

Discouragingly, all of the problems found by the JIS with the FBI's chronic inability to perform serious intelligence analysis occurred despite a major reorganization of the FBI announced in late 1999 *in order to improve the Bureau's ability to do analysis*. In November 1999, FBI Director Louis Freeh announced that he was creating a new "Investigative Services Division" within the FBI to "coordinate the FBI's international activities, integrate and substantially strengthen its analytic capabilities, and oversee the Bureau's crisis management functions." This reorganization was the result of Director Freeh's 1998 "Strategic Plan," which allegedly "focuse[d] on the need to improve the FBI's capacity for information analysis."¹⁴¹ According to Attorney General Reno, this new organizational scheme would "help enable the Bureau to face the challenges of the next millennium."¹⁴² The Bureau's failures leading up to September 11 thus suggest the possibility that *no* internal FBI reorganizations will prove able to effect real reform.

(ii) *Problems Illustrated by the Phoenix EC*

According to the JIS, the FBI's handling of the Phoenix EC was "symptomatic of a focus on short-term operational priorities, often at the expense of long-term, strategic analysis. . . . [W]e have found that the FBI's ability to handle strategic analytic products, such as the Phoenix EC, was, at best, limited prior to September 11, 2001."¹⁴³

"The manner in which the Phoenix EC was handled demonstrated

¹⁴¹ Federal Bureau of Investigation, press release (November 19, 1999), at 1-2.

¹⁴² *Id.* at 1.

¹⁴³ JIS, written statement presented to SSCI/HPSCI joint hearing (September 24, 2002), at 2.