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The veteran journalist says the intelligence reforms proposed by the 9/11 commission may not necessarily make the United States safer.

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The CQ/HLS Interview: 10 Questions for Douglas Farah, Author of 'Blood From Stones'

By Justin Rood, CQ Staff

In a series of articles culminating in his book “Blood From Stones,” veteran journalist Douglas Farah detailed how al Qaeda used the corrupt governments and stateless territories of West Africa to hide, and grow, millions of dollars in assets by trafficking diamonds and other precious commodities.

For years, the terrorists’ scheme went undetected by the CIA and other intelligence organizations. They learned about the system only through Farah’s articles in The Washington Post, the first of which appeared in November 2001.

Farah is currently a fellow at the National Strategy Information Center, where he conducts research on intelligence methods governments use to understand so-called non-state groups, like al Qaeda.

While Congress debates major reforms meant to fix the intelligence community that failed to spot the 9/11 plot before it was executed, CQ Homeland Security talked to Farah, whose book was published this May, about the blind spot he found back in 2001 — and why the key intelligence reforms proposed by the 9/11 commission may not make the United States safer.

CQ: Your book details an extensive terrorist financing and money-laundering network that went largely undetected by U.S. intelligence. In particular, it lists evidence noted by some experts before 9/11 that al Qaeda was sinking millions of dollars into black-market diamonds just prior to the attacks, in an apparent attempt to hide its assets from anticipated financial investigations. Why did the intelligence community miss these signs?

Farah: I think the biggest factor was that the intelligence community had no one on the ground gathering information in West Africa. I knew some agency people in the region who said without hesitation they

could not do their job anymore. [CIA offices in] sub-Saharan Africa lost two-thirds of their people after the Cold War.

Also, they had no interest in tracking the diamond trade. I don't think there was any thinking about the role of commodities and failed states and . . . [how] they could be useful to terror and terror financing.

Those two things made it virtually impossible for them to know what's going on there.

CQ: Did the CIA have any intelligence at all on al Qaeda's involvement in the diamond trade?

Farah: It was no secret about the diamonds. If you look at the testimony of captured al Qaeda people before 9/11 — Wadi el Hage was bin Laden's personal secretary [and was] captured shortly after the 1998 embassy bombings in Kenya and Tanzania. His private phone book and business card file are full of gem dealers in Crete, Belgium, San Francisco, New York — all over the world. He writes in his diaries about trying to buy diamonds [and] tanzanite. . . . It was in the court records, but never looked at.

Everything was there to indicate [al Qaeda had] a serious interest in gemstones, but it simply wasn't picked up on. That to me is what's more alarming than not having people on the ground. . . . Connecting the dots sounds trite, but looking at the available information and drawing inferences from what they see is important, and they didn't do it in this case.

CQ: What does this indicate to you about U.S. anti-terror intelligence efforts?

Farah: One, it shows how little they understood [about] what was going on on the ground. And two, I think there was a cultural reaction . . . to information they didn't have ownership of, or didn't originate.

Ultimately they did have reason to be embarrassed, more reason than I knew when I first started out. When you look at the opportunities they missed and the information available . . . [the CIA's position] becomes untenable. But if you never check it out, I think you get very defensive, and I think that's what happened.

I also think they didn't have any idea of how intelligence could be gathered in areas like Sierra Leone. One [CIA] person said the eyewitness verification I used wasn't the standard procedure they used. The idea was, if you didn't do it our way, it's not valid to us. That I found really disturbing.

CQ: Your experiences in West Africa were closer to much of the action you describe than any intelligence officer or agent ever

apparently came. Why is that?

Farah: They did not think that this could be done, or that it was necessary to be done. I don't know which of the two it was, or both. I think to a fair degree [the CIA] still looks at states as their primary targets, and state operations and orders of battle from hostile governments. There's very little understanding or resources or teaching with how to deal with non-state actors in areas that are stateless.

It's very difficult to change a paradigm of operations going back 40 years to track nationals from the Soviet Union, Korea, Cuba. . . . Now you have portions of Africa, the Andean Ridge, Southeast Asia, the east coast of Central America and Mexico, all of which are controlled by different armed groups, criminal organizations, guerrillas and others.

We don't have a sense of how to deal with them, even if they don't possess [weapons of mass destruction]. It's a paradigm shift that has to happen.

CQ: Al Qaeda leadership has certainly benefited from failed states and stateless regions — for example, in Afghanistan, where they were once based, and in the Pakistani border regions in which they're now said to hide. Do you think the intelligence agency's approach to stateless or failed-state areas around the world has changed since 9/11?

Farah: I don't think a lot of it has changed. The people I know who . . . understand the need to have people in these areas in Africa are the U.S. European Command, which is responsible for Africa. They are very concerned, aware and trying to move resources into looking at these types of areas.

My sense is that in the overall intelligence community, there is very little recognition of armed groups and allocating resources to looking at non-state groups in these areas.

In Africa, even when we did have stations there, their primary purpose wasn't to gather information on those countries, [but] to recruit Cubans and Soviets floating through the region. So there's very little knowledge of those areas of the world, even historical knowledge, because that's not what we were there for. . . .

[For example,] the development of an extensive infrastructure of Wahhabi and radical Islam in West Africa passed completely unnoticed. It goes back to the early 1990s, and we've missed that train completely. The move [by Muslim radicals] into Mali, Chad, Niger and elsewhere — it didn't seem important at the time, in 1995, who the Muslims were who were taking over these things.

It requires starting from scratch, almost, in some areas of the world, and we'd rather do what we do well.

CQ: Two of the biggest reforms being debated right now are creating a national intelligence director to oversee the intelligence community, and a National Counter-Terrorism Center, to coordinate terror-related intelligence gathering and analysis. How do you think these changes might fix the problems you've described?

Farah: The main problem of the intelligence community isn't the structure of it, the charts, whether there's an extra person on top. . . . [It's] how you gather intelligence, what you define as targets, how you dedicate resources. . . .

You have to change that in an organic way, which is much more difficult than moving boxes around on the top. That can be important — you need a structure that's coherent — but I don't think it gets to these types of problems.

CQ: Some people say that the problem with U.S. intelligence, particularly human intelligence collection, is that our intelligence program is anemic — underfunded and understaffed. Do you think more money and bodies will solve some of these problems?

Farah: I think more money and bodies are an essential part of solving the problem. Intelligence budgets got slashed in the 1990s, and a lot of people at the time thought it made perfect sense — you strip the people because we don't need to be there. But in retrospect it was a large and costly miscalculation.

I think ultimately it relies on the type of person they recruit and how they spend the money. You can't make a difference without doing those things, but you can't make a difference just throwing the money around. We need to have people on the ground who can understand what's happening in these [stateless] areas.

CQ: The U.S. government has a habit of fighting the last war. As a result, the 9/11 attack took us by surprise. Where are the blind spots for U.S. counterterror intelligence today?

Farah: I think the blind spots are particularly armed groups and stateless areas — what goes on in those areas, the types of advantages in infrastructure, cover [they offer]. [Liberia's] Taylor was giving diplomatic passports to criminals — it's the perfect way for people to get what they need without being detected. You can come and go; you have access to ports of entry; you can have safe houses, register your aircraft and operate like a legitimate organization. There are all these structures that collapsed states or criminal states offer.

There are probably other [blind spots] that I'm not aware of, but that's a key area we have to get a handle on quickly if we're going to deprive terrorists of havens for finance and operations.

CQ: How could that be fixed?

Farah: You need to look at what kind of intelligence architecture — I’m referring to intelligence collection, analysis, counterintelligence and covert operations — would provide you with the ability to meet those needs. That’s what I’m working on now.

There are other countries, democracies, that have dealt with armed groups fairly successfully and developed intelligence architectures to do this. We could shorten our learning curve significantly if we looked at [those].

Something that’s missing from this reform effort is any idea of learning from others. That’s a really important part of changing how we do things — going to people who know and saying, “Help us, shorten our learning curve,” and adapt it to our intelligence architecture.

Except we don’t seem very teachable.

CQ: Is it unusual to be a journalist, working on a study to improve the intelligence community?

Farah: It’s different. It is unusual. I think journalists bring from field experience on the ground views of how things actually work, and dealing with people who tend to have more academic experience. They can bring a balance or different perspective.

It’s a fair question — you have to be careful not to cross the lines. . . . [I]t’s a difficult balance to maintain. I’m not doing journalism while I’m doing this.

Not everyone in the intelligence community is willing to have me present in meetings, because of my journalism background.

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