

2. PART TWO: THE INTELLIGENCE NETWORK — STRUCTURE AND DOCTRINE

The functioning of the intelligence community regarding the Iraqi EEI, gave rise, as noted, to questions and pointed to issues requiring clarification and examination in relation to the overall perception of the operation of the intelligence services in Israel and the extent to which they meet the tasks and challenges facing them. Accordingly, the Committee placed this cardinal issue on its agenda and investigated it in depth in order to establish a position, to set directions for action and to indicate specific steps required by the conclusions.

Following are the diagnoses, conclusions and resolutions that the Committee reached on the matter.

2.1 A LOOK AT THE STRATEGIC SITUATION OF THE STATE OF ISRAEL

A look at the strategic situation of the State of Israel reveals two contradictory processes. The peace accords that Israel has signed with its neighbors, its former enemies, did not bring it closer to peace and quiet. Alongside the removal of Egypt and Jordan from the circle of war and the ongoing tense security situation on Israel's borders, the gamut of security threats faced by the State of Israel has grown wider and stronger. Threats of non-conventional weapons and ground-to-ground missiles in near and far tiers, the intense terrorist war that the Palestinians have forced on us, the outbreak of different types and streams of world terrorism, the rise in power of fundamentalist Islam, as manifested in Iran and its protégé in Lebanon, Hizbullah, with hatred of Israel and denial of its right to exist at the core of its ideology - all these and more require the State of Israel to continue investing vast resources to protect its security and its very existence.

On the other hand, there are signs on the horizon that could indicate positive changes and processes that inspire hope for a different reality in the region and a more auspicious world order. The globalization of the threat of terrorism has awakened the democratic world to recognition of the severity of the danger it poses and has motivated it to act in unison against it. The wars of the USA in Afghanistan and Iraq and their results have accelerated the ripening of recognition by the power centers in the Arab world of the power and influence of the USA as the world's only superpower and have increased their willingness to respond to its expectations and initiatives.

It should also be said that even though the peace treaties with Egypt and Jordan have not permitted the State of Israel to “beat its swords into ploughshares”, particularly in view of the continued massive strengthening of Egypt and the development of its military capabilities, the value of peace with it from the security-strategic aspect should not be underrated, even if it is cold and alienated. This is all the more true in relation to the peace with Jordan and its profoundly positive significance from the political and security points of view.

Either way, we should also take note of the military strength of the State of Israel and its capabilities in the field of defense technology, which serve as a deterrent.

The reality depicted above sets the intelligence services of the State of Israel new, world-embracing challenges, the main challenge being the need to identify in good time serious threats taking shape against the State of Israel, not only from the Middle East region but also from

various other parts of the world, both in the field of non-conventional weapons and ground-to-ground missiles and in the field of terrorism. This new task does not, of course, absolve the intelligence services from continuing to maintain the deterrent capacity in regular conventional warfare that has been required of them since the establishment of the State, the ability to provide intelligence assistance for the fighting in the event of a confrontation, and also the ability to help in the daily and Sisyphean struggle against Palestinian terrorism.

On the other hand, it behooves the intelligence community to be capable of diagnosing and characterizing positive strategic turning points from the point of view of Israel and to equip the leaders of the State with data and information from which to derive desirable political and defense *modus operandi* in practice.

2.2 THE STRUCTURE OF THE INTELLIGENCE COMMUNITY AND THE DIVISION OF FUNCTIONS

Let us first say that the issue of the desirable structure of the intelligence community of the State of Israel, the question of the division of responsibility and powers between Military Intelligence, the ISA and the *Mossad*, and the pattern of work of the three of them vis-à-vis the prime minister and the ministers have all been at the center of debate many times in the past. Various committees and individual examiners have been appointed over the years to look into the issue and formulate recommendations, either in the wake of traumatic events or as a matter of routine.

We can mention, *inter alia*, the Yadin-Scharf Commission (1963), the Agranat Commission (1973/74), the Zamir Commission (1974), the

Major-General (res.) A. Yariv committees (1984, 1986), the Inter-Service Commission of the Intelligence Community (1987), and the reports of Major-General (res.) R. Vardi, in the 1990s. The Government has had recourse to the subject on various opportunities and has passed resolutions on the matter. The State Comptroller has put the subject on his agenda and has submitted his findings and conclusions to the Knesset. The Sub-Committee for Intelligence of the Foreign Affairs and Defense Committee dealt with the issue in 1994 and presented a series of recommendations to the prime minister.

This topic has thus been clarified and discussed very extensively. Committees, experts and thinkers have turned it all ways around until there is hardly space left to take issue with them on this matter.

The problem is that some of the questions remain without a fitting answer, and the topic remains on the agenda. For this reason, and so long as there are open issues in this field that have not yet found their full resolution, the Committee, pursuant to its responsibility and parliamentary authority, considers it necessary for resolutions to be passed on this topic in order to set matters straight, for the sake of good order and effective procedures. If necessary, the Committee will initiate legislative steps to give validity to its resolutions.

The division of the work between the intelligence arms, Military Intelligence, the ISA and the *Mossad*, is based, as a rule, in the present structure of the community, geographically. There are areas which touch and areas of overlap, sometimes quite wide, between the organizations. The degree of inter-service coordination and

cooperation in the past fell substantially short and often prejudiced intelligence work in various matters. In recent years, there has been a real improvement in this sphere. The organizations have internalized the need for reciprocal feedback of intelligence information and for synchronization of certain activities that double the strengths and contribute to raising the level of achievements and the success rate. There are still topics open for discussion, and even in dispute, regarding the division of responsibility and the boundaries of the inter-service lines. In a document termed the “Magna Carta”, the heads of the services continue to try and formulate agreements in relation to a gamut of current matters. The Sub-Committee for Intelligence and Secret Services is following up on the subject, and checks the steps taken to settle the main issues of dispute in a business-like manner. As necessary, the Sub-Committee becomes actively involved in this field to ensure reasonable and proper work procedures for the benefit of the intelligence work. Beyond the routine aspect of the division of the responsibility between the organizations with which the “Magna Carta” deals, however, the Committee decided to give consideration to this subject with regard to the aspects of infrastructure and principles.

The historical development of the intelligence community gave the Intelligence Branch of the IDF tasks and spheres of activity which are not within the customary and accepted purview of military intelligence in most western countries. Thus, for example, the responsibility for intelligence research in the political field, or leading the sphere of Sigint are subjects that are not manifestly military. The State of Israel, in the first years of its existence, relied on the IDF as both an anchor and an instrument for the implementation of national

tasks, since it was a system with organizational ability, resources and available manpower. That being so, military intelligence also took upon itself functions for which it is not the natural address.

The Committee is of the opinion that, despite the historical permanence of the current structure, and despite the advantages which the research division of Military Intelligence and its Sigint unit have accumulated through their many years of experience, it would be appropriate for the structure of the intelligence community finally to be based on a correct division of labor, both in terms of professional designation and from the legislative-democratic point of view. There is, therefore, a need to reconsider the status and place of Sigint and also the transfer of certain strategic political areas and non-military subjects, currently the responsibility of Military Intelligence, to a civilian intelligence body.

2.3 THE QUESTION OF HIERARCHY AND CENTRALIZATION OF EVALUATION AND EEI

The Committee also discussed the question of the hierarchy between the intelligence organizations and determination of the body to lead the formulation of national intelligence evaluations. The Committee rejects the approach by which one of the intelligence services has been or should be crowned as “the national evaluator”. The consumers of intelligence, first and foremost the prime minister, should formulate their position in light of pluralistic and independent assessments of the intelligence bodies, each in its own special field and in the parallel and shared spheres of responsibility, and decide, in cases of differences of opinion, which evaluation to adopt and which to reject. The Committee determines that any attempt to grant superior status and to create a hierarchy between the various services

– even if this may be circumvented when necessary by direct contact with the prime minister – prejudices one of the most important recommendations of the Agranat Commission Report regarding the necessity for pluralism (this matter, and the issue of the concept, meaning and nature of intelligence evaluations, will be discussed below in the chapter dealing with intelligence research).

2.4 INTELLIGENCE STAFF AND INTELLIGENCE SECRETARY

Despite the aforesaid, the Committee favors the view that there is a manifest need for an intelligence wing that does not belong to one of the secret services. This wing, headed by the “intelligence secretary”, will coordinate the work of the intelligence organizations vis-à-vis the prime minister or a ministerial committee for intelligence; examine the intelligence products; coordinate work regarding determination of the EEI between the *Mossad*, the ISA and Military Intelligence; and also work vis-à-vis the prime minister regarding construction of the intelligence force and the five- and ten-year work plans. The staff will also provide the prime minister and the ministers, as shall be decided, with integrative working papers from the overall work of the intelligence organizations. (Details on this subject will be given in the section of recommendations and in the appendixes.)

2.5 DIVISION OF THE RESOURCES

The Committee gave thought to the subject of overlaps and duplication between the intelligence organizations, particularly in the spheres of technological infrastructures, the cost of which is ever-increasing, and in the context of the need for economies, greater efficiency and optimization of the investment in intelligence and maximization of its outputs.

Examination of national investment in intelligence and the security return it produces for the State of Israel is required, not only as a lesson from the war in Iraq, but also because of Israel's economic and budgetary reality. The basic law of economics, the law of limited resources, which in the past bypassed the defense establishment to a large extent, is now knocking on its door. The defense establishment as a whole and the intelligence services in particular are, therefore, required to economize, grow more efficient and even to meet cost / benefit tests.

The Committee finds that a certain degree of overlap between the intelligence services is justified, and even contains inherent advantages. The Committee is of the opinion that infrastructural and operative unification of the Sigint network should be transferred to a civilian national authority, which will specialize and coordinate it vis-à-vis the overall intelligence EEI, on the lines of the model which exists in this field in the United States (N.S.A.) and other countries.

Another matter connected with this aspect is the separation between the budget of Military Intelligence, which is an integral part of the whole IDF budget and is subject to changes in accordance with the order of priorities of the General Staff, and the budget of the ISA and *Mossad*. This separation makes an optimal allocation of resources to the intelligence network difficult and prevents an integrative budgetary view of intelligence requirements. The Committee is of the opinion that the budgets of all the services should be constructed on the basis of an overall viewpoint, and a uniform budgetary framework should be constructed for the three organizations.

2.6 THE FAILURE IN LIBYA

In recent months, the State of Israel was surprised to discover that Libya, under Muammar Gaddafi, has been intensively engaged in the development of a military nuclear capability, developing a variegated nuclear industry which is located at many sites, and that its program in this sphere has reached quite an advanced stage.

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The intelligence services of the USA (and of Britain) did not share with their colleagues in Israel in real time their recent and significant exposures of the Libyan nuclear program, and even concealed from the State of Israel the steps taken vis-à-vis the Libyan regime in the apparently successful attempt to bring about the liquidation of its nuclear industry and persuade it not to continue the development of its capabilities in the nuclear sphere.

One of the lessons which the State of Israel has to learn from the Libyan instance in the field of international intelligence cooperation, particularly with the USA, will be specified below in the section on international cooperation.

Hardly any of the professional witnesses who appeared before the Committee would dispute that in this instance there was a grave intelligence failure, which must give rise to a thorough examination and revamping of systems. The State of Israel cannot allow itself to be in a position where a hostile Arab state such as Libya, with a totalitarian and unpredictable regime such as that of Muammar Gaddafi, advances to nuclear capability without its intelligence services discerning or suspecting it. A number of senior witnesses even defined the matter as an “earthquake”, a “red light”, a “serious

failure” and the like. One of the experts even compared the intelligence failure, in terms of its gravity, to the failure of the Israeli intelligence services in 1960 known by the name “Operation Rotem”, when the Egyptian army concentrated massive armored forces in eastern Sinai at the edge of the Negev without this being discovered in good time by the intelligence services.

With regard to putting together EEI and orders of priority for intelligence service actions, the Libyan story, which is by way of a clear and unequivocal failure of the Israeli intelligence organizations, demonstrates the serious challenge they are facing. Was Libya positioned in the right place in the intelligence EEI in good time? And, if so, did the work program derived from the EEI match the EEI requirements? And, if so, did intelligence actions in practice match what was defined in the work program? And, if so, did the intelligence actions meet the test of efficiency and operational ability? In general, with the present division of matters, which organization has overall responsibility? Military Intelligence, which considers itself as having overall responsibility for the EEI and for the intelligence picture, or perhaps the *Mossad*, which considers itself responsible mainly for prevention? We will relate at length to these questions in the Libyan context and in the wider context in the framework of the classified report.

2.7 ASSEMBLING THE EEI

We note that the intelligence EEI challenge and its execution is a double challenge. The resource limitations and the variety of threats necessitate the investment of great thought in assembling the EEI and determining its orders of priorities. And once a subject has received

priority, it is incumbent upon the system to succeed, to penetrate the heart of the EEI, and to return with a bounty of intelligence of value and with a significant added value. The Committee holds that there is room for improvement in everything to do with Israel's intelligence services meeting these challenges.

Part of the improvement could be obtained by perfecting the processes of assembling EEI, the work programs and their approval. Nowadays, the intelligence EEI is approved within the defense system without the sufficiently significant involvement of the political echelon and without need of formally bringing the EEI for its approval, as required by correct constitutional order.

It may additionally be noted that this defect also characterizes the process of determining the relevant threat data. The relevant threat data refers to the group of threats to which the IDF is prepared to give a response, out of a wide range of potential risks and threats sketched in the intelligence picture, while making allowance for the resource limitations. Even the process of taking decisions on this cardinal subject, which in effect constitutes the system of security risk management of the State of Israel, ends at the level of the IDF General Staff and without obtaining any formal approval in the committees of the government and the Knesset.

The Committee holds that there is a need to set up a statutory ministerial committee for intelligence matters, which will discuss and approve the intelligence EEI and the relevant threat data, define for the intelligence services the tasks and achievements required in view of the EEI, and maintain a degree of command and control over

implementation of the tasks and the results thereof. The Committee will give expression to this opinion in the chapter of recommendations which ends the report.

2.8 INTELLIGENCE COLLECTION

Intelligence collection is at the very core of the intelligence industry, and the ability of an intelligence organization in this sphere is, in the opinion of the Committee, its first test.

Methods for collection of intelligence are various, and can be divided in general terms into human collection (Humint), media and electronic collection (Sigint) and visual collection (Visint) and the derivatives of these means and methods.

Having examined the intelligence-collection arrangements of Military Intelligence and the *Mossad* and their performances in this sphere, on the basis of the EEI requirements, the Committee determines that, alongside impressive and praiseworthy successes and achievements, there are topics where the results of the intelligence-collection work are inadequate.

It should be clarified that the work of intelligence collection is becoming more difficult and complex than in the past. Some of the important intelligence targets of the intelligence community are characterized by being very closed in from both an ideological and a physical point of view, remoteness and a high awareness of enemy intelligence, expressed, inter alia, by punctilious secrecy and suspicion, maintaining security of contacts and communications, and

demonstrating a repellant severity and cruelty towards those they suspect of being involved in espionage.

These changing conditions and other changes in the intelligence work environment present objective difficulties to any intelligence-collection system.

This is not the case with regard to the ISA, which works in near-optimal intelligence-collection conditions and in a situation of partial or full security control of the area, with all that this entails.

Although the technological breakthroughs of recent decades, together with impressive developments in the fields of communications and computers, electro-optics and space, have provided the intelligence services with very effective work tools for carrying out their intelligence-collection work, it is clear that technology is not the most important thing and, as the war in Iraq showed, will not alone be able to provide a complete intelligence-collection answer. The Committee found that in recent decades attention and resources were devoted to development and utilization of the new means to such an extent that this may sometimes have been at the expense of close attention and investment in high-quality human intelligence.

The process of intelligence collection involves heavy costs, and sometimes many risks as well. The Committee views it necessary to approach these activities on the basis of a focused definition of the goal of the activity and the achievement required from a system-wide aspect, and after careful examination and evaluation of the feasibility of attaining the defined goal. It is true that not everything can be

foreseen, and intelligence work, by its very nature, is based on trial and error; often coincidence or luck can determine the degree of success or failure. But the method of work described above will define and reduce the risk that large investments will go down the drain or that a program of action will start out but not reach the end of the road, because of impassible barriers that were not seen in advance or because it turns out that the task was hopeless from the outset.

The intelligence importance of a preliminary examination as to the possibility of achieving the goal is not only because of the need to prevent a waste of resources but also to show the security services and the Government the need to formulate a system-wide response to a predicted threat if the assessment is that the intelligence will be unable to achieve the required goal.

2.9 INTELLIGENCE RESEARCH

The role of intelligence research is to analyze and investigate the mass of raw information produced by the intelligence-collection system (beyond the screening and initial processing), to separate the wheat from the chaff, to know how to read between the lines, and, relying on the proficiency, experience and sharp wits of the investigator, to complete the missing parts of the information and/or to give it the correct interpretation and meaning. This is necessary to complete a lucid intelligence picture and formulate an “ad hoc” intelligence evaluation or a general, periodic evaluation in response to the various EEIs.

The research division at Military Intelligence is considered the largest and most established of the research wings, and has at its disposal

personnel from among those doing compulsory military service. It has already been noted that the Military Intelligence research division does not confine itself to the classic goals of military intelligence, that is, clearly military matters in potential confrontation states, but also deals with political, economic, defense industry, social and political research that does not necessarily have an inbuilt military end product. In other words, Military Intelligence currently serves not only as the intelligence officer of the IDF but also as the almost exclusive intelligence officer of the State.

The intelligence research departments of the ISA and the *Mossad* have developed and become established over the years, and today they fulfill an important research function while giving a reasonable response to the need for research pluralism in many spheres.

The Center for Political Research at the Ministry of Foreign Affairs, which earned praise in the field of intelligence research for a number of years after the Yom Kippur War as part of the implementation of the Agranat Commission recommendations, has declined over the years. The resources allocated to this Center are negligible in comparison with the other research departments, the manpower is minimal, and its specific contribution to the process of constructing intelligence assessments today is marginal, even negligible.

The Committee sees little reason for continuation of the present situation and, in its opinion, one of the following two courses of action should be followed:

- a. Placing the Center for Political Research on its feet and allocating the requisite means for it to function effectively;

- b. Giving up on the Center as a body contributing to formulation of national intelligence evaluation.

The lessons of the war in Iraq have pointed up the limitations of intelligence research in general, and the absence of a sufficiently wide and deep intelligence-collection infrastructure in particular. That being so, the Committee has come to the conclusion that the concept of “evaluation of the intelligence” which intelligence research produces for the defense establishment and the political echelon is a concept without meaning unless a label is attached to it specifying the sources and their quality and the concrete information on which the evaluation is based; or at least a partial label specifying the type of sources and their general level of reliability .

Although, as noted, the intelligence assessments regarding capabilities in the Iraqi case fell, even if only just, within the range of probability, the lessons of the war, as noted above, should be seen as a warning sign against turning “intelligence assessment” from a work tool into something of no value, and against the fear that it is liable to be revealed in the future “as a broken reed”. Accordingly, the Committee holds that there should be changes in the procedure for presenting the periodic and specific intelligence evaluations to the Government, and particularly to the limited Ministerial Committee for Intelligence which will be set up according to the recommendations, and to the Knesset (Sub-Committee on Intelligence of the Foreign Affairs and Defense Committee). There should be a move away from the pattern of a general review presenting the conclusions of the research departments on various topics, to a report containing reference to concrete information from which the assessment is

derived, or at least a reference to the level of reliability of the research insights.

The test of the significance and soundness of intelligence research products goes beyond the flood of question marks raised by the events of the war in Iraq. The great quantity of material which the research wings put out, as a matter of routine, for the consumers of intelligence reflects their accumulated intellect and intelligence and even their intimate familiarity with the intelligence EEI objectives. The Committee, however, is of the opinion that the practical benefit of the enormous quantity of material and paperwork is doubtful, and this is an understatement. Many of the reports and working papers which intelligence researchers produce contain learned interpretations and interesting hypotheses, but are frequently and in large part based on known facts, with a trivial analysis; they mainly leave the expanse of possibilities and instances in relation to substantive questions open in all directions, without the ability to reach any clear bottom line from within the huge range of conjecture from which a mode of action can be derived in practice.

The Committee is aware that in-depth professional research must not be superficial or one-dimensional, and it is natural that it will give rise to dilemmas and will point in different directions. The Committee does not underrate the contribution of such research to productive thought and to the benefit of the security and political debate on current affairs. Nevertheless, the Committee holds that the operative and operational perception of intelligence research has to be task-oriented and focused on an effort to draw a clear and sharp intelligence picture in accordance with the EEI requirements.

Together with this, the Committee emphasizes the importance of military infrastructure research and is of the opinion that Military Intelligence should sharpen the distinction between basic research of long-term trends and daily research intended to follow current events. This is to prevent the diversion of resources and inputs from what is important to what is urgent, while interrupting basic research.

On the strategic and political level, experience teaches that the predictive ability of intelligence research to forecast security and political processes and developments has not always proved itself, and it may be assumed that it is also destined to fail in the future. This does not necessarily stem from an inadequate standard of research or intelligence collection but rather from the fact that many of the variables in a forecasting model of this sort are clearly unpredictable. The aspiration, as far as it exists, of characterizing leaders and people in power in psychological terms, with the intention of predicting their conduct and actions, is exaggerated and might even constitute a real stumbling block. Either way, it is most doubtful whether these personality analyses and psychological diagnoses can be substantiated in the decision-making process.

It should also be noted, in view of the different positions heard in this respect, that within the IDF there needs to be a clarification of the role of the intelligence bodies of the Air Force and the Navy and their integration with Military Intelligence and the intelligence network as a whole (both at the intelligence-collection level and in the research sphere). In addition, it is necessary to weight the contribution of the intelligence units in the territorial commands, as units intended to

express the need for pluralism, against the Military Intelligence research division . The Committee did not accept the arguments regarding the need for additional intelligence-collection tools and the creation of greater independence between the air and naval intelligence and Military Intelligence in this sphere. The Committee found the present relationship between Military Intelligence and air and naval intelligence to be essentially correct. The Committee formed the impression that the competitive pluralism should be expressed mainly between the *Mossad* and Military Intelligence, and, in the future, between both of them and the National Security Council, rather than in the context of the different forces within the IDF.

In summary of this chapter, the Committee determines that the intelligence research wings, particularly the Military Intelligence research division, must undergo a thorough overhaul. This should include an examination of the educational levels required in positions having overall responsibility for a particular sphere, such as, for example, the heads of desks, as well as the issue of broad external academic training; the level of experience; and also the desirable length of time that a researcher should serve in a given function, in terms of optimizing his contribution to the formulation of intelligence evaluations. The same applies to the methodology and perception of research action and its direction within the system towards a more purposeful and focused response to security requirements and needs. In this context, the role of the control department should be examined, as well as the place of the “contrary arguments” function.

2.10 INTERNATIONAL COOPERATION AND CONFIDENTIALITY

The close cooperation between the Israeli intelligence services and US Intelligence and that of other fellow services vis-à-vis Iraq did not succeed in substantiating decisive evidence one way or the other as to Saddam Hussein's possession of non-conventional weapons and long range ground-to-ground missiles. One should not make the error of drawing conclusions from this regarding the importance of international intelligence cooperation. The Committee determines, on the basis of ongoing monitoring of the actions of the Israeli intelligence services, that this cooperation is of the greatest importance and has the inherent potential for exchanges of intelligence information which are worth their weight in gold. Furthermore, the intelligence services should take advice to reduce the danger of a reciprocal feedback failure that could result in serious obstacles as noted previously.

International cooperation in the field of intelligence and prevention acquires increased importance in the era of globalization of threats and the spread of sources of danger around the globe. The State of Israel must also recognize that, as in other areas, so, too, in that of intelligence, it cannot always provide for itself and by itself all the intelligence products of which it has need. The assistance of friends, as well as providing assistance to them in this field, is thus indispensable.

Because of this, the Committee sees itself as obligated to warn about instances of leaks of sensitive information, partly obtained from foreign intelligence services. The Committee determines that this

phenomenon has sometimes resulted in grave harm and could even sabotage the chances to continue developing this vital cooperation.

Apart from the direct damage to the work of the intelligence services caused as a result of these leaks, from the point of view of privileged sources, and in addition to the damage that could be done to the security of the State as a result of the disclosure of sensitive information, the State of Israel could be marked among fellow intelligence services as a partner that cannot be relied upon to deal responsibly with the keeping of secrets.

The Libya episode well demonstrates the meaning of this and it is by way of a painful lesson. The Committee calls on all relevant parties to apply redoubled caution with regard to the confidentiality of classified information so that it will not be necessary to have recourse to law enforcement authorities in order to stop up the leaks. On the other hand, and despite the friendship and cooperation with other western intelligence services, the Committee recommends adopting greater caution in relation to the direct or indirect exposure of Israeli sources and/or *modi operandi* to them, and to make do as far as possible with conveying items of information and assessments.

The Committee also recommends reconsideration of the prevalent custom of closed briefing meetings of senior officers in the intelligence community with writers and journalists from Israel and overseas. Even in those instances where the material which is finally published comes from a different source, this custom enables journalists who are considered to have contacts to present their information as based on their contacts with “senior intelligence

sources” in Israel, and leads to a relaxation of field security tension in the defense establishment. The Committee recommends that this custom be retained where necessary, if at all, only as a prerogative of the heads of the secret services themselves. In other cases, a public press briefing for all the media would be preferable to the norm of personal and undisclosed contacts between senior members of the intelligence community and the media.

2.11 GOVERNMENT CONTROL AND REGULATION OF THE INTELLIGENCE SERVICES

The head of the *Mossad* and the head of the ISA are directly subordinate to the Prime Minister and they maintain regular contact with him in order to convey full and detailed reports and obtain the necessary authorizations for their actions.

Under the Israel Security Agency Law, enacted in the Knesset in 2002 (and discussed in the framework of a joint committee of the Foreign Affairs and Defense Committee and the Constitution, Law and Justice Committee), a Ministerial Committee for Matters of the Service was set up and the procedures by which it would supervise the activity of the ISA were laid down in general terms, as was the obligation of the head of the ISA to report to this Committee.

The head of Military Intelligence is subordinate to the Chief-of-Staff, who is subordinate to the Minister of Defense. As an integral part of the IDF, Military Intelligence is also subject to the authority of the whole Government, in accordance with the Foundation of the Army Law. In addition to his subordinacy to the Chief-of-Staff and the Minister of Defense, the head of Military Intelligence, pursuant to his special responsibility, maintains direct contact with the Prime

Minister and meets with him at regular intervals for work meetings and reports.

In today's situation, the Prime Minister's Military Secretary coordinates the contacts between the Prime Minister and the heads of the services administratively and professionally and regularly participates (as an observer) in the meetings of the committee of heads of the services, who are currently the head of the *Mossad* (in the chair), the head of Military Intelligence and the head of the ISA. An intelligence officer with the rank of colonel, who is subordinate to the Military Secretary, is supposed to assist him with the content aspects of the contacts with the intelligence services.

Apart from the Prime Minister, and to a large extent also the Minister of Defense, as a rule the other government ministers and even the members of the political-security cabinet, do not have a close and in-depth familiarity with the intelligence services and they are not really exposed to their activities. The reviews and reports which the ministers receive from the heads of the services and their representatives in the framework of the ministerial committee for defense or for the security service are fairly general and do not constitute a basis for monitoring and examination of the performance of the services.

The Committee found that in practice, the intelligence organizations and the secret services enjoy great independence and the extent of the command and control of the political echelon over them is insufficient. The Committee holds that this situation is unhealthy and

does not, in the long run, benefit the ability of the organizations to achieve the aims for which they exist.

The Committee is of the opinion that the Prime Minister lacks the optimal tools and conditions to instigate and guide the work of the heads of the services, to examine their approach and control their activity, and to determine the EEI and build the force for the long term. The prime ministers over the decades have tended to trust the services and, as a rule, adopt their positions and act in accordance with their recommendations.

The situation described is the outcome of historical development in a country which is in a constant state of war over its existence, as well as of the need to insist on maintaining the great secrecy that characterizes the work of the services, by compartmentalization and reducing the number of those who are party to the secret.

The Committee agrees that a heavy cover of secrecy in the operation of the intelligence services is a necessary condition for their success. The Committee determines at the same time that this understood necessity does not exempt either the intelligence services or the government from maintaining the requisite command and control for assuring the propriety, efficiency and success of the work of the services. The Committee formed the impression that the existing situation in defense matters is still as criticized by Major-General (res.) Talik in his book *National Security*, according to which “the IDF has in practice, over the years, turned into an autonomous and dominant institution, that proceeds under its own steam ... the

responsibility and authority of the military go far beyond the limits which were set for it in the first days of the State”.

In accordance with the above, and so as to take steps to rectify the situation, the Committee finds that a statutory ministerial committee for intelligence affairs should be set up, whose members shall be: the Prime Minister, the Minister of Defense, the Minister of Foreign Affairs and two other ministers who do not necessarily have an obvious security background. Alternatively, the composition of the committee could overlap the ministerial committee for ISA affairs which has already been established in the framework of the ISA Law.

This ministerial committee will serve as supreme guide of the intelligence services, will determine general tasks, will debate and formulate together with the intelligence services the intelligence EEI and the work programs of the intelligence services and will approve them. Likewise, the committee will discuss and approve the IDF relevant threat data. The ministerial committee, with the assistance of the National Security Council, will maintain follow-up and control as to how the intelligence services are meeting the goals set for them and will examine the readiness of the intelligence and the *modi operandi* required of them.

2.12 PARLIAMENTARY OVERSIGHT OF THE INTELLIGENCE SERVICES

The Sub-Committee of the Foreign Affairs and Defense Committee on Intelligence and Secret Services maintains regular contacts with the heads of Military Intelligence, the ISA and the *Mossad* and with additional bodies associated with intelligence work. The committee holds frequent meetings with the heads of the services and with other

senior personnel in the intelligence organizations in order to obtain reports on current affairs and for professional discussions which the committee initiates on specific matters relating to structural, operating and operational aspects of the intelligence work.

From time to time and as necessary, the Sub-Committee on Intelligence and Secret Services meets with the Prime Minister to discuss with him a subject on its agenda that, in its opinion, requires the involvement of the Prime Minister.

Members of the Sub-Committee are exposed to a large degree to the intelligence work in its various channels, and receive fairly detailed reports from the heads of the services and their representatives about their actions, each in its area, and also in shared areas of responsibility of two or three of the organizations. The heads of the services review the annual intelligence evaluations before the committee and present the EEI principles and their work programs. By virtue of its authority under the law, the committee debates the budgets of the *Mossad* and the ISA and approves every detail. The budget of Military Intelligence is approved by the Joint Committee for the Defense Budget (the Joint Committee of the Foreign Affairs and Defense Committee and the Finance Committee of the Knesset), as part of the general discussion of the budget of the IDF and the Ministry of Defense.

At the same time, the Sub-Committee for Intelligence intends to introduce a number of rules which will guide its continued activity to ensure, pursuant to parliamentary authority, that the conduct of the intelligence community will be in harmony with the principles laid

down by the investigating committee in this report. Inter alia, the Committee will make more effective use of its exclusive power to approve the budgets of the services for a more pedantic examination of the EEI and of the work programs.

The Committee will demand that a combined budget for all the intelligence services be presented to it by the Prime Minister's Office and the Ministry of Finance, such that the Military Intelligence budget (which is approved in a different framework) will reflect its share in the total investment in intelligence, and in such a way as will facilitate examination of the work programs and the efficiency of the allocation of the budgetary resources between the arms of the community, with the aim of attaining optimal use of the resources.

The Committee will increase its accessibility to the working ranks and to the people in the field, and will meet with them more frequently so as to have a closer and unmediated understanding of the state of affairs in the field of intelligence.

The Committee will aspire to maintain regular contacts with the ministerial committee for intelligence matters and to formulate a pattern of consultation and transfer of findings and conclusions, when it is established.

2.13 STATE CONTROL VIS-A-VIS THE INTELLIGENCE COMMUNITY

All the institutions and units of the intelligence community come under the purview of the State Comptroller in accordance with the provisions of Section 9 of the State Comptroller Law (Consolidated Version), 5718 – 1958. As part of the Division for Audit of the Defense Establishment at the Office of the State Comptroller, audits

are conducted from time to time and control reports are produced and submitted to the Knesset on matters in the field of intelligence. This is in accordance with the work program of the Office and of the Division and the degree of priority given to this area by the State Comptroller.

The problem is that according to Section 17c of the said Law, “the State Comptroller may, if the Government gives him reasonable grounds to his satisfaction, make a limited report on a branch or unit that he has audited or refrain from giving a report on them...”

The practical significance of this section in the Law is that an audit and audit reports which are drawn up by the Office of the State Comptroller under this section, including the most sensitive reports about the intelligence and the secret services, are not submitted to the Knesset and are not discussed there in the appropriate framework. This is despite the fact that the State Comptroller is a branch and representative of the Knesset according to the law for the purpose of auditing institutions of the executive authority, and despite the fact that there are forums in the Knesset, such as the Sub-Committee for Intelligence of the Foreign Affairs and Defense Committee, which are also parties to the sensitive matters in the said reports of the State Comptroller.

The Committee views the provisions of the said Section as an obsolete restriction and the existence of a barrier placed at the door of the Knesset in this area as something that should be changed. (Steps initiated in the past in this regard have not helped.) The Committee will soon initiate, in conjunction with the State Comptroller and the

Knesset State Control Committee, an amendment to the legislation that will regulate the issue and determine that every report of the State Comptroller on sensitive defense issues be submitted to the Knesset and discussed in the appropriate framework within the Foreign Affairs and Defense Committee. This will contribute to the promotion and effectiveness of parliamentary supervision over the intelligence organizations and the secret services.

Furthermore, the Committee will act to increase coordination with the State Control Committee on everything to do with the classified reports of the State Comptroller in the field of intelligence (and in the defense field in general) which are currently submitted to the State Control Committee regarding findings that should cause concern and which the Foreign Affairs and Defense Committee, the primary parliamentary arm for supervision of the defense system, is not aware of.

2.14 INTERNAL AUDIT

Internal auditing takes places at the *Mossad* in accordance with the Internal Audit Law, 5752 – 1992. At the ISA, this audit operates pursuant to the ISA Law. Military Intelligence is subject in principle to the audit of the control and monitoring department which serves in effect as the internal audit unit of the IDF General Staff. There is also a control department within Military Intelligence which checks intelligence evaluations and products with a professional, critical approach, including the well-known “contrary arguments” function. Moreover, a comptroller for the defense system operates in the framework of the Ministry of Defense, is subject to the Minister of Defense and conducts an audit of the IDF and of the Ministry.

The Sub-Committee for Intelligence and Secret Services will include an examination of the functioning of the internal audit among the intelligence services in its work program for this year, and will look into its activity and contribution to finding defects and faults in the system and to initiating processes of improvement and greater efficiency. The Committee sees fit to praise the level of audit documents and the drawing of conclusions produced in the framework of the Military Intelligence Audit Department after the war in Iraq. The Committee found an overlap in various matters between its critique and the findings of the Military Intelligence internal audit and recommends to the *Mossad* that it set up a similar function under its auspices.

The Committee will consider introducing a procedure by which a copy of the control and internal audit reports produced by each of the intelligence services will be placed on its table.

2.15 RELATED TOPICS

During its deliberations, the Committee dealt with a number of topics that are not in the pure intelligence sphere but which touch on it in certain aspects or were a significant part of the preparations for the war in Iraq. One of these topics is the issue of the Home Front Command and the question of the correct framework for its activity, within the IDF or outside the IDF as part of the Ministry of Internal Security. The Committee is aware of the arguments that the natural place for the Home Front Command is indeed in the Ministry of Internal Security but the Committee did not manage to reach an operative conclusion that such a change is immediately called for and

necessary, or that the time and organizational and budgetary conditions are ripe for a system change of this sort.

Another topic which was discussed in the Committee was that of the National Security Council. Despite its necessity, attempts to establish it on a firm basis and to give it the hoped-for weight and degree of influence have been of no avail, including in the field of intelligence and the issue of formulating an assessment of the national situation. The Committee is of the opinion that one of the essential conditions for this is the transfer of the National Security Council offices to the Prime Minister's Office and its physical presence there.

The Foreign Affairs and Defense Committee will continue to deal with the issue of the National Security Council, both through the relevant sub-committees and through legislative initiatives . Further information on the position of the Committee on the question of the functions and status of the National Security Council will be given in the chapter on Recommendations.