



## GUIDE TO STUDY OF INTELLIGENCE

# Intelligence in the White House

## A Conversation with David R. Shedd

by John MacGaffin and Peter Oleson

How intelligence is handled in the White House is little written about. Most references are in former officials' retrospectives that are largely anecdotal. To get a sense of how intelligence is handled in the White House, AFIO board members John MacGaffin and Peter Oleson sat down with David Shedd during the summer of 2015 to discuss the subject.

David Shedd served on the National Security Council staff from February 2001 until May 2005, during the first term of President George W. Bush. Dr. Condoleezza Rice was the National Security Advisor. (She became Secretary of State on January 26, 2005, and was succeeded as National Security Advisor by Stephen Hadley.)

Shedd was a career CIA official. Born in Bolivia in 1959 to missionary parents, he lived in Chile from 1962 to 1972 and finished his high school years in Uruguay. He recalls a home where discussions of world affairs figured prominently. In December 1971, he saw Cuban president Fidel Castro up close and personal when the Cuban revolutionary visited Chile, which had recognized Cuba diplomatically. This early exposure to often turbulent Latin American affairs and culture peaked his interest in international relations. While in graduate school at Georgetown University he applied and was accepted into the Foreign Service.

In 1984, he served as a State Department Foreign Service political officer working at the US Embassy in Costa Rica. In 1988 he was posted to Mexico City and

focused on a wide array of bilateral issues of importance to the United States, including the North American Free Trade Agreement (NAFTA). After five years, he returned to Washington, DC. After joining the CIA in the mid-1990s, he served as Chief of Operations for the DO Counterproliferation Division where he was deeply involved in the unraveling of A.Q. Khan's international nuclear weapons technology proliferation network.<sup>1</sup>

After a stint in CIA's Congressional Affairs Office in 2000, Shedd joined the National Security Council staff in January 2001, serving in the Office of Intelligence Programs, becoming in 2004 the Senior Director and Special Assistant to the President for intelligence matters. Initially he was responsible for overseeing, at the beginning of the George W. Bush administration, the NSC's covert action portfolio inherited from the Clinton administration. The al-Qaida attacks on the homeland on September 11, 2001, changed the landscape as the president unleashed CIA and the military to use expanded authorities to address the threats posed by al-Qaida and its leader, Osama Bin Laden.

Shedd departed the NSC staff in May 2005 to go to the newly established Office of the Director of National Intelligence (DNI) to serve under the first DNI, Ambassador John Negroponte, and his deputy, General Michael Hayden, US Air Force, as chief of staff. Shedd had served under Negroponte when he was ambassador in Mexico. Later, Shedd became the Deputy DNI for Policy, Plans and Requirements for VADM Michael McConnell, US Navy (Retired), the second DNI. He undertook the tasks to update Executive Order 12333, which governs all US intelligence activities, and the amendments to the Foreign Intelligence Surveillance Act (FISA) governing NSA's and the FBI's counterterrorism surveillance efforts.

Ready to retire in 2010, Shedd instead was tapped to be the Deputy Director of the Defense Intelligence Agency. With a son serving in the military in Iraq, he felt an obligation to continue his service. He became the Acting Director of DIA in August 2014 when the Director, LTG Michael Flynn, US Army, retired. Shedd retired from government service in February 2015, shortly after LTG Vincent R. Stewart, US Marine Corps, was confirmed as DIA's 20<sup>th</sup> director.

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1. A. Q. Khan's international proliferation activities are described in William Langewiesche's two articles, "The Wrath of Khan: How A. Q. Khan made Pakistan a nuclear power – and showed that the spread of nuclear weapons can't be stopped," *The Atlantic* (November 2005), and "The Point of No Return," *The Atlantic* (January/February 2006); and by Gordon Corera, *Shopping for Bombs: Nuclear Proliferation, Global Insecurity, and the Rise and Fall of the A.Q. Khan Network* (Oxford: Oxford University Press, 2006).

**AFIO:** David, how would you describe your career?

**Shedd:** To this day, I consider myself to be among the most fortunate officers to serve in the US government as a result of the enormous variety of challenging and equally exciting opportunities. The exposure to witness how and where intelligence informs (or can misguide) policy was an extraordinary privilege during the first decade of the 21<sup>st</sup> century. Other than my initial applications to each government agency or department I never applied for another job or position. For nearly 33 years I always was asked to serve. I have no regrets.

**AFIO:** Let's discuss the policymaker's perspective. How do they get their intelligence? How do they determine what to focus on vice ignore?

**Shedd:** Presidents, along with the top national security officials in any administration, get their decision-making information – with intelligence being a subset to information – from a wide array of sources. Many of those sources are external to the Intelligence Community. Of course, every president since Truman gets an intelligence briefing. Some get this on a daily basis; others opt to get it on a more ad hoc schedule. President Bush relied heavily on his intelligence briefer whom he saw usually six days a week. He also used his personal relationships around the globe, often meeting or calling world leaders. Intelligence was just one of the many feeds he relied upon to gain insights and better understand the world and presumably make his decisions.

Headline issues, of course, command the attention of the president and therefore much of the daily intelligence production. But the focus of intelligence support to the White House is set by the president's interests as well as his schedule to include travel, visits by foreign dignitaries, or planned telephone calls with foreign leaders or others. Concerns of congressmen and senators also affect the president's attention. Less urgent issues are of lower priority and wait their turn. The time available limits what one can pay attention to.

It is important to note that intelligence is an educational tool for policymakers.<sup>2</sup> The Intelligence Community provides much of the analysis affecting and even enabling national security decision-making. Presidents rely on the Intelligence Community for background information on various topics, as do

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2. Jack Davis, a legendary CIA analyst, interviewed Ambassador Robert D. Blackwell in the early 1990s and wrote an article entitled "A Policymaker's Perspective on Intelligence Analysis," that expounds on how policymakers need and use intelligence. <https://www.cia.gov/library/center-for-the-study-of-intelligence/csi-publications/csi-studies/studies/g5unclass/Davis.html>.

Cabinet members and sub-cabinet members and staff of the National Security Council. The National Security Advisor, as was the case with Dr. Rice and Steve Hadley, were highly reliable conduits for understanding what the President requires by way of intelligence support. They each brought a long history of policy experience to the job.

**AFIO:** What are the principal intelligence concerns that a president has?

**Shedd:** First, no one likes surprises; the President is no exception to that rule. But, of course, surprises happen. The worst in recent history was 9/11 – undoubtedly the worst since December 7, 1941. But presidents are resilient after campaigning for office. They seem to know how to react to surprises. But warning is at the top of the list of the intelligence delivery priorities. Every president wants the time to forestall adverse events and be able to plan and develop options on how to respond. Our U-2 photography of Cuba in 1962 gave President Kennedy the time he needed to respond effectively. That was intelligence at its best in a crisis.

Every president is torn between immediate problems and long-term concerns. Intelligence has to respond to both. President Bush learned to step back from the immediate concerns to gain long-term strategic understanding of situations. As one example, he was particularly concerned with trying to understand the thinking of North Korea's then leader, Kim Jong-il. Obtaining a better understanding of Kim's motivations was critical given the aggressive North Korean reliance on pursuing nuclear weapons.<sup>3</sup> At the same time, President Bush's compassion for the North Korean people was evident in trying to understand why the despotic leader in P'yongyang was intent on starving many of his people. Things have not changed much under Kim Jong-un. The President began what we called "deep dives" into various subjects, getting in-depth briefings and analyses.

Rapid changes in world events most often dictate what become a president's intelligence needs. This is especially true for a global power such as the United States.

**AFIO:** The President's Daily Brief (PDB) is the principal Intelligence Community vehicle for informing the President of important matters. What was your involvement with it?

**Shedd:** As the Special Assistant to the President for Intelligence Programs and Reform I would read the PDB daily. However, I did not attend the Oval

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3. North Korea tested its first nuclear weapon in October 2006.

Office meetings. The PDB briefer would come to my office and I would read it so I would know what was of concern to the president and the National Security Advisor. I was not involved in its preparation, of course; that was the responsibility of the Director of Central Intelligence until a DNI came into existence in the spring of 2005. The PDB as a product served as a catalyst for instigating wide-ranging national security discussions in Oval Office.

### The President's Daily Brief (PDB)

Today, the PDB is an IC product coordinated by ODNI's PDB staff in partnership with the CIA Directorate of Intelligence's (DI) President's Analytic Support Staff. It is still [the] all-source publication that the president relies upon heavily to inform his national security decisions, and CIA analysts remain primary contributors. The style, format, and presentation of the PDB are based on the preferences of the current president. President Barack Obama, for example, asked CIA to explore a way to deliver the PDB electronically. On Feb. 15, 2014—68 years after the first Daily Summary was published—the final hard copy edition of the PDB was printed. President Obama and other key national security policymakers now receive the PDB, six days a week, in a tablet format.”

— “The Evolution of the President's Daily Brief,”  
Central Intelligence Agency, <https://www.cia.gov/news-information/featured-story-archive/2014-featured-story-archive/the-evolution-of-the-presidents-daily-brief.html>.

**AFIO:** What other intelligence does a president receive that does not come via the PDB? For example, from the Department of Homeland Security, the Federal Bureau of Investigation, and others?

**Shedd:** The Department of Justice, the FBI, Homeland Security, and other departments and agencies provide information to the president. Some is presented orally face-to-face, as FBI Director Mueller would do when briefing the president; others are via written product channeled through the national security advisor or, when I was at the NSC, the homeland security advisor.

As important as intelligence is, as both a product and a service for the President and his national security cabinet, networking by President Bush and his senior White House officials with foreign counterparts, politicians, and experts was an important source of information. The President was a natural networker. He

trusted some foreign leaders and spoke to them often. The national security advisors – Condi Rice and Steve Hadley – facilitated the president's discussions with relevant experts outside of government. He reportedly read a book a week. It was not unusual that when a topic interested or concerned him, he would ask for in-depth briefings from the Intelligence Community.

**AFIO:** How is the NSC process informed by intelligence?

**Shedd:** Intelligence for the NSC customers is often prepared for them based on specific policy issues or questions. As such, it can be a somewhat scattered process on a day-to-day basis. It is normal for the president's national security advisor to sit in the Oval Office for the PDB briefing and subsequent discussions. Dr. Rice or Steve Hadley would often review the PDB items before the Oval Office meeting to be prepared for the discussions that some of the items would engender. Below their level, the senior NSC staff developed contacts with CIA or others in the Intelligence Community to serve their specialized needs. Many of the senior NSC staff members had an IC briefer that they relied on keep them informed on specific topics germane to their geographic or transnational portfolio. The Intelligence Directorate on the NSC staff also served at times as a facilitator for other NSC Directorates in arranging for expert matter intelligence briefs or written products.

The intelligence support process becomes more focused and in-depth when the NSC itself is focused on an issue or a policy development. Specialized intelligence analyses, to sometimes include National Intelligence Estimates (NIEs), the most formal strategic level assessments of the community, were commissioned at times to support the efforts of the Policy Coordination Committee deliberations.<sup>4</sup> The PCC was made up of assistant and undersecretary level officials from the national security departments, ODNI (once established), and CIA. Additional intelligence support might be needed to support the Deputies Committee (comprising the deputy secretaries of the same departments), or the Principals Committee.<sup>5</sup> One of my responsibilities was to ensure the intelligence support needed by these convening bodies of the NSC.

4. In the Obama Administration, the PCC is renamed the Interagency Policy Committee (IPC). Source: Presidential Policy Directive – 1, February 13, 2009.

5. Today the NSC principals include the President, Vice President, Secretaries of State, Treasury, Defense, Homeland Security, and Energy, the Attorney General, the National Security Advisor, White House Chief of Staff, and the US Representative to the United Nations. Statutory advisors include the DNI and Chairman, Joint Chiefs of Staff. Others often attend, too.

For matters pertaining to intelligence and counterintelligence of interagency interest, I chaired the PCC.

Over time, in the Administration's timetable in office, as the national security principals become better informed and more comfortable with what intelligence can and cannot do for them, the requirements for intelligence contributions evolve to suit the customer's needs. While there was no way of getting away from the daily intelligence feed that addresses current issues via the PDB and other current intelligence products, national security policy customers from the President on down began to take an interest in obtaining more in-depth intelligence briefings on specific topics. President Bush, with strong support from Dr. Rice and Steve Hadley, welcomed "deep dives" that brought intelligence subject matter experts on a specific topic into the Oval Office. These topics were often identified in advance to CIA and other Community elements so as to bring the best expertise together for the conversation with the principals, often with the President himself. For example, if a CIA Chief of Station was available on travel back from his/her overseas location, he/she often joined the "deep dive" since they could provide a unique perspective based on the location where they were stationed and the topic under discussion for in-depth briefing. This type of focused and often intense review of a difficult topic would give the national security team members an opportunity to iterate themselves through various scenarios with variants on policy outcomes.

**AFIO:** What role does the White House Situation Room play in serving the president with intelligence?

**Shedd:** As it pertains to intelligence, the Situation Room (affectionately known as the Sit Room) is a 24/7 watch "nerve center" used to highlight fast-breaking events to White House principals, including the president. It is tied to all of the various Intelligence Community operations centers, the National Military Command Center, and others, such as FEMA. A CRITIC message generated anywhere in the world would arrive in the Sit Room; the watch officers, mostly on loan from various agencies, delivered the intelligence to the national security advisor or her deputy immediately. Depending on the intelligence, the president may be alerted immediately, including at night, or at the first convenient moment. The Sit Room staff would often task the PDB staff (or relay tasks from a White House principal) to address a fast-breaking item that arrived in the night at the morning briefing.

President Bush would visit the Sit Room from time to time to talk to the staff. He was appreciative of their efforts.

**AFIO:** How does the National Security Advisor and the NSC staff impact the intelligence provided to the president? The vice president?

**Shedd:** Personalities are important. The National Security Advisor is very influential in this regard. Condi Rice managed the intelligence going into the Oval Office. Condi (and Steve Hadley) were focused on creating a team atmosphere – and did so adroitly – in service to the president. She would walk over to NSC staff members' offices to talk and asked for advice from her experts. I felt like an advisor, not just a staffer.

When Steve Hadley took over from Condi he brought his personality to the job. He was meticulous about details. However, like Condi, Steve did not want to be a barrier to what he believed the President needed to know.

The NSC is a flat organization – or at least it was during my time on the NSC staff between 2001-05. The environment is highly collaborative with directors having different portfolios that overlap, especially where transnational issues are concerned. So collaboration is essential. I would work with other NSC staff directors regarding their intelligence needs, making sure their needs were understood by the Intelligence Community and those needs met.

The Vice President had his own staff, including a National Security Advisor. While the NSC staff would support the vice president as tasked, he and his staff often pursued matters of interest independently. Vice President Cheney, who had been Secretary of Defense previously, was familiar with the Intelligence Community and knew how to leverage it for the intelligence support he was seeking.

At no time in my four-plus years in the NSC did I feel pressured by any one on the NSC staff, White House policy officials, or by the Vice President and/or his staff to alter a single intelligence judgment. It was important to know your subject thoroughly and stick to one's convictions based on the available intelligence on any given topic. I sensed there were some in the administration with strong preconceived notions about Iraq and what we should do. Non-intelligence decisions were made as a policy matter, such as the decision to pursue the removal of all Baathists from virtually all positions of any influence in Iraq.

**AFIO:** David, what was your experience serving the intelligence needs of the White House?

**Shedd:** When I first joined the NSC staff I was the Director of Special Programs, under the Senior Director and Special Assistant to the President for Intelligence Programs, Mary McCarthy. I focused on the presidential programs known as covert action.

As you can imagine, after 9/11, the President and his national security cabinet expanded significantly the focus on counterterrorism especially as it pertained to al-Qaida as perpetrators of the 9/11 attacks on the homeland and on their presence in Afghanistan. I was responsible for helping address what additional authorities were needed for elements of the US government to address additional potential threats from al-Qaida. The President attached great urgency to responding to the attacks of 9/11 and determining what authorities were needed to combat al-Qaida. That urgency was matched by a flurry of policy and legal support.

My job changed when I was named Senior Director and Special Assistant to the President for Intelligence Programs and Reform (this was after the passage of the 2004 Intelligence Reform and Terrorism Prevention Act [IRTPA]). My principal responsibility was to make sure that the National Security Advisor and her deputy, alongside of the Homeland Security Advisor, Fran Townsend, were kept informed of anything significant related to the Intelligence Community, intelligence operations, and the reform efforts recommended by the 9/11 Commission, the WMD Commission, or mandated in the IRTPA. I also had to stay informed of any recommendations to the president that came from the independent President's Intelligence Advisory Board (PIAB), made up of prominent individuals and experts outside of government.

One meeting that had a long and valuable tradition was the "weekly" meeting between the DCI and the NSC leadership. This meeting, hosted by the National Security Advisor, was subsequently expanded to include the Homeland Security Advisor, the DNI (post IRTPA legislation), and the DCIA when the title of DCI was overtaken by the 2004 IRTPA. The meeting provided a venue for candid exchanges on any intelligence topic that needed an airing by the one of the principals. I organized that agenda for Dr. Rice and/or Steve Hadley. The session often resulted in providing the requisite "heads up" on unfolding high impact intelligence issues or to impart guidance by the National Security Advisor.

The average day for me began at 7 a.m. and often did not end until 7 in the evening. The topics covered on any given day always seemed different from what was originally planned. As noted previously, fostering good relationships among the colleagues on the NSC staff was critical to managing the issues. No finger pointing, a willingness to always help a colleague, and integrity were all vital to making the NSC staff function properly.

**AFIO:** What makes a good intelligence officer working with, and on, policy matters?

**Shedd:** Supporting the decision-makers, of which the policymaker is a key person, is the ultimate goal of intelligence. In the case of serving on the NSC staff, a good intelligence officer has to stay tethered to the policymaker to understand his or her needs. The intelligence officer has to anticipate what the policymaker is likely to need in terms of knowledge and understanding. But it is essential to keep any personal or institutional biases out of the intelligence or recommendations provided. Jack Webb, in the old TV drama, *Dragnet*, had it right: "Just the facts." A good intelligence officer needs constantly to be educating the policymaker as to what intelligence can, and as importantly cannot, do for them as a policymaker. This means, at times, delivering intelligence that is not necessarily welcome because the new information and/or assessments complicate life for the policymaker.

Long after I departed the NSC staff and was serving in the ODNI, I led the Intelligence Community's 2008 transition team for the Presidential succession. I did so from my position in the ODNI. I learned from that experience how different individuals receive intelligence in different ways. A good intelligence officer adjusts how intelligence is communicated to match how the recipient wants to receive it while never compromising the bottom line judgments made by the Intelligence Community. President Kennedy wanted his briefing in a form he could put in his pocket. President Johnson preferred a tabloid format. President George W. Bush liked being briefed orally. President Obama uses an electronic notepad. Everyone is different.

**AFIO:** Did you interact with the White House when you served at CIA and in the ODNI?

**Shedd:** Yes, I did. In my various senior positions in support of policy deliberations I was often at the White House (and Old Executive Office Building). As Chief of Staff for the DNI, I was also involved in keeping the NSC informed on the progress and issues related to the Intelligence Community reform efforts.

**AFIO:** When you went to the Defense Intelligence Agency was your White House interaction different?

**Shedd:** Note the "D" in DIA, it stands for "Defense." While one of the major agencies in the Intelligence Community, DIA is nonetheless more focused on its customers within the Department of Defense and the combatant commands around the world. Most of the policy issues involving the White House were handled by the Under Secretary of Defense

for Intelligence (USD(I)). For my tenure at DIA, this was Mike Vickers, who had previously been the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict (ASD/SOLIC). I did have to interact with the White House staff on issues related to the prisoners at Guantanamo Bay.

**AFIO:** David, any additional thoughts for us?

**Shedd:** It is critical that all intelligence professionals remind themselves that intelligence is a service that is highly customer-driven and that the Intelligence Community produces both a product and service to those users of intelligence. Those customers extend from the White House to the Congress to the warfighter and the law enforcement community. Delivering on those user needs is directly proportional to the relevancy that an intelligence professional brings to a wide array of decision-makers. Warning is a critical function in what gets delivered to the customer; providing the context for warning is also essential. A sound collection foundation to enable sharp intelligence judgments with well-articulated confidence levels ultimately leads to better decision-making. Understanding the process, which ultimately ends with giving the customer decision advantage over the adversary, is what I took away as a result of the privilege of serving in the White House and the NSC staff. The experience that combines policymaker interaction with the intelligence professional should be highly cherished. As a result, the perspective gained by an intelligence officer after living in a policy environment will ensure that officer's professional experience will be deeply enriched.

**AFIO:** Thank you for your time and willingness to share your insights.

N. John MacGaffin, III, served 31 years as a CIA officer, including four assignments overseas as Chief of Station, primarily in Middle East, and at CIA HQs, including Head of Strategic Planning and Evaluation, Chief of the Central Eurasian operational division, and associate DDO. After CIA, he became senior adviser to the Director and Deputy Director of the FBI, responsible for long-range enhancement of CIA/FBI relationships and development of the FBI Five-Year Strategic Plan. In 1998, he chaired a commission for the Secretary of Defense, the DCI, and the Director of FBI to restructure the national counterintelligence system – known as CI-21, implemented by the Bush administration. In 2009, he co-chaired, with former FBI Director Louis Freeh, a second national level review of the US Counterintelligence Program. He is a member of the Board of Visitors of National Intelligence University and a board member of AFIO.

Peter C. Oleson is a former associate professor of intelligence studies in the Graduate School of Management and Technology of the University of Maryland University College. He spent a 48-year career in the discipline, as a senior executive in the Office of the Secretary of Defense and Defense Intelligence Agency, managing director of an aerospace firm's think tank, CEO of an intelligence and technology-oriented management consulting firm, and an educator. He has served on the faculties of the National Defense Intelligence College and CIA University. He is a member of the AFIO board of directors, chairman of the academic outreach committee, and editor of AFIO's *The Guide to the Study of Intelligence*.