



**Statement for the Record**  
**before the**  
**House Armed Services Committee**  
**Sub-Committee on Intelligence Emerging Threats and Capabilities**  
**on the**  
**Defense Intelligence Agency's Fiscal Year 2015 Budget Request**  
**4 April 2014**

**Michael T. Flynn, Lieutenant General, U.S. Army**  
**Director, Defense Intelligence Agency**

Chairman Thornberry, Ranking Member Langevin, and Members of the Sub-Committee, on behalf of the men and women of the Defense Intelligence Agency, thank you for the invitation to present our Fiscal Year 2015 (FY15) budget request. This request reflects DIA's commitment to three critical efforts: strengthening our core missions of human intelligence, counter intelligence, and all-source analysis; streamlining our business processes at all levels; and developing our world-class workforce to meet the challenges of today and the future.

As today's security environment grows more and more complex, demands on the U.S. intelligence system have steeply increased, despite a reduced military presence overseas. Recent conflicts from the Crimea, to Central Africa, to the Pacific Rim underscore the constant drumbeat from warfighters, commanders, and policy-makers for insight and specialized understanding of the countless threats and military capabilities around the world. These increasing demands, coupled with a challenging fiscal environment, require DIA and the entire Defense Intelligence Enterprise to better integrate, innovate, and operate with agility to provide intelligence support wherever and whenever it is required for the security of our nation, for the leadership of our Combatant Commands, and for the safety of our women and men on the front lines.

Our FY15 budget request includes the General Defense Intelligence Program, the Department of Defense Foreign Counterintelligence Program, and the Military Intelligence Program. These three programs account for more than 25,000 personnel who conduct intelligence work at the Combatant Commands, the Military Services, and DIA. The budget

request will sustain our analysis, collection, and counterintelligence efforts in direct support of Department of Defense and the Intelligence Community during the upcoming fiscal year.

Improving our Human and Counter Intelligence collection operations remains a top priority. Over the past year, DIA nearly doubled our overseas presence and, in doing so, greatly strengthened our integration with the National Clandestine Service. Our recruitments have increased in both quantity and quality, and improvements to our tradecraft and workforce professionalization have already shown significant results. We are also strengthening our counterintelligence posture, especially in light of recent compromises by a former intelligence community contractor. DIA's Insider Threat Program is leading by example with a robust and collaborative program designed to integrate, synchronize, and leverage existing capabilities to detect and mitigate the insider threat. I am proud to report that the Office of the Director of National Intelligence recently recognized the team's effort with a National Counterintelligence Executive award for their efforts. As an agency, we are also reinforcing the security-conscious culture within our workforce, and one of our first steps is a five-year plan to ensure 100 percent of our workforce receives polygraph examinations.

All-Source Analysis is a core mission of DIA and rightly comprises one of the largest portions of our budget request. Last year, after a great deal of study, I initiated a change in the way we conduct all-source analysis by establishing Intelligence Integration Centers that fuse our analytic, collection, and science and technology capabilities across regional and functional areas of focus. We have seen unprecedented levels of integration at all levels of the Defense Intelligence Enterprise since making these changes, particularly in our relationship with the

Combatant Commands. DIA's Centers not only merge talent, they also provide operational flexibility to adjust to shifting developments around the world and serve as a one-stop-shop for our broad range of intelligence consumers. The Centers' support to the ongoing crises in Ukraine and Syria underscores their ability to flex in response to the needs of decision-makers at the tactical, operational, and strategic levels.

The success of our all-source analysts is enabled by a sophisticated information technology network that allows them to efficiently retrieve and review data and conceptualize trends in a sea of information. As a key part of DIA's analytical modernization, our analysts are incorporating new and sophisticated technologies that leverage object-based processes, cloud architecture, and big-data methodologies. These tools are helping our analysts complete near real-time analysis of foreign military capabilities, giving policymakers and warfighters both better information and more time to formulate their decisions.

Tools and technology may enable the work we do, but at its core, intelligence is a people-driven business – which is why major investments in our FY15 budget focus on equipping our workforce with the tools and training they need to be world-class intelligence professionals. DIA is transforming our workforce development models to create a cadre of intelligence officers prepared to meet diverse and growing customer demands. This initiative includes the introduction of a rigorous training program called Professional Analyst Career Education, or PACE, and we just graduated our first class with a cohort that completed more than 800 hours of training on advanced analytic techniques, products, and tradecraft. With representation across the Defense Intelligence Enterprise, this program is also aimed at

strengthening and integrating our analytic corps across DIA, the Service Intelligence Centers, and the Combatant Commands. Additionally, we have consolidated 21 training programs and budgets from across the enterprise under one Academy of Defense Intelligence to maximize the agency's return on each training dollar. The Academy is leveraging existing government subject-matter experts to reduce the need for contract labor and revising and streamlining the many training curriculums to refine and elevate professional standards enterprise-wide.

Speaking of capitalizing on existing talent, this year we stood up DIA's Innovation Office whose mission is to "bring ideas to action." The goal is to build agility into the core of all Defense Intelligence Enterprise activities by unleashing the creativity of the workforce, academia, and industry to continuously improve overall mission performance. With the help of the Innovation Office's new Open Innovation Gateway, the agency has already started using workforce-generated innovation pilots. We have also launched Needipedia: an online tool that is designed to quickly identify and acquire solutions and ideas from across industry and academia, and Needipedia has already reduced the acquisition "ask" cycle by 6-9 months. Throughout these efforts, we have instituted a "Start Small. Scale Fast. Fail Cheap" methodology that systematically reduces risk, shortens delivery time, and mitigates the "too big to fail" mindset.

Finally, DIA takes seriously the responsibility to ensure that every taxpayer dollar is well spent. We are working in close partnership with the NSA to implement DIA's first unqualified financial audit by FY 2016. This initiative is focused on providing reliable, accurate, and relevant financial statement information to decision-makers, improving DIA resource alignment, and

leveraging the audit process to improve corporate accountability and transparency at all levels. We have completed more than half of our audit readiness plan, and we are already reaping the rewards of that work across all business areas.

DIA's FY15 budget is prioritized to ensure that our fully integrated defense intelligence team of highly skilled professionals is equipped with the right training and technology, strengthened by partnerships across the government and around the world, and prepared to swiftly provide all-source defense intelligence whenever and wherever required in support of our warfighters and our Nation. With your support, we will continue to adapt to the changing world, and to maintain the United States' critical intelligence advantage for many years to come.