INTELLIGENCE FUSION CENTERS:
OPERATIONAL EFFECTIVENESS VS. BUDGET CONSTRAINTS
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1. Introduction

Fusion centers were created to resolve many of the issues plaguing the United States Intelligence Community and law enforcement entities as all levels of the government; a majority of them stemming from the failures of the attacks of 9/11 and the immediate recovery efforts after Hurricane Katrina. In theory, the fusion center concept was an ideal model for intelligence and information sharing; a one stop shop. Instead, the utility and cost of the fusion centers have been scrutinized by both the U.S. government (USG) and the local populace for their lack of effectiveness, efficiency, and overall conduct of operations.

The technology to implement such data fusion process is complex and only partially in place. Waterman and Wang (2011) for example, demonstrated the challenges of coordinating multiple data sources from different agencies and using a variety of semantic terms. While some degree of automatic analysis is prevalent, the cost to design and implement these systems, not to mention the need to train fusion center staff in its correct use, is not insignificant. The cost of fusion centers is thus not merely the simple purchase of a few computers and some Internet connections, but instead is a complex mixture of development, design, and training costs, not to mention ongoing upgrades and support as the technology improves. The bottom line is that fusion centers are far from inexpensive to build and operate if they are going to be usable and effective.

Despite having a lack of evidence supporting negative claims against fusion centers and the fact that no definitive metric exists to evaluate the effectiveness and efficiency of fusion centers, claims made for fusion centers are also debatable. The Department of Homeland Security (DHS), in conjunction with its interagency partners, does conduct an annual assessment
on all fusion centers; however, it is merely a tool used by stakeholders to improve operations within their respective fusion center (Department of Homeland Security 2012).

Studies have shown issues with the federal grant-based funding model currently used to fund fusion centers. The major problems are funding allocation, continued availability of funds and USG fiscal issues. States have two options for grant funding: the Homeland Security Grant Program (HSGP) and the Justice Assistance Grant (JAG) Program. An individual review of these two major grant sources for fusion center operations will immediately demonstrate a need to address the more fundamental underlying issue with fusion center sustainability.

The HSGP is actually comprised of three interconnected grant programs: State Homeland Security Program (SHSP), Urban Areas Security Initiative (UASI) and Operation Stonegarden (OPSG). Of the three programs, only the SHSP is distributed to all states and territories. The UASI is only distributed to an urban area identified by DHS and 25 urban areas and the OPSG is primarily used for border protection (DHS 2013). This holds great significance because not all the money received under the HSGP may be allocated to the funding of fusion center operations.

The JAG program faces a similar issue because funds are allocated based on pre-approved program area. Since not all programs fall under the purview of the fusion center i.e. crime victim and witness program and corrections and community corrections, the amount of money available for fusion center operations is significantly less. To further compound the problem, the JAG program funds are allocated based on crime statistics and population further compounding the problem (BJA n.d.). The problem is further compounded by the method of determining funds.

The sustainability of operations is a problem realized by both the DHS and Department of Justice (DoJ), prompting them to state within their guidelines the need for states to move from
the grant funding model towards a sustainable funding source. This puts many fusion centers in a no-win situation. Fusion centers can argue that a lack of grant money may cause their operations to suffer creating the perception of ineffectiveness. This could prevent the fusion center from receiving additional funding and may precipitate its closure or absorption into another fusion center.

The loss of fusion centers and the push from critics to shut down the program creates a major problem. The USG needs to be able to quickly share information and analyze data into actionable intelligence in order to prevent or respond to a threat situation or disaster. Fusion centers meet this need. Given the perceived failures of the program over time, it is easy to lose sight of why the program was conceived in the first place.

**Synopsis of the Problem**

The root of problem with the fusion centers lies in the funding model. Basically, a grant-funding model puts the viability and sustainability of fusion centers in check. The problem is further compounded with decreased funding in U.S. intelligence activities and what appears to be an annual sequestration. Given the significant decrease in overall government spending, previous and expected sequestrations, and a decrease in the intelligence budget, the effectiveness of a less manned and resourced fusion center is in question. How can the effectiveness of fusion centers be improved given the current state of government fiscal issues?

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The fundamental reason fusion centers were created was to allow law enforcement and intelligence agencies to share information about threats. While originally put in place for the counterterrorism effort, the utility of fusion centers for law enforcement at all levels is an important issue. The loss of fusion centers, or, alternatively, rendering them ineffective at this fundamental information-sharing goal, may prove to hamper law enforcement efforts. It is important to remember that fusion centers were established at the state level to assist in preparing for and preventing all types of threats, with terrorism being only one of those issues. Thus an important aspect of this problem is whether law enforcement and threat prevention would be significantly damaged or impaired if the fusion centers were disbanded.

Given the difficulty in obtaining consistent funding for fusion centers, their future is certainly in doubt. The key issue is who pays the bill to sustain them, and how reliable is that source of funds. Those questions reach to the nub of the issue with fusion centers: If they’re so vital to law enforcement, how do we pay for them?

**STATEMENT OF RESEARCH QUESTION**

The key research question addressed by this report is one of defining a method for improving and maintaining the effectiveness of fusion centers in a time of serious government fiscal limitations. More specifically, the research question is thus:

How can the effectiveness of fusion centers be improved given the current state of government fiscal issues?

To investigate this question, research will focus on evidence made in support of both positive and negative claims. For example, while supporters claim that fusion centers are essential to modern threat prevention, critics claim the centers are less than effective at preventing or
preparing for any threat. Understanding both aspects of the issue will be important in identifying the critical elements of the research question.

If fusion centers are less than effective, that may be due to the constraints placed on their operation from budgetary restraints. Thus, additional research emphasis will be placed on determining whether or not legitimate warranted criticisms of fusion centers are a result of fusion center budgetary issues. These data will be analyzed to identify potential solutions. Finally a set of conclusions and recommendations will be developed to address this research question.

**Overview of the Structure of This Report**

This report is divided into a series of chapters. Following this introduction, Chapter 2 presents an in-depth literature review of the subject of fusion centers to identify the issues and arguments regarding their operation. Chapter 3 then presents an overview of the methodology used in the analysis of the results of that literature search. It defines the specifics of the methods used, addresses limitations of that method and presents a discussion of any special considerations arising from this topic. Chapter 4 offers the results of the literature search, before offering an analysis of those results. This analysis presents implications of the findings and provides a cogent overview of the analytical results found in the course of this research. The final chapter, Chapter 5, wraps up the report with a set of conclusions drawn from the analysis, including specific recommendations developed in the course of this project. This final chapter also includes a discussion of potential follow-on studies that could extend and enhance these results and a description of the limitations of this study. Brief final words provide a short summary of the results of this project and this report…

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