



**OUTSOURCING THE WAR ON TERROR**  
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June 03, 2007

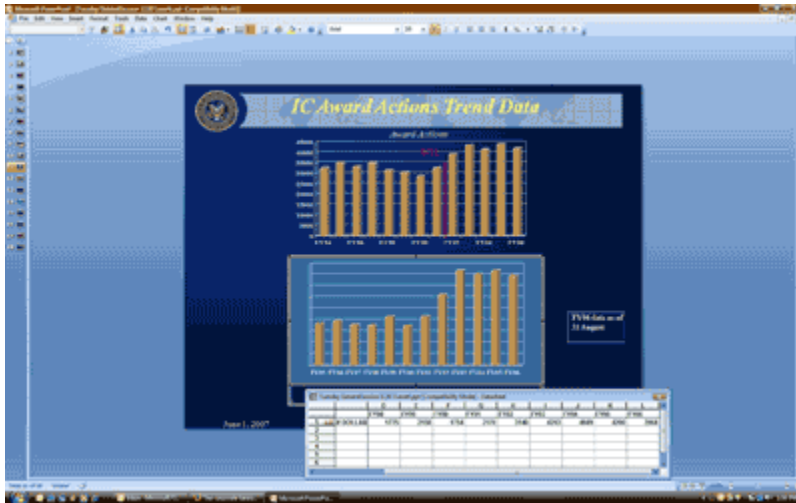
## Exclusive: Office of Nation's Top Spy Inadvertently Reveals Key to Classified National Intel Budget

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In a holdover from the Cold War when the number really did matter to national security, the size of the US national intelligence budget remains one of the government's most closely guarded secrets. The Office of the Director of National Intelligence, the highest intelligence agency in the country that oversees all federal intelligence agencies, appears to have inadvertently released the keys to that number in an unclassified PowerPoint presentation now posted on the website of the Defense Intelligence Agency (DIA). **By reverse engineering the numbers in an underlying data element embedded in the presentation, it seems that the total budget of the 16 US intelligence agencies in fiscal year 2005 was \$60 billion, almost 25% higher than previously believed.**

In the presentation originally made to a DIA conference in Colorado on May 14, Terri Everett, an Office of the Director of National Intelligence senior procurement executive, revealed that 70% of the total Intelligence Community budget is spent on contractors. (This was reported by Tim Shorrock on Salon.com.) Everett also included a slide depicting the trend of award dollars to contractors by the Intelligence Community from fiscal year 95 through a partial year of fiscal year 06 (i.e. through August 31st of FY06.) Because these figures are classified, a scale of the total number of award dollars was omitted from the Y-axis of the bar chart. The PowerPoint presentation was first obtained by Shorrock for Salon.com and it was later posted on the DIA's website where I downloaded it. Although it would not have been visible to the conference attendees, the data underlying the bar graph--the total amount of Intelligence Community funds spent on contractors--is readily available in the actual presentation. By double clicking on the bar chart, a small spreadsheet with the raw classified data appears:



(To view this spreadsheet in the Office of the Director of National Intelligence's [actual PowerPoint presentation](#), make sure you are opening the presentation in the PowerPoint program and not a web browser, view slide #11 and, depending upon your version of PowerPoint, making sure you're not on the 9/11 image object double-click on the chart or right click on it and choose Chart Object/Open.)

**Here are the dollar amounts in tens of millions spent by the US Intelligence Community on contractors, according to the Office of the Director of National Intelligence, as embedded in the spreadsheet data underlying the bar graph (pictured above):**

	FY95	FY96	FY97	FY98	FY99	FY00
# DOLLARS	1850	1950	1800	1775	2150	1754
	FY01	FY02	FY03	FY04	FY05	FY06
	2170	3140	4203	4049	4200	3964

Note: FY06 data as of 31 August. (The numbers are in tens of millions of dollars, although this is not noted, but it is previously known that the amount spent on contracts is a double-digit billion plus dollar figure.)

This 70% of the Intelligence Community budget spent on contractors most likely includes all Intelligence Community direct acquisitions from contractors, including satellites and other very expensive hardware programs as well as more mundane supplies in addition to contracted services--(e.g. "green badgers" or staff contracted to the CIA.) The remaining 30% of the Intelligence Community budget most likely includes both personnel (i.e., civilian federal employee) and as well as intergovernmental operations and maintenance and supplies (e.g. payments by some Intelligence Community elements to GSA to lease office space and acquire government pens and office supplies.) **By taking the 70% of the intelligence community budget that now goes to contractors in conjunction with the actual dollars spent on contractors, it is possible to reverse-engineer the budget using simple algebra.**

This top line \$60 billion figure is 25% above the estimated \$48 billion budget for FY 08. It is quite probable that this total figure was not even known by the government until recently. Greater control and oversight of the Intelligence Community budget was a hallmark of the Intelligence Reform Act of 2004 that created the position of the Director of National Intelligence and gave it the mandate to get an overview of the entire amount spent on intelligence government-wide. To this end, the Office of the Director of National Intelligence has recently gathered all parts of the previously fragmented Intelligence Community budget together for the first time as part of its Intelligence Resource Information System (IRIS). In the

report from the Select Senate Committee on Intelligence released last Thursday, the committee praised the Office of the Director of Intelligence for creating a "single budget system called the Intelligence Resource Information System." It also recognizes their efforts in helping create what "will be used for further inquiry by the Committee's budget and audit staffs and will be a baseline that allows the Congress and DNI to derive trend data from future reports."

Earlier, lower estimates were most likely only included what fell directly under the Director of Central Intelligence and which would have omitted parts of NSA, NRO. A total Intelligence Community number, with the Intelligence Community as defined by 50 U.S.C. 401a(4), would also now include the various military intelligence services (e.g. Army Intel, Navy Intel, etc.), each with its respective weapon technology intelligence exploitation shop. A total budget would also include a large portion of the budget of the Department of Homeland Security which was previously fragment across multiple government agencies. A \$60 billion government-wide Intelligence Community budget is not at all out of line with the post 9/11 organizational reality. It seems that the Office of the Director of National Intelligence is just now getting a clear picture of the fragmented intelligence community budget.

The overall Intelligence Community budget has long been a well kept secret and this classification did once have relevance when a large shift in the budget could have indicated to the Soviets an addition or cancellation of a major defense program. Now that our greatest adversaries are stateless entities that run on a shoestring budget and strike soft targets, signals of changes in high-dollar defense systems hardly seem worth hiding. Nonetheless, the federal government has frequently gone to court to keep the amount of the national intelligence budget secret. Only the budgets for 1963, 1997 and 1998 have been officially revealed, largely in response to FOIA lawsuits. And in 2005 a US News reporter picked up an apparent slip of the tongue by an official of the Office of the Director of National Intelligence at a conference when it was stated the national intel budget was \$44 billion, but it was not clear which fiscal year this was in reference to and the DNI refused to confirm if the figure was accurate or the release accidental. At this time, they would not have had total dollar figures through the new IRIS system. But with such a staggering budget, it does seem that the Office of the Director of National Intelligence would be well advised to find some room in the Intelligence Community budget for a staff training on PowerPoint and OPSEC.

[http://www.thespywhobilledme.com/the\\_spy\\_who\\_billed\\_me/2007/06/exclusive\\_offic.html](http://www.thespywhobilledme.com/the_spy_who_billed_me/2007/06/exclusive_offic.html)

June 04, 2007

## Update: DNI Inadvertently Reveals Key to Classified National Intel Budget

The Office of the Director of Intelligence's PowerPoint presentation has been up and down, on and off the Defense Intelligence site all day. One time it did reappear with new document properties, indicating that it had been saved again today. Last report it was down again. It almost seems like someone has been nervous about something...

This is a further clue that I'm right, that the total Intelligence Community budget is \$60 billion. Otherwise the contractor dollars do not make sense and no one would care if junk data were posted on their site.

Because of the on-again-off-again PowerPoint on the DIA site, the Federation of American Scientists has posted a copy on their website:

<http://www.fas.org/irp/dni/everett.ppt>

And a warm thanks to them for always doing more than their part, contributing to openness in government.

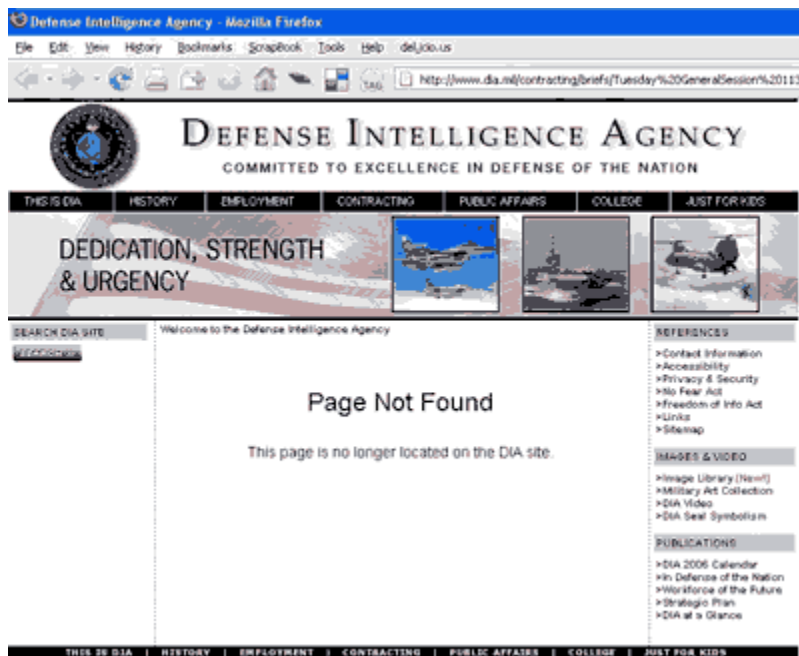
I have had some interesting discussions today regarding the budget and how this contractor data would fit into known budget numbers from the rare previous releases. Simply dividing the "known" intel budget from FY 97 by the number of dollars spent on contractors according to the PowerPoint spreadsheet, it would appear that the amount spent on contractors has been constant over the past decade. This would raise serious concerns about the data, given that all appearances are that the numbers have increased dramatically.

However, I think this is an apples and oranges comparison. The numbers we have for the budget a decade ago were limited to what came under the DCI which would have left out a lot of things that are now included such as a sizable chunk of NSA, the NRO, military intel, Homeland Security, etc. The numbers the DNI now has are computed for the entire Intel Community and pick up many streams that would not have been part of contracting in that reported budget. The two can't be compared, but rather we would need revised figures for the entire IC to see the percentage of contractors. Since those numbers would be much higher than we have now--i.e. higher than what DCI Tenet released in the late 1990s, because they include other parts of the IC, --the percentage of contracting would be much smaller and we would see the growth that we all know has to be there.

The key to all of this is the DNI's mandate to get a handle on Intelligence Community-wide spending and their new IRIS system.

It's \$60 billion. And arriving at this number is what makes them nervous.

And now it looks like it's down permanently:



[http://www.thespywhobilledme.com/the\\_spy\\_who\\_billed\\_me/2007/06/update\\_dni\\_inad.html](http://www.thespywhobilledme.com/the_spy_who_billed_me/2007/06/update_dni_inad.html)