and protected by him, remained in place and blocked any real reform of the system; and (2) To encourage the West to think the East was a powerful, monolithic, "absolute enemy" instead of a giant with clay feet.

Lesson to be learned: closed intelligence systems grow by feeding on themselves and absorbing any and all available resources put at their disposal.

Cuba - The U.S.A.'s own "back yard"

There shouldn't be any intelligence problem in your "own back yard". But what happened at the Bay of Pigs? How did the CIA sell it to **Eisenhower**, then to **Kennedy**. The President was quite simply told that there was a very high probability of carrying the day - like in Iran, like in Guatemala before - against an American enemy, this time Fidel Castro. Based on good intelligence, all that was needed was "to put a thousand armed men on the beach and the Cuban people would rise up and throw out Castro and his totalitarian regime." At least the presidential intelligence briefers knew the language to use in order to get approval. The

presidents apparently asked the "good" question: "How much of a chance of winning do we have?" But they did not ask the *right* question, the hard one: "What are your intelligence sources and why do you consider them good?"

Do you think Kennedy would have invaded Cuba if he had known that the "reliable American intelligence sources in Cuba" calling for an invasion were America's *previously cleared, well-trusted and high quality* intelligence assets: members of Batista's political police. Once again, it was a closed system.

Lesson to be learned: closed systems don't adapt at all well politically. Sources that were good in one political context are a liability in another and can put you on their political agenda.

France - A history of failures and reorganizations

The Franco-Prussian War of 1870 was fought with bad French intelligence from the beginning. Military intelligence knew the Germans were equipped with new breach-loading rifles that could fire four shots to every shot fired by French rifles. But this was judged insignificant in relation to the quality and motivation of French soldiers. So much so that French troops were issued only maps of Germany and were therefore at an immediate disadvantage fighting in retreat on their own territory. Intelligence reports went in and out the backdoor of the Sudan fort. The Germans tried the door and found it unguarded and unlocked. Sudan fell, the war was quickly lost and intelligence was reorganized.

That reorganization didn't serve France well because at the turn of the century French military intelligence was at the very center of the famous **Dreyfus affair** that deeply divided the French politically. Intelligence was again completely reorganized, downscaled and told to keep strictly to military matters. This reorganization, and fortunes of war being what they are, a rather efficient intelligence organization, directed against Germany, came out of the First World War. This organization under Colonel **Louis Rivet** and Colonel **Paul Paillole** had several **Abwehr** penetration agents or moles who were furnishing high grade intelligence on Nazi intentions and preparations for war long before the Second World War broke out. The French services were able to describe in details the intended German invasion route through the Ardennes and the invasion schedule.

However, the French **Daladier** government politely listened but didn't believe its own intelligence services. This is usually put down to "lack of political will power" or "intelligence failure." We know from archives material that the latter is false and Daladier himself confirmed this. According to Paillole, Daladier didn't lack will power but instead of relying on his intelligence services, he was relying on his closed circle of close advisers. ... the very persons who were the primary targets of intoxication by German intelligence.

Here, not a service, but an entire government was captive of its closed system of sources.

"La suite?"

Paillole's service was so secure that it was even able to function even in occupied France. One of the unsung heroes of that non-Gaullist network was Colonel **Gaston Porchaud**, French deputy military attache at the (Vichy) French embassy in Bern, Switzerland. Porchaud and his agents supplied the Allies (through **Allen Dulles** in Bern) with constant detailed and complete German order of battle intelligence throughout the war. Indeed, there is serious evidence that Dulles' non-recognition of Porchaud's contribution hides the fact that almost all order of battle intelligence transmitted by Dulles came from Porchaud.

After the war, General **De Gaulle**, recognizing that his own "intelligence services" were largely oriented around the general's political agenda, asked Porchaud to create a new French intelligence service. Porchaud agreed but on two conditions: (1) all service members, no matter how important they were, would have to have their Resistance certificates verified; and (2) they would all have to undergo thorough military and intelligence training. De Gaulle refused and his services, those inherited by present day France, were never truly "reorganized."

However, as political tools they marked up some amazing successes such as the *Bleuet* operations which decimated the ranks of the **FLN** during the war in Algeria. And of course there is the monument constituted by continued French dominance in former French colonies in Africa, in spite of everything Soviet, British and American intelligence services tried to do.

Lesson to be learned: when the political environment is stronger than a competitive intelligence tradition, then intelligence funnels into a closed system or simply becomes a political tool. This is the case with most authoritarian regimes and many Third World countries.

"Reorganized" intelligence in the U.S.

Not only did the French and the Germans try to "reorganize" intelligence after World War II, the U.S. also tried. Under what seems to have been insistent encouragement from **FBI** director **J. Edgar Hoover**, President **Harry Truman** dissolved the war-time **OSS**. Its analysis section became the embryonic **State Department** intelligence service, **Intelligence and Research (INR)**. The operations part, mainly in Europe, became the **Office of Policy Coordination (OPC)** under **Frank Wisner**. So afterwards Defence was reorganized and the **CIA** was created in Washington and got down to work. But the CIA didn't get back many of the **OSS** analysts from the State Department. So later, when the OPC was "integrated into the CIA," often described figuratively as "hocking another wagon to the CIA locomotive," a look at the budgets and personnel of the nascent-CIA and the OPC war-time (now Cold War-time) apparatus reveals that it was the

CIA that was "hocked onto the OPC's train." This has been confirmed by many former CIA officers who praise the agency as an operations organization but recognized that it is rather weak in analysis. A CIA analysis report in the late 1950s predicted that Japanese economic and technological developments could not become complete with the American interests before the end of the century.

But this intelligence reorganization which didn't seem to produce the desired results, was not the first such attempt in American history. Following the Bolshevik Revolution in Imperial Russia and the establishment of the communist system, America's privileged "window" on Russia was the Riga consulate and its specialist **George F. Kennan**. Kennan and the whole generation of Soviet specialists who "processed" Soviet information to produce intelligence for American political leaders were associated with the "Riga school" linked with Yale's center of Russian studies and its historical ties with important members of the imperial Russian regime. In this context, there was no question of obtaining "unbiased" information and analysis of the situation in the Soviet Union. It was clearly impossible. But then these were the only persons fluent in Russian, knowledgeable about Russian culture, well-connected with anybody at all in Russia, and connected with people in Washington. There was probably no other choice but this limitation and its implications were never specified.

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Open System Tools - The Intelligence Methods Continuum

Robert Steele speaks of an **Intelligence or Information Continuum**. I suggest that it is complemented by an **Intelligence Methods Continuum** which extends from intelligence analysis of the most secure type of information - coded communications - to the analysis of the most open type of information - full, clear texts which are publicly available. At both extremes are methods that require massive quantities of information to be handled and analyzed with computer science techniques and specialized experts. In the middle of the continuum one finds intelligence methods for analyzing small quantities of information, even single-source or unique information, which requires tremendous expertise and much less computer science techniques. This is considered the "traditional" or "classic" role of espionage: great deductions from little information, "*my dear Watson*." Cryptography is the well-known specialty that occupies one of the continuum's extremes. And What about the other extreme: intelligence analysis of massive amounts of open source information?

A recently published Congressional report on the role of intelligence during the Gulf War describes how a team of Pentagon intelligence specialists combed the **Library of Congress** computer files for archaeologists' reports on exploring the desert region between Kuwait and Baghdad in the 19th and 20th centuries. These reports often provided information on the consistency of sand encountered during the archaeologists' travel. With this information, military intelligence

specialists were able to choose an invasion path over which trucks, armored personnel carriers and tanks could travel without getting bogged down in the sand. Massive amounts of information handled with computer methods.

Regional Survey Methods developed by former CIA officer **Ralph McGehee** while serving in Thailand during the early 1960s are also a good example. They consist essentially of village ethnography based on extensive semi-directed interviews to describe local social and political structures. Cross-checking individual accounts and addressing discrepancies soon provided a good description of the "shadow" Communist infrastructure on a regional basis. McGehee received a medal for his work and the CIA quietly buried his report and his method. Quite simply it would have shown, in the words of CIA Director for South East Asia at that time, **William Colby**, "that Vietnam was already lost."

Regional Survey Methods showed that for every armed active Communist insurgent in the field, often the only "Communists" counted in official intelligence statistics, there were several trained ready reservists, and for each reservists there were several future reservists undergoing training. For each of the latter, there were several persons being educated or undergoing indoctrination, for each of which there were several "sympathizers" who were members of Communist-oriented social groups, labor unions, professional organizations which were in turn each actively recruiting new members.

Instead of a few hundred Communist insurgents, McGehee had discovered tens of thousands of dedicated party members and hundreds of thousands of persons willing to help or back Communist Party activity. Indeed, applied to Vietnam, Colby would have been right. **Regional Survey Methods** would have shown that the country was already under Communist dominance.

Lesson to be learned: once again an open-source method based on massive information intelligently analyzed produced very good intelligence but ran into a closed-system that could not assimilate it.

Future of Open Source Intelligence Methods - Cognitive Maps

The Pentagon is currently financing through its **Advanced Projects Research Agency** several programs on Large Data Base Analysis Methods. Unfortunately most of the programs seem to be Boolean in character. That means the questions asked of data bases are constructed only with the three logical operators "AND", "OR" and "NOT". For analyzing, for example, hundreds of interviews in a regional survey, or thousands of patents in cryogenic technology, these tools will probably prove to be rather cumbersome.

An existing "off-the-shelf" alternative is the **Cognitive Mapping** methods which we helping develop in France. With thousands of scientific articles and patents in a particular domain (the methods don't produce

interesting results for under a few hundreds input entries), a computer program automatically or interactively identifies keywords and uses these to describe each article or patent. Using multivariate exploratory data analysis methods (cluster analysis, correspondence analysis, principal component analysis, among others), a map of the keywords is computed with keywords that occur often together in the articles or patents put close together on the map. This technique thus identifies constellations of keywords and, through them, articles, patents and ultimately research centers and individual researchers developing original technologies or products.

A major application of this method permitted the Irish government to redirect research financing to successfully encourage Ireland's dynamic but traditional ceramics industry to move into microelectronic ceramics on an internationally competitive level.

Repeated applications over time, say every year or two years, would show where a technology or science is moving, what's expanding and diversifying, and what is stagnating or declining. Ongoing research in this area is even defining and differentiating between "main stream" developments, "bandwagon" developments, "ivory tower" developments, and "future" developments.

This method is appropriate only for major institutions such as large corporations or nations, and depends on massive open-source information. I find it very encouraging that an official French intelligence service has acquired this tool and training in its use. I only hope their work will eventually come out of secrecy and function in an open, competitive system. After all, spending millions of francs to produce a classified report showing that French research and technology in artificial vision is lagging behind Japanese work is just not worth it.

Conclusion

We could conclude by looking back at each of the "Lessons to be learned" paragraphs which followed several of the above examples. But I think it's probably more interesting to look forward at what's coming after the Cold War. There are those who say "We won" or "They lost" the Cold War. It is true that **NATO** survived the Cold War (but for how long?), while the **Warsaw Pact** dissolved itself, effectively confirming the end of the Cold War. But was there an identifiable group of "Capitalists" who won or "Communists" who lost: Is **Boris Yeltsin** a "Capitalist", a "Communists", a "Loser" or a "Winner"? And **Mikhail Gorbachev** and **Margaret Thatcher**? I prefer to say there was a major competition in which, if you participated, you were forced to be on one-side or the other. This is by definition a "closed system" and I believe that that's what died with the Cold War. The future belongs to open systems and that's the playing field on which the next generation conflict will take place. So, Good Bye to the Cold War and, Ladies and Gentlemen, Welcome to the "Open Systems War." Thank you.

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