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Balanced Scorecard for Joint Interagency Task Force South Counter Threat Finance Cell

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Monterey, California: Naval Postgraduate School

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MBA PROFESSIONAL REPORT

BALANCED SCORECARD FOR JOINT
INTERAGENCY TASK FORCE SOUTH
COUNTER THREAT FINANCE CELL

September 2015

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The purpose of this project is to provide a managerial business tool in the form of a Balanced Scorecard (BSC) that enables mission accomplishment for the Joint Interagency Task Force South (JIATFS) Counter Threat Finance (CTF) Cell. This project addresses the following research questions: Can we link day-to-day activities to the organization's strategies through a BSC, and can we assist the JIATFS Cell with time and budget allocation? The project's method consisted of a site visit, cell member interviews, a BSC workshop, and follow-on emails and phone conversations to gather information for the creation of the BSC. The authors developed a BSC with 14 organizational performance measures related to three performance objectives and three BSC perspectives linking the cell's day-to-day activities to their organizational strategies. This project concludes that the BSC is a viable business tool that can assist the cell in identifying day-to-day activities linked to strategies, and therefore facilitate resource allocation. This project recommends that the JIATFS CTF Cell conduct periodic assessments of strategy and activities, consider modifying performance measures, and implement initiatives for improvement.

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**BALANCED SCORECARD FOR JOINT INTERAGENCY TASK FORCE
SOUTH COUNTER THREAT FINANCE CELL**

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Submitted in partial fulfillment of the requirements for the degree of

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BALANCED SCORECARD FOR JOINT INTERAGENCY TASK FORCE SOUTH COUNTER THREAT FINANCE CELL

ABSTRACT

The purpose of this project is to provide a managerial business tool in the form of a Balanced Scorecard (BSC) that enables mission accomplishment for the Joint Interagency Task Force South (JIATFS) Counter Threat Finance (CTF) Cell. This project addresses the following research questions: Can we link day-to-day activities to the organization's strategies through a BSC, and can we assist the JIATFS Cell with time and budget allocation? The project's method consisted of a site visit, cell member interviews, a BSC workshop, and follow-on emails and phone conversations to gather information for the creation of the BSC. The authors developed a BSC with 14 organizational performance measures related to three performance objectives and three BSC perspectives linking the cell's day-to-day activities to their organizational strategies. This project concludes that the BSC is a viable business tool that can assist the cell in identifying day-to-day activities linked to strategies, and therefore facilitate resource allocation. This project recommends that the JIATFS CTF Cell conduct periodic assessments of strategy and activities, consider modifying performance measures, and implement initiatives for improvement.

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LIST OF ACRONYMS AND ABBREVIATIONS

BSA	Bank Secrecy Act of 1970
BSC	Balanced Scorecard
CCMD	Commanders of Combatant Commands
CFR	Council on Foreign Relations
CTF	counter threat finance
DASD	Deputy Assistant Secretary of Defense
DCIPS	Defense Civilian Intelligence Personnel System
D&M	detection and monitoring
DOD	Department of Defense
FATF	Financial Action Task Force on Money Laundering
FinCEN	Financial Crimes Enforcement Network
FITREP	fitness report
FIU	Financial Intelligence Unit
FTE	full-time equivalent
FM	financial management
IA	Intelligence Agency
IC	Intelligence Community
JIATFS	Joint Interagency Task Force—South
JOA	Joint Operations Area
JROC	Joint Requirements Oversight Council
LE	law enforcement
NSS	National Security Strategy
RFI	Request for Information
SDR	Source Directed Requirements
SOCOM	U.S. Special Operations Command
SOUTHCOM	U.S. Southern Command
TCO	transnational criminal organization
TFI	Threat Finance Intelligence

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I.   COUNTER THREAT FINANCE AND THE JOINT INTER-AGENCY TASK FORCE-SOUTH

Since the September 11, 2001 attacks, the U.S. Department of Defense (DOD) has executed numerous operations against very coercive, dangerous, and dynamic enemies utilizing a wide range and scope of efforts to include, but not limited to, direct action, indirect action, and humanitarian assistance. According to a report conducted by the Congressional Research Service, the DOD is responsible for spending the vast majority of the $1.6 trillion related to the Global War on Terror.[1] The DOD, and the government in general, have improved their effectiveness against terrorist and criminal organizations over the last 14 years through several innovative programs. One specific area of operation for which the DOD has established policy is counter threat finance (CTF). For the purposes of this project, counter threat finance refers to policy that dictates DOD responsibilities for countering financing used for terrorist, criminal trafficking networks, and other activities that are against U.S. interests.[2] Current DOD policy for CTF, which became effective August 19, 2010, dictates:

> The Department of Defense shall work with other U.S. Government (USG) departments and agencies and with partner nations to deny, disrupt, or defeat and degrade adversaries' ability to use global licit and illicit financial networks to negatively affect U.S. interests.[3]

In addition to defining the objectives of the CTF mission, DOD CTF policy also outlines specific roles and responsibilities for CTF efforts and directs commanders of the Combatant Commands to establish CTF activities in their areas of responsibility.[4] In accordance with this guidance, U.S. Southern Command (SOUTHCOM) created a seven-

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[1] Amy Belasco, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11* (CRS Report No. RL33110), (Washington, DC: Congressional Research Service, 2014), 7, http://www.fas.org/sgp/crs/natsec/RL33110.pdf.

[2] U.S. Department of Defense, *DOD Counter Threat Finance (CTF) Policy* (Washington, DC: DTIC, 2010), 1, http://www.dtic.mil/whs/directives/corres/pdf/520514p.pdf.

[3] Ibid.

[4] U.S. Department of Defense, *DOD CTF Policy*, 8.

person CTF Cell[5] that resides in their region at Joint Interagency Task Force (JIATFS) South in Key West, Florida. According to their website, JIATFS "conducts interagency and international Detection & Monitoring operations, and facilitates the interdiction of illicit trafficking and other narco-terrorist threats in support of national and partner nation security."[6] JIATFS is known as the "gold standard" for coordinating interagency collaboration.[7]

A.   PERFORMANCE MEASURES/CONTROLS

Capturing an organization's performance is essential for funding and resourcing as well as motivating and incentivizing the personnel. Writing for the *Harvard Business Review*, Dan Ariely voices the common understanding, "Anything you measure will impel a person to optimize his score on the metric. What you measure is what you'll get."[8] In addition to capturing the metrics themselves, it is essential to understand what they mean. The CTF Cell currently uses individual controls derived from the Defense Civilian Intelligence Personnel System (DCIPS) as well as tracking decisive actions on an organizational level, but does not blend individual and organizational metrics into a cohesive measurement tool. This project considers the individual performance measures derived from DCIPS in addition to organizational metrics and organizes them into a Balanced Scorecard for improved tracking, understanding and application.

As members of the intelligence community, the CTF Cell analysts fall under the purview of DCIPS which, according to the program's website, is designed to "incorporate all DOD intelligence positions under a single, performance-based, mission-focused

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[5] The Cell consists of six analysts, five GG-13 level civilian analysts and one National Guardsman, and the CTF Chief, GG-14 level civilian, responsible for managing the CTF Cell.

[6] U.S. Department of Defense, "Joint Interagency Task Force South," accessed February 1, 2015, http://www.jiatfs.southcom.mil/index.aspx.

[7] Evan Munsing and Christopher J. Lamb, *Joint Interagency Task Force—South: TheBest Known, Least Understood Interagency Success*, (Washington, DC: NDU Press, 2011), 3, http://ndupress.ndu.edu/Portals/68/Documents/stratperspective/inss/Strategic-Perspectives-5.pdf.

[8] Dan Ariely, "Column: You Are What You Measure," *Harvard Business Review*, June 2010, https://hbr.org/2010/06/column-you-are-what-you-measure.

personnel management system."[9] The DCIPS performance evaluation system is similar in many ways to the Navy's fitness report (FITREP) evaluation system. The defined DCIPS objectives aim at providing a broad framework to direct personnel to produce desired results. For the analysts of the CTF Cell, the DCIPS objectives are broken into three main areas: "target illicit proceed activity" (i.e., flow of illicit funds); "research, analysis, and production;" and, "driving full cycle intelligence process."[10]

While individual performance measures are geared to provide incentives and motivation to personnel, organizational metrics are commonly used to justify budgetary funding, allocation of resources, and adjustments to mission. These performance measures are especially emphasized within a limited fiscal environment, such as the current budgetary situation. The CTF Cell highlights decisive actions, such as bulk cash seized and arrests made, as primary measures of performance. While these metrics highlight the end results that stem in part from their input, they do not adequately direct daily activities intended to achieve such results.

Balanced Scorecard (BSC) refers to a set of measures to include customer satisfaction, internal processes, and innovation and improvement that lead to financial performance, but are designed to pull employees toward overall vision.[11] According to Robert Kaplan and David Norton in their 1996 book, *The Balanced Scorecard: Translating Strategy into Action*, if an organizational unit has a strategy to achieve its mission, then they are a valid candidate for a Balanced Scorecard. Even though typical scorecards contain four generally business-related perspectives, Thomas Albright, Chad Gerber & Paul Juras argue with a Naval Aviation example that, "each entity can develop its own dimensions of importance."[12] The BSC provides the means for combining

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[9] U.S. Department of Defense, "Defense Civilian Intelligence Personnel System," accessed May 15, 2015, http://dcips.dtic.mil/.

[10] Obtained from JIATFS CTF Cell Chief during site visit on February 27, 2015.

[11]Robert S. Kaplan and David P. Norton, *The Balanced Scorecard: Measures That Drive Performance*. (Boston: Harvard Business Review Press, 1992), 79.

[12] Thomas L. Albright, Chad A. Gerber and Paul Juras, "How Naval Aviation Uses the Balanced Scorecard," Strategic Finance, October 2014, 22, http://www.imanet.org/docs/default-source/sf/10_2014_juras-pdf.pdf?sfvrsn=0.

individual and organizational performance measures to not only evaluate end results but more importantly drive daily activities to achieve set goals.

B.   RESEARCH OBJECTIVES

With DOD and SOUTHCOM policy guidance, the JIATFS CTF Cell is challenged to execute its mission with critical, yet limited resources. This project aims to provide a managerial business tool, in the form of a Balanced Scorecard, to assist the JIATFS CTF Cell in identifying performance measures in focus areas of learning and growth, internal business procedures, customer focus, and mission that will link daily tasks to strategic goals and vision. To support the objective of enhancing the Cell's performance, this project addresses the following questions:

- Can we link day-to-day activity to the organization's strategy via a BSC?

- Can we assist the JIATFS Cell with:

  - How to allocate their budget?

  - How to spend their time?

C.   SCOPE OF RESEARCH

The scope of this project is limited to the development of a BSC and corresponding strategy map that covers the performance measures unique to the JIATFS CTF Cell. Chapter II covers the literature review concerning the evolution of CTF, JIATFS CTF performance measures, and the principles behind the BSC concept. Chapter III describes the methodology used in our research from the selection of JIATFS as our subject through the on-site interviews and BSC workshop. Chapter IV defines the separate categories and components that comprise the tailored BSC for the CTF Cell. Finally, Chapter V discusses the major findings of the research conducted, potential areas of future research, and recommendations for further improvement.

D.   SUMMARY

This project achieves its research objectives. First, the project provides a sample BSC that links the cell's day-to-day activities to their organizational strategies. It contains 14 organizational performance measures of day-to-day activities related to three performance objectives. Second, as the BSC identifies and measures the key activities performed by the cell, it provides a business tool that can assist with resource allocation. By focusing resources on the day-to day activities that are linked to organizational strategies, the cell can reach mission accomplishment. Finally, as the BSC readily identifies weighted performance measures, it emphasizes areas where organizational investment should be made.

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II.   LITERATURE REVIEW

This literature review focuses on three specific areas: counter threat finance (CTF), JIATFS CTF Cell performance measurement, and the Balanced Scorecard. The first area highlights the evolution of CTF and introduces authorities, policies, laws, and organizations in the United States and around the globe that help define CTF's role within the DOD. The second area shifts to focus on JIATFS CTF Cell performance measurement and explains the use of both individual and organizational performance measurement systems through DCIPS and local metrics, respectively. This section defines specific performance objectives, performance elements, and what organizational metrics are currently being measured. The third segment introduces the details of the Balanced Scorecard, created by Dr. Robert S. Kaplan and Dr. David P. Norton, and breaks it into the four main perspectives (financial, customer, internal-business-process, and learning and growth). This section also describes examples of BSC use within the DOD, including a discussion regarding a few recognized challenges of implementing the Balanced Scorecard. The chapter concludes with the introduction of the idea, structure, and purpose of a strategy map and how it relates to the Balanced Scorecard.

A.   COUNTER THREAT FINANCE

1.   The Evolution of CTF

The origins of CTF can be in part traced back to Congress's passing of the Bank Secrecy Act (BSA) of 1970 in an effort to prevent money laundering and stay ahead of criminal efforts to transform ill-gotten gains into legal currency. Furthermore, several other laws, policies, and organizations emerged in the United States and abroad in an effort to remain ahead of criminals' attempts to launder illegal funds. This section discusses some of the acts, laws, organizations, publications, and resolutions that helped influence and define CTF within the DOD and show how efforts to reduce and eliminate the financial resources available to criminal and terrorist organizations have evolved over the years in order to address the ever-changing tactics and techniques adopted by these organizations.

Bank Secrecy Act of 1970

Approved by Congress in 1970, the BSA "requires U.S. financial institutions to assist U.S. government agencies to detect and prevent money laundering."[13] The Act requires that financial institutions must keep records of cash purchases of negotiable instruments, file reports of cash transactions that exceed a daily aggregate amount of $10,000, and report any suspicious activity that may be associated with criminal activities such as money laundering.[14] Since its inception, the BSA has been amended in order to remain "one of the most important tools in the fight against money laundering" and "to provide law enforcement and regulatory agencies with the most effective tools to combat money laundering."[15]

Money Laundering Control Act of 1986

Along with stipulating civil and criminal forfeiture for violation of the BSA, the Money Laundering Control Act of 1986 made money laundering a federal crime, increasing the potential ramifications for those choosing to engage in money laundering activities.

Financial Action Task Force on Money Laundering

Established by representatives from Canada, France, Germany, Great Britain, Italy, Japan, and the United States at the G-7 Summit in Paris in 1989, the Financial Action Task Force on Money Laundering (FATF) serves as an international policy-making body formed to address concerns related to money laundering. FATF was initially "given the responsibility of examining money laundering techniques and trends, reviewing the action which had already been taken at a national or international level, and setting out the measures that still needed to be taken to combat money laundering."[16] In

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[13] U.S. Department of Treasury, "FinCEN's Mandate from Congress," accessed June 5, 2015, http://www.fincen.gov/statutes_regs/bsa/.

[14] Ibid.

[15] U.S. Department of Treasury, "History of Anti-Money Laundering Laws," accessed June 5, 2015, http://www.fincen.gov/news_room/aml_history.html.

[16] Financial Action Task Force, "History of the FATF," accessed May 24, 2015, http://www.fatf-gafi.org/pages/aboutus/historyofthefatf/.

2001, FATF expanded its role to include "the development of standards in the fight against terrorist financing."[17] Part of the significance of FATF lies in the fact that it is an international organization with membership currently consisting of 36 countries and can thus exert influence on a global scale.

Financial Crimes Enforcement Network

The Secretary of the Treasury established the Financial Crimes Enforcement Network (FinCEN) in 1990. According to their website, FinCEN's mission is:

> To safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities. FinCEN carries out its mission by receiving and maintaining financial transactions data; analyzing and disseminating that data for law enforcement purposes; and building global cooperation with counterpart organizations in other countries and with international bodies.[18]

In 1994, FinCEN merged with the Department of the Treasury's Office of Financial Enforcement and saw its mission expand to include regulatory authority for the provisions of the BSA of 1970. FinCEN centers its central activities around efforts to "follow the money, partners with law enforcement at all levels of government, and supports the nation's foreign policy and national security objectives."[19]

Egmont Group of Financial Intelligence Units

In 1995, a group of Financial Intelligence Units (FIU), including FinCEN, founded the Egmont Group in Brussels, Belgium, after realizing "the importance of international cooperation in the fight against money laundering and financing of terrorism."[20] The group's goal, according to their website, is "to provide a forum for FIUs around the world to improve cooperation in the fight against money laundering and the financing of terrorism and to foster the implementation of domestic programs in this

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[17] Financial Action Task Force, "History of the FATF."

[18] U.S. Department of Treasury, "What We Do," accessed June 5, 2015, http://www.fincen.gov/about_fincen/wwd/index.html.

[19] Ibid.

[20] The Egmont Group, "About," accessed May 25, 2015, http://www.egmontgroup.org/about.

field."[21] As with FATF, part of the Egmont Group's significance relates to its international influence and membership, with over 130 FIUs from various countries.

Executive Order 13224 (2001)

President George W. Bush signed Executive Order 13224 on September 23, 2001 in response to the terrorist attacks of 9/11. The Order:

> …provides a means by which to disrupt the financial support network for terrorists and terrorist organizations by authorizing the U.S. government to designate and block the assets of foreign individuals and entities that commit, or pose a significant risk of committing, acts of terrorism. In addition, because of the pervasiveness and expansiveness of the financial foundations of foreign terrorists, the Order authorizes the U.S. government to block the assets of individuals and entities that provide support, services, or assistance to, or otherwise associate with, terrorists and terrorist organizations designated under the Order, as well as their subsidiaries, front organizations, agents, and associates.[22]

The order directly targeted the property and transactions of individuals linked to terrorism.

United Nations Security Council Resolution 1373

On September 28, 2001, the United Nations (UN) adopted Security Council Resolution 1373 that "called for UN member states to work together to suppress terrorist financing, share intelligence on terrorism, monitor borders, and implement...the relevant international conventions and protocols to combat terrorism."[23] The UN Security council unanimously adopted the Resolution, illustrating international commitment to counter terrorist financing.

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[21] The Egmont Group, "About."

[22] The White House, *Executive Order 13224* (Washington, DC: The White House, 2001), http://www.state.gov/j/ct/rls/other/des/122570.htm.

[23] United Nations, "Security Council Unanimously Adopts Wide-Ranging Anti-Terrorism Resolution; Calls for Suppressing Financing, Improving International Cooperation," accessed May 30, 2015, http://www.un.org/press/en/2001/sc7158.doc.htm.

USA PATRIOT Act of 2001

President George W. Bush signed the USA PATRIOT Act of 2001 into law on October 26, 2001. The Act expanded various organizations' tools and options available for the interception and obstruction of terrorism. Title III of the Act was known as the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001. It contained regulation and amendments related to money laundering, amended the BSA of 1970 to focus on terrorist financing in addition to money laundering, provided new regulations concerning currency crimes, and established FinCEN as a bureau within the Department of Treasury (Treasury). Some provisions of the Act expired on June 1, 2015, but were reinstituted by the passing of the USA Freedom Act on June 2, 2015. However, the USA Freedom Act amends Section 215 of the USA PATRIOT Act, effectively ending the National Security Administration's collection of phone data. The USA Freedom Act continues to provide organizations with various tools and options to obstruct terrorism.

Council on Foreign Relations Task Force Report on Terrorist Financing

The Council on Foreign Relations' (CFR) task force released its report concerning terrorist financing in 2002. The report indicated that "After an initially robust attempt to curtail financing for international terrorism, the Bush administration's current efforts are strategically inadequate to assure the sustained results needed to protect U.S. security," and suggested that "the United States should lead an initiative to create a new international organization dedicated solely to curbing terrorist financing."[24] Additionally, the CFR Task Force determined "the U.S. national security community at the time was woefully unprepared to understand and [adequately] attack terrorist finance networks, noting among other failures the lack of coordination among the several national security agencies."[25] The report's findings helped to initiate coordination efforts among various

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[24] Maurice R. Greenberg, William F. Wechsler and Lee S. Wolosky, *Terrorist Financing: Report of an Independent Task Force Sponsored by the Council on Foreign Relations* (New York, NY: CFR, 2002), v-vi, http://www.cfr.org/terrorist-financing/terrorist-financing/p5080.

[25] J. Edward Conway, "Analysis in Combat: The Deployed Threat Finance Analyst," *Small Wars Journal* 8, no. 7 (2012), http://smallwarsjournal.com/jrnl/art/analysis-in-combat-the-deployed-threat-finance-analyst.

agencies and also led to "an exponential growth in the attention that the U.S. intelligence community has paid to global terrorist finance networks."[26]

The 2002 National Security Strategy of the United States of America

The 2002 National Security Strategy (NSS) specifically highlights cutting of terrorist financing as a method to defeat the threat posed by terrorism. The 2002 NSS expands on this notion stating:

> The United States will continue to work with our allies to disrupt the financing of terrorism. We will identify and block the sources of funding for terrorism, freeze the assets of terrorists and those who support them, deny terrorists access to the international financial system, protect legitimate charities from being abused by terrorists, and prevent the movement of terrorists' assets through alternative financial networks.[27]

The 2002 NSS focused on the perceived threats to national security at the time and dictated how they should be addressed, including a focus on terrorist financing.

9/11 Commission Report (2004)

On November 27, 2002, Congress and President Bush created the National Commission on Terrorist Attacks Upon the United States "to prepare a full and complete account of the circumstances surrounding the September 11, 2001 terrorist attacks, including preparedness for and the immediate response to the attacks."[28] The Commission was also tasked with providing recommendations to prevent such attacks in the future. In order to assist the Commission with preparing the report, teams prepared specialized studies known as monographs for the Commission's consideration. One such monograph on terrorist financing determined that "following the money to identify terrorist operatives and sympathizers provides a particularly powerful tool in the fight

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[26] Conway, "Analysis in Combat."

[27] The White House, *National Security Strategy* (Washington, DC: The White House, 2002), 6, http://www.state.gov/documents/organization/63562.pdf.

[28] National Commission on Terrorist Attacks Upon the United States, "9–11 Commission Report," last modified August 21, 2004, http://www.9-11commission.gov/report/.

against terrorist groups," thus identifying a possible method of preventing future terrorist attacks.[29]

Emergence of the Iraq and Afghan Threat Finance Cells

The Iraq Threat Finance Cell was created in 2005 at the recommendation of the National Security Council. Located in Baghdad, the interagency cell was led by the Treasury and U.S. Central Command (CENTCOM) and "performed financial intelligence analysis concerning insurgent and terrorist elements in Iraq and collected, processed, and disseminated financial intelligence to support efforts to detect, identify, and disrupt insurgent or terrorist elements."[30] As priorities shifted from Iraq to Afghanistan in 2008, interest in starting the Afghan Threat Finance Cell grew. An agent from the Drug Enforcement Administration (DEA) assumed the lead with a member of Treasury serving as the deputy. The Cell in Afghanistan sought "to identify and disrupt financial networks related to terrorism, the Taliban, narcotics trafficking and corruption" and "improve the targeting of the insurgents' financial structure."[31] The cells in Iraq and Afghanistan would go on to serve as a model for future CTF cells.

Department of Defense Directive 5205.14

The Deputy Secretary of Defense released DOD Directive 5205.14 on August 19, 2010, which established "DOD policy and [assigned] DOD responsibilities for countering financing used to engage in terrorism, illicit trafficking networks, and related activities that support an adversary's ability to negatively affect U.S. interests."[32]

This directive defines CTF as

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[29] John Roth, Douglas Greenburg and Serena Wille, *National Commission on Terrorist Attacks Upon the United States: Monograph on Terrorist Financing* (Washington, DC: GPO, 2004), 2, http://www.911commission.gov/staff_statements/911_TerrFin_Monograph.pdf.

[30] U.S. Department of Treasury, "Office of Intelligence and Analysis," accessed June 18, 2015, http://www.treasury.gov/about/organizational-structure/offices/Terrorism-Fin-Intel/Documents/oia-brochure.pdf.

[31] U.S. Department of Treasury, "Fact Sheet: Combating the Financing of Terrorism, Disrupting Terrorism at its Core," last modified September 8, 2011, http://www.treasury.gov/press-center/press-releases/Pages/tg1291.aspx.

[32] U.S. Department of Defense, *DOD CTF Policy*, 1.

DOD activities and capabilities, apart from those included under DOD threat finance intelligence (TFI), to deny, disrupt, destroy, or defeat finance systems and networks that negatively affect U.S. interests in compliance with all existing authorities and procedures. This includes those activities and capabilities undertaken with other Government agencies and/or partner nations. DOD CTF counters financing used to engage in terrorist activities and illicit networks that traffic narcotics, WMD, Improvised Explosive Devices, other weapons, persons, precursor chemicals, and related activities that support an adversary's ability to negatively affect U.S. interests.[33]

The Directive applies to all DOD components, mandates DOD policy concerning CTF, and outlines the responsibilities of the various DOD components related to CTF. It specifically mandates that the DOD "shall work with other U.S. Government (USG) departments and agencies and with partner nations to deny, disrupt, or defeat and degrade adversaries' ability to use global licit and illicit financial networks to negatively affect U.S. interests."[34]

Some other significant provisions of the Directive include naming Commander U.S. Special Operations Command (SOCOM) as the "DOD CTF lead component for synchronizing DOD CTF activities" and direction for the Commanders of the Combatant Commands (CCMD) to "establish a dedicated DOD CTF capability approved by the Joint Requirements Oversight Council (JROC) that integrates intelligence and operations, analyzes financial intelligence, and coordinates the execution of DOD CTF activities in accordance with existing authorities, regulations, and CCMD initiatives."[35] In accordance with DOD Directive 5202.14, U.S. Southern Command (SOUTHCOM) created six permanent CTF billets, all of which currently reside in the JIATFS CTF Cell.

Commander's Handbook on Counter Threat Finance

Recognizing that only a small amount of doctrinal guidance related to CTF was available, the Joint Staff, J-7, released the Commander's Handbook on Counter Threat Finance in September of 2011. In his "Message to Joint Warfighters," Major General

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[33] U.S. Department of Defense, *DOD CTF Policy*, 11.

[34] Ibid., 1.

[35] Ibid., 8.

Frederick Rudesheim describes the intent of the document as a "pre-doctrinal handbook to help joint force commanders and their staffs understand the scope and importance of CTF and provide information and guidance on its process; best practices; planning, execution, and assessment considerations; and resources" and illustrates the DOD's continued interest in CTF.[36]

The 2015 National Security Strategy of the United States of America

The 2015 National Security Strategy declares "Violent extremism and an evolving terrorist threat raise a persistent risk of attacks on America and our allies" and states that "Targeted economic sanctions will remain an effective tool for imposing costs on irresponsible actors and helping to dismantle criminal and terrorist networks. All our tools are made more effective by the skill of our intelligence professionals and the quality of intelligence they collect, analyze, and produce."[37] It also calls for the "United States to lead international efforts to promote financial transparency and prevent the global financial system from being abused by transnational criminal and terrorist organizations to engage in, or launder the proceeds of illegal activity."[38] From the language used in the 2015 NSS, it may be reasoned that CTF will continue to play role in ensuring the national security of the United States and our partners.

2.   The Future of Counter Threat Finance

The process of developing a CTF capability in the DOD was influenced by several organizations, publications, acts, laws, and resolutions. The BSA of 1970 and other laws and organizations helped to shape and define CTF. The events of 9/11 and the efforts to prevent future attacks perhaps had the most influence on the DOD's adoption of CTF as a viable method to deny, disrupt, destroy, or defeat threats to national security. While CTF appears to have a role in continuing to ensure national security based on language in the most current NSS, it will likely need to continue to evolve along with the

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[36] U.S. Department of Defense, *Commander's Handbook for Counter Threat Finance* (Suffolk, VA: JCS, 2011).

[37] The White House, *National Security Strategy* (Washington, DC: The White House, 2015), 4, https://www.whitehouse.gov/sites/default/files/docs/2015_national_security_strategy.pdf.

[38] Ibid., 15.

threats faced by our nation. In order to continue to evolve and remain effective at countering threat financing, CTF cells need a way to measure success. The JIATFS CTF Cell may possibly consider the benefits offered by a managerial business tool such as the Balanced Scorecard that will focus on and measure day-to-day activities that are linked to strategy and mission success. Before we can explore the Balanced Scorecard, in connection with JIATFS CTF, we need to understand how the JIATFS CTF Cell currently measures individual and organizational performance.

B.   JIATFS CTF CELL PERFORMANCE MEASUREMENT

The JIATFS CTF Cell measures performance in two ways: an individual performance measurement system using the Defense Civilian Intelligence Personnel System (DCIPS), and an organizational performance measurement system using manually produced metrics. We argue that both of these performance measurement systems fail to identify and provide accurate measures of the JIATFS CTF Cell day-to-day activities that drive success. The JIATFS CTF Cell is merely measuring the end result of their work and is forgetting to focus on what actions produced those results. We must keep in mind the important quote, "what you measure is what you get."[39] In order to address this issue, we believe implementing a Balanced Scorecard will allow the JIATFS CTF Cell to combine the measures of end results with drivers of success. Before we explore details of the Balanced Scorecard, we describe how the JIATFS CTF Cell uses DCIPS and its organizational metrics to measure current success.

1.   Individual Performance Measurement—Defense Civilian Intelligence Personnel System

According to the DCIPS website, the "performance management process is designed to create a performance culture in which the performance and contributions of the workforce are linked to mission."[40] DCIPS allows managers within JIATFS to monitor subordinate employees through performance evaluations on an annual basis.

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[39] Kaplan and Norton, *Balanced Scorecard* 1992, 71.

[40] U.S. Department of Defense, "Performance Management, Defense Civilian Intelligence Personnel System," accessed May 15, 2015, http://dcips.dtic.mil/perfmgt.html.

Additionally, these performance evaluations can be used by upper management to determine how to award monetary and non-monetary incentives. In the case of JIATFS, monetary incentives frequently fluctuate since they are subject to the availability of funding. The JIATFS CTF Cell Chief stated that monetary incentives were awarded to employees in 2015 for the first time in five years.[41] Instability of monetary incentives is an issue regardless of the performance measurement system in place.

a. General Performance Evaluation

The basic structure of a DCIPS performance evaluation requires at least one, but recommends three to six performance objectives, and six performance elements.[42] Below are the definitions of performance objectives and performance elements:

> *Performance Objectives (PO):* Information that relates individual job assignments or position responsibilities/accomplishments to performance elements, standards and the mission, goals, and objectives of the Component.

> *Performance Element (PE):* A standard set of behaviors for all DCIPS positions derived from analysis of the work being performed by employees that are necessary for successful performance of that work. (1) Accountability for Results, (2) Communication, (3) Critical Thinking, (4) Engagement and Collaboration, (5) Personal Leadership and Integrity, and (6) Technical Expertise. DCIPS supervisors and managers will be evaluated on the managerial portion of the first four elements. In lieu of the last two elements, they will be evaluated on their Leadership and Integrity and Managerial Proficiency.[43]

The process for the JIATFS CTF Cell performance evaluation can be broken down into four parts. First, the employee conducts a self-evaluation for the performance period and assigns a 1–5 rating for each performance objective and performance element. Figure 1 defines the DCIPS rating descriptors. Second, the Rating Official (i.e., employee's manager) completes an evaluation on the employee's performance and

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[41] Email message from JIATFS CTF Cell Chief, June 4, 2015.

[42] U.S. Department of Defense, "Writing Effective Performance Objectives Fact Sheet," Defense Civilian Intelligence Personnel System, last modified June 2009, http://dcips.dtic.mil/documents/PerfObjectivesFS.pdf.

[43] U.S. Department of Defense, "Glossary," Defense Civilian Intelligence Personnel System, accessed May 15, 2015, http://dcips.dtic.mil/glossary.html.

assigns his/her own 1–5 rating for each performance objective and performance element. Third, an *Overall Rating* for the employee is calculated using the weighted mean of the employee's Objective Rating (60%) and Element Rating (40%).[44] Fourth, the employee's *Performance Evaluation of Record* is determined using an overall rating range provided in the DCIPS process.

Figure 1.   DCIPS Performance Objectives and Element Rating Descriptors

Performance Objectives and Element Rating Descriptors		
Performance Rating	Objectives Descriptors	Element Descriptors
5 – OUTSTANDING	The employee far exceeded expected results on the objective such that organizational goals were achieved that otherwise would not have been.	The employee consistently performed all key behaviors at an exemplary level on the element.
4 – EXCELLENT	The employee surpassed expected results in a substantial manner on the objective.	The employee demonstrated mastery-level performance of the key behaviors on the element.
3 – SUCCESSFUL	The employee achieved expected results on the assigned objective.	The employee fully demonstrated effective, capable performance of key behaviors for the performance element.
2 – MINIMALLY SUCCESSFUL	The employee only partially achieved expected results on the performance objective.	The employee's performance requires improvement on one or more of the key behaviors for the objective.
1 – UNACCEPTABLE	The employee failed to achieve expected results in one or more assigned performance objectives.	The employee' failed to adequately demonstrate key behaviors for the performance element.
NOT RATED (NR)	The employee did not have the opportunity to complete the objective because it became obsolete due to changing mission requirements or because of extenuating circumstances beyond the control of the employee and supervisor (e.g., resources diverted to higher priority programs, employee in long-term training, deployed, on leave without pay).	Not used for performance elements..

From U.S. Department of Defense, "Rating Scales," Defense Civilian Intelligence Personnel System, accessed May 15, 2015, http://dcips.dtic.mil/documents/RatingScales.pdf.

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[44] U.S. Department of Defense, *User Guide for Defense Civilian Intelligence Personnel System (DCIPS) Compensation Workbench (CWB) and Data Extract Creation Tool* (Washington, DC: GPO, 2014), 32, http://dcips.dtic.mil/documents/DCIPS_CWB_User_Guide_Fall_2014_FINAL.pdf.

After each cell member is assigned a performance rating in all associated objectives and the across the six elements, the performance evaluation of record is computed.[45] The following is an example of this computation:

> An employee is rated outstanding (5) in three associated performance objectives and successful (3) in all six performance elements. The overall performance objective and element rating is 5 and 3, respectively. After applying the 60/40 objective-to-element weight ratio to these overall performance objective and element ratings, it yields an overall performance evaluation of record rating of excellent (4) after rounding.

$$\text{Overall Performance Objective Rating: } 5 + 5 + 5 = \frac{15}{3} = 5 \text{ (Outstanding)}$$

$$\text{Overall Performace Element Rating: } 3 + 3 + 3 + 3 + 3 + 3 = \frac{18}{6} = 3 \text{ (Successful)}$$

$$\text{Performance Evaluation of Record: } (5*0.6) + (3*0.4) = 4.2 \approx 4 \text{ (Excellent)}$$

b.   *JIATFS CTF Cell Performance Evaluation*

The six Performance Elements apply to all six full-time equivalent (FTE) JIATFS CTF Cell DOD Civilian employees.[46] The only minor difference, as previously mentioned, is that the CTF Cell Chief is evaluated on Leadership and Integrity, and Managerial Proficiency rather than Personal Leadership and Integrity, and Technical Expertise.

The JIATFS CTF Cell identifies three Performance Objectives for the CTF Cell Chief and three separate Performance Objectives for the other five CTF Cell Intel Analysts. Appendix A contains the full descriptions of each Performance Objective provided by JIATFS.

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[45] U.S. Department of Defense, *Defense Civilian Intelligence Personnel System (DCIPS) Calculating the Performance Evaluation of Record Rating* (Washington, DC: GPO, 2011), 2, http://www.dami.army.pentagon.mil/site/dcips/docs/Life cycle/ER/Calculating_the_Performance_Evaluation_Record_of_Rating.pdf.

[46] Even though the JIATFS CTF Cell consists of seven total personnel (five GG-13 level civilian analysts, one GG-14 level CTF Chief, and one National Guardsman), the only personnel evaluated under DCIPS are the government civilians.

Each Performance Objective is considered a critical objective that each JIATFS CTF Cell member must strive to accomplish. However, we see a key disconnect in how the Performance Objectives are written and how 1–5 ratings are assigned. The descriptions above are extremely detailed, but they do not identify concrete ways to measure success in each objective. The only objective that identifies a concrete measure of success is within CTF Cell Analyst Performance Objective 3—Driving Full Cycle Intelligence. This objective clearly states a requirement for evaluating *four Intelligence Community documents per quarter* and completing *one Source Directed Requirement annually*. For the remainder of the Performance Objectives, the JIATFS CTF Cell uses DCIPS performance measurement rating system and assigns, what we believe, is an arbitrary 1–5 rating based mainly on subjectivity of management. This provides yet another reason we believe the Balanced Scorecard is the right managerial business tool to enable the JIATFS CTF Cell to identify additional concrete performance measurements that link performance objectives to strategy and mission.

2. JIATFS CTF Cell Organizational Measurement

According to the JIATFS CTF Cell, organizational metrics are compiled in a Microsoft Access Database file by a single employee who manually retrieves multiple data sets from a variety of intelligence systems.[47] These metrics are pulled and reported to JIATFS leadership and the Deputy Assistant Secretary of Defense Counternarcotics and Global Threats (DASD CN&GT) as directed.[48] The current metrics collected and reported by the JIATFS CTF Cell include:[49]

- Total detection and monitoring (D&M) Cases identified/supported and further broken down into

    - Of the total, how many Cases were *targeted*

    - Of those targeted, how many Cases were *detected*

    - Of those detected, how many Cases *monitored*

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[47] Obtained from JIATFS CTF Cell employee interviews conducted during site visit on February 26–27, 2015.

[48] Phone conversation with JIATFS CTF Cell employee June 15, 2015.

[49] Email message from JIATFS CTF Cell Chief, November 17, 2015.

- Of those monitored, how many Cases *handed off*

- Of those handed off, how many Cases *seized/disrupted*

- Total Amount (dollar value of illicit funds/goods) Targeted

- Estimated Bulk Cash Seized/Disrupted/Jettisoned

- Estimated Bulk Cash Successfully Delivered

- Total Requests for Law Enforcement Case Support

  - Individual Searches Contained within Requests for Support from Law Enforcement

  - Of the requests, how many led to a *decisive action* (a decisive action is loosely defined as an arrest, extradition, recovery of funds, seizure of illicit funds/goods/property, confiscation of assets, etc.)

- Number and description of Decisive Actions

- Number and name of Cases/Operations Supported

- Number and name of Agencies/Organizations supported and identifying repeat customers

These metrics are critical in ensuring adequate future funding and resources for the JIATFS CTF Cell. In essence, the metrics are indicators of success and it signals to sponsors that their work is supporting the overall mission. Although these metrics are critical and must be measured, majority of these metrics are the end result of actions already taken by the CTF Cell. They do not address the need for forward looking drivers of success. For example, the current metrics do not address what enables the CTF Cell to support D&M Cases and Law Enforcement Requests. We believe the Balanced Scorecard will allow the JIATFS CTF Cell the opportunity to reevaluate their current metrics and balance these end results with measures of success drivers. Next, we describe the details of the Balanced Scorecard that we recommend.

C.   BALANCED SCORECARD

As the importance of performance measurement grew, Dr. Robert S. Kaplan and Dr. David P. Norton introduced a new managerial business tool called the *Balanced Scorecard* in a 1992 *Harvard Business Review* (HBR) article. Their goal for this new tool was to, "keep companies looking—and moving—forward instead of backward."[50] They planned to achieve this by creating a Scorecard that could measure and balance an organization's performance across both financial and other non-financial driving factors while always keeping the future in mind. Until this point, most organizations measured success solely on financial performance such as growth, shareholder value, and return-on-investment (ROI) among others.[51] As the business environment evolved, intangible business qualities and aspects of organizations such as employee knowledge, customer relationships, and business processes became more important and required significant attention. Therefore, in an effort to create a balance between the financial measures and driving factors, Kaplan and Norton created the Balanced Scorecard which they define as:

> A set of measures that gives top managers a fast but comprehensive view of business. The balanced scorecard includes financial measures that tell the results of actions already taken. And it complements the financial measures with operational measures on customer satisfaction, internal processes, and the organization's innovation and improvement activities— operation measures that are the drivers of future financial performance.[52]

After further research and refinement, Kaplan and Norton wrote additional HBR articles in 1993 and 1996, and eventually co-authored their first book, *The Balanced Scorecard*, which they view as, "still a progress report" for a continuously developing business management tool.[53] In this book, they explain the impact of the Information Age on performance measurement and management and how it has driven organizations to need a collective and "balanced" performance measurement tool that, "should translate a

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[50] Kaplan and Norton, *Balanced Scorecard* 1992, 79.

[51] Kaplan and Norton, *Balanced Scorecard* 1992, 77.

[52] Ibid., 71.

[53] Robert S. Kaplan and David P. Norton, *The Balanced Scorecard: Translating Strategy into Action* (Boston: Harvard Business School Press, 1996), x.

business unit's mission and strategy into tangible objectives and measures."[54] After describing the business environment and the basic purpose of the balanced scorecard, Kaplan and Norton detail how the Scorecard is constructed focusing on four main perspectives, as depicted in Figure 2: Financial, Customer, Internal-Business-Process, and Learning and Growth and then how companies use the Balanced Scorecard within their organizations.[55]

Figure 2.   Balanced Scorecard Links Performance Measures
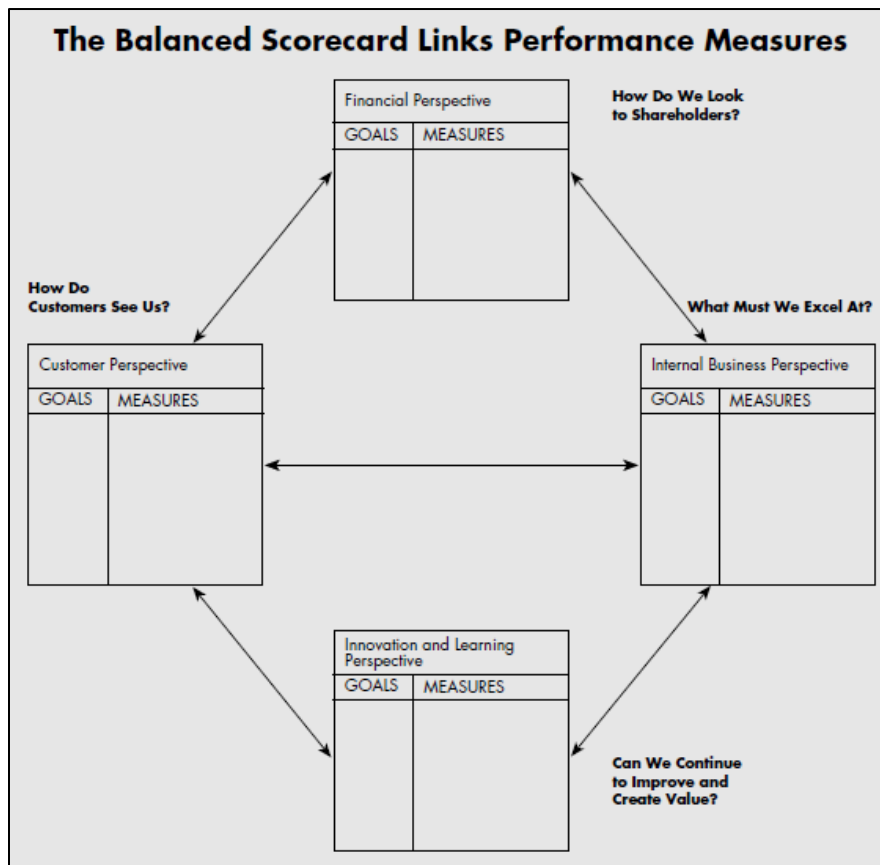
The Balanced Scorecard measures performance of day-to-day activities, links them to four perspectives, and answers four basic questions. From Robert S. Kaplan and David P. Norton, *The Balanced Scorecard: Measures That Drive Performance* (Boston: Harvard Business Review Press, 1992), 72.

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[54] Kaplan and Norton, *Balanced Scorecard* 1996, 10.

[55] Ibid., 43–44.

Kaplan and Norton explain that the Balanced Scorecard is not only useful in the for-profit sector, but also in public, non-profit, and government organizations. They explain key differences between these types of organizations and recognize that non-profit and government organizations should be aware of the important financial impacts such as costs, effective and efficient use of funding, and spending within budgets, but they should not be the organization's primary objectives.[56] According to Kaplan, public, non-profit, government organizations can restructure their organizational Scorecard by combining financial and customer perspectives.[57] He argues that public sector organizations should combine financial and customer perspectives and form three key themes: Cost Incurred, Value Created, and Legitimizing Support, as shown in Figure 3. Kaplan clarifies that these three themes assist public organizations in achieving their mission by focusing on efficient use of resources and minimizing costs, concentrating on the outputs and benefits the organization creates, and developing key relationships with sponsors to secure organizational funding.

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[56] Kaplan and Norton, *Balanced Scorecard* 1996, 180.

[57] Robert S. Kaplan, "The Balanced Scorecard for Public-Sector Organizations," (Article Reprint No. B9911C), (Boston: Harvard Business School, 1999): 4, ftp://72.167.42.190/safetyleaders/pdf/Balanced_Scorecard_for_Public_Sector_Organizations_HBR_11159 9.pdf.

Figure 3.   Themes for Financial and Customer Perspectives
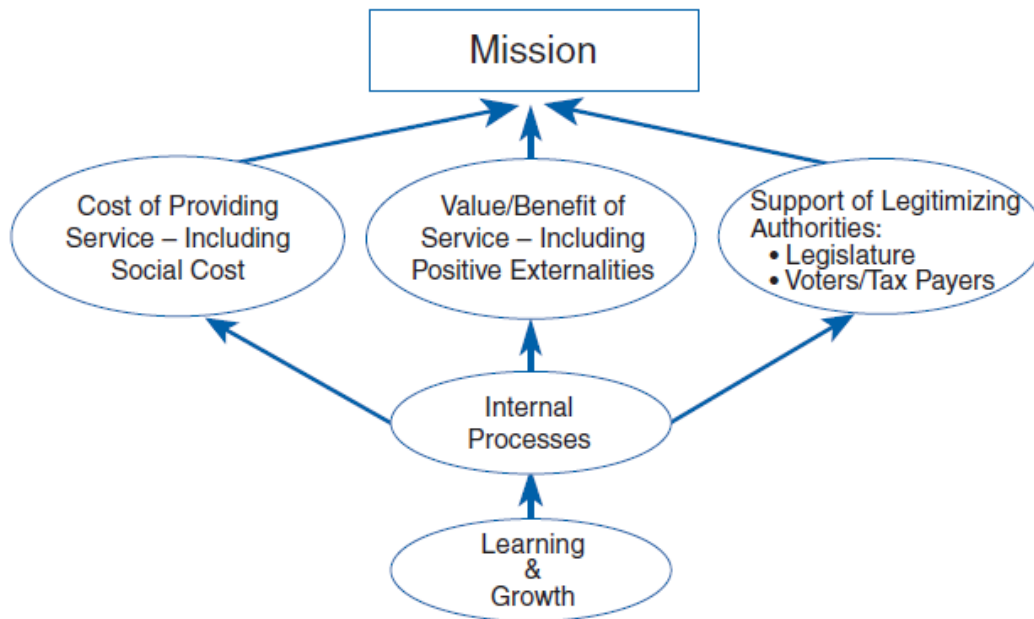
Kaplan recommends combining financial and customer perspectives of the traditional Balanced Scorecard and focus on three main themes that lead to mission success: Cost Incurred, Value Created, and Legitimizing Support. From Robert S. Kaplan, "The Balanced Scorecard for Public-Sector Organizations," *Balanced Scorecard Report* (1999): 4, ftp://72.167.42.190/safetyleaders/pdf/Balanced_Scorecard_for_Public_Sec tor_Organizations_HBR_111599.pdf.

In the next seven subsections, we define each of the four Balanced Scorecard perspectives and expand on the basic questions they answer as presented by Kaplan and Norton. Throughout each perspective, we explain how the Balanced Scorecard can be modified for use in the public, non-profit, and government sector. Next, we provide an example of a Balanced Scorecard developed by Dr. Thomas L. Albright, Commander Chad A. Gerber (United States Navy), and Dr. Paul Juras showing how the Scorecard can be modified for use in a DOD organization where mission success and readiness are top objectives. Then, we identify a few key challenges that the Balanced Scorecard experiences. Finally, we show that the Balanced Scorecard has evolved to measure strategy and how a strategy map can be beneficial to any organization.

1.   Financial Perspective

In publicly traded and private-for-profit companies, one of the most important objectives is to increase the bottom line on its balance sheet and show continuous profitability. Kaplan and Norton introduce the Financial Perspective, which asks the question, "How do we look to shareholders?"[58] By strategically listing the financial perspective at the top of the Scorecard, they clearly show that all other perspectives, objectives, and performance measures, "should be part of a link of cause-and-effect relationships that culminate in improving financial performance."[59] Through Kaplan and Norton's detailed description of the cause-and-effect relationship, they further identify financial measures (within the financial perspective) as, "outcome measures (lagging indicators)."[60] These lagging indicators are then linked and affected by other perspective measures in the Balanced Scorecard known as "performance drivers (leading indicators)."[61] They explain that any change or operational improvement taken by a company should ultimately lead to increased financial performance. If the implementation of operational alterations does not result in improved financial performance, company executives should either review their overall strategy, or consider a revision of the changes made.[62]

Kaplan and Norton also stress the importance of choice when it comes to financial measurements or metrics within this perspective because it is greatly dependent on the stage of a business's life cycle.[63] They go on to describe a few financial measures: cash flow, return on investments (ROI), and revenue growth among many others. If a company is in early stages of development, negative cash flows and lower ROI may be acceptable, so financial measures such as these may not be the most accurate measure of financial

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[58] Kaplan and Norton, *Balanced Scorecard* 1992, 72.

[59] Kaplan and Norton, *Balanced Scorecard* 1996, 47.

[60] Ibid., 30–32.

[61] Ibid.

[62] Kaplan and Norton, *Balanced Scorecard* 1992, 77.

[63] Kaplan and Norton, *Balanced Scorecard* 1996, 48.

success or well-being at that moment in time.[64] On the other hand, if a company is in a more mature and sustained phase of its life cycle, then measures such as operating income and gross margin may be a better choice which, in turn, signals to investors that they are operating in an efficient manner.[65] Kaplan and Norton summarize and reiterate that the financial perspective of the Balanced Scorecard focuses on the long-term financial success of a company and, "ultimately, causal paths from all the measures on a scorecard should be linked to financial objectives."[66]

As previously mentioned, Kaplan and Norton developed the Scorecard with private and for-profit companies in mind and strategically placed the financial perspective at the top. However, Kaplan also recognized that public, non-profit, and government organizations can restructure their organizational Scorecard by combining financial and customer perspectives. Paul R. Niven takes Dr. Kaplan's ideas a step further in his book titled *Balance Scorecard Step-by-Step for Government and Nonprofit Agencies*. In his book, Niven echoes Kaplan stating that though financial management is critically important, especially in an environment of limited resources and constant fiscal oversight, a financial perspective does not take the top spot on a Balanced Scorecard; mission and customer perspective should be the main focus.[67] A satisfied customer is usually a key objective in any DOD organization that provides services. In the case of the JIATFS CTF Cell, they are in the business of providing intelligence analysis products to numerous customers and answering requests-for-information (RFI). Therefore, the customer perspective, which we will discuss in greater detail later, is a key focus of the Cell's Scorecard.

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[64] Kaplan and Norton, *Balanced Scorecard* 1996, 48.

[65] Ibid., 49.

[66] Ibid., 151.

[67] Paul R. Niven, *Balanced Scorecard: Step-by-Step for Government and Nonprofit Agencies* (Hoboken: John Wiley & Sons, 2003), 33.

2.   Customer Perspective

If a company wants to achieve long-term financial success, it must focus on the production of and/or service performance valued by current and potential customers and markets.[68] This is the statement that Dr. Kaplan and Dr. Norton make as they introduce their second perspective in the Balanced Scorecard: Customer Perspective, which asks the question, "How do customers see us?"[69] Even though it is important to remain customer- and market-focused, they advise that companies identify specific customers and markets, or they risk becoming a company "that tries to do everything to everybody [and] usually end[s] up being nothing to anyone."[70] However, if companies clearly identify a target customer and market, it will enable them to establish and maintain a sustained competitive advantage, which is the key to success in any business. Kaplan and Norton identify five core customer measures that companies could concentrate on: market share, customer retention, customer acquisition, customer satisfaction, and customer profitability.[71] They explain that even though these five core customer measures are essential to improving company performance, they are considered outcome or lagging measures that, "do not communicate what employees should be doing in their day-to-day activities to achieve the desired outcomes."[72] With this identified, Kaplan and Norton explore more and recognize three customer value propositions: product/service attributes, customer relationship, and image and reputation. By selecting objectives and performance measures from these customer value propositions, companies will be better able to supply the needs of current and potential target customers and drive the creation of loyalty and satisfaction.[73]

Again, Kaplan and Norton, and Niven all agree that not only is the customer perspective critically important to public, non-profit, and government organizations, but

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[68] Kaplan and Norton, *Balanced Scorecard* 1996, 63.

[69] Kaplan and Norton, *Balanced Scorecard* 1992, 72.

[70] Kaplan and Norton, *Balanced Scorecard* 1996, 64.

[71] Ibid., 67.

[72] Ibid., 85.

[73] Ibid., 73; 85.

they recommend that Scorecards be structured to recognize this shift in focus. In defending the elevation of the customer prospective in public Scorecards, Niven states, "achieving a mission does not equate with fiscal responsibility and stewardship; instead, the organization must determine whom it aims to serve and how their requirements can best be met."[74] Even more, the ability to restructure the Balanced Scorecard shows just how flexible and tailorable this managerial business tool is. In the case of the JIATFS CTF Cell, they provide intelligence analysis products to law enforcement and other intel-requiring agencies. Without customers asking for CTF intelligence analysis, there would be no need for a CTF Cell within JIATFS. However, that is not the case; measuring customer relationships, customer growth, and customer satisfaction could be a key driver to keeping the cell in business with a continuous flow of funding and resources from their sponsor.

3.   Internal-Business-Process Perspective

As companies focus on their current and future customers' value, they inevitably look internally and come to the realization that their superior "processes, decisions, and actions" lead them to meet customer demands.[75] Dr. Kaplan and Dr. Norton recognize these critical processes, decisions, and actions in the third perspective of the Balanced Scorecard: Internal-Business-Process Perspective, which asks the question, "What must we excel at?"[76] In presenting this internal business perspective, Kaplan and Norton point out that this section of the Balanced Scorecard encourages companies to concentrate not only on their core business competencies, but also on the, "critical technologies needed to ensure continued market leadership," that are directly linked to overall strategy and financial performance.[77] This is different than traditional performance measurement systems which were created to solely bolster current and already existing business processes, which inherently lack a forward-looking viewpoint.[78] Kaplan and Norton

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[74] Niven, *Balanced Scorecard: Step-by-Step*, 34.

[75] Kaplan and Norton, *Balanced Scorecard* 1992, 74.

[76] Ibid., 72.

[77] Ibid., 75.

[78] Kaplan and Norton, *Balanced Scorecard* 1996, 92.

argue that if companies can better identify and develop differentiated products and services that are valued by current and potential customers during while also simultaneously having an innovative process; it will enhance customer value through reliability.[79] Additionally, they believe that managers must not only improve critical processes that lead to meeting customer expectations, but must also identify and implement measures on processes that are required to exceed future demand.[80]

When looking at the internal-business-process perspective from a public, non-profit vantage point, Kaplan and Norton, and Niven do not see any disparity compared to private, for-profit companies. Niven sums up the importance of internal business processes, affirming that "the key to Balanced Scorecard success lies in selecting, and measuring, just those processes that lead to improved outcomes for customers, and ultimately allow you to work toward your mission."[81] In the case of the JIATFS CTF Cell, they have a number of processes that aid in creating intelligence analysis products that support law enforcement; but the challenge lies in identifying the key processes and measuring those on the Scorecard.

4.   Learning and Growth Perspective

Kaplan and Norton focused the first three perspectives of the Balanced Scorecard on how companies can reach a level of superior performance and financial breakthrough by identifying cause-and-effect relationships in internal-business-process and customer demands. However, Kaplan and Norton purposely left the fourth and final perspective for last: Learning and Growth Perspective, which asks the question, "Can we continue to improve and create value?"[82] They strategically placed this perspective at the bottom of the scorecard because objectives within the learning and growth perspective are the foundation of the Balanced Scorecard. These learning and growth objectives are described as, "the drivers for achieving excellent outcomes in the first three scorecard

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[79] Ibid., 92.

[80] Ibid., 115.

[81] Paul R. Niven, *Balanced Scorecard Diagnostics: Maintaining Maximum Performance* (Hoboken: John Wiley & Sons, 2005), 35.

[82] Kaplan and Norton, *Balanced Scorecard* 1992, 72.

perspectives."[83] Kaplan and Norton expound that the learning and growth perspective focuses on three specific principal categories: employee capabilities, information systems capabilities, and motivation, empowerment, and alignment.[84] In revealing these three categories, the Balanced Scorecard inventors show that companies must pay keen attention to measurements such as, but not limited to: employee satisfaction surveys, employee retention and length of average employment, employee productivity in the form of revenue per employee, ability to reskill employees rapidly, and motivation of the work force measured by number of employee suggestions.[85] Even though Kaplan and Norton give details and examples of the Learning and Growth Perspective categories and measures, we believe they highlight their main intention of this perspective in the following quotation when they state a challenge for managers of organizations:

> [Managers] often found it difficult to sustain investments to enhance the capability of their people, systems, and organizational processes… so cutbacks in these investments are an easy way to produce incremental short-term earnings. The long-term consequences of consistent failure to enhance employee, systems and organizational capabilities will not show up in the short run, and when they do, these managers reason, it may be on somebody else's "watch."[86]

This statement clearly highlights the critical link between all four Balanced Scorecard perspectives. If managers and organizations recognize the importance of monitoring and improving investment in learning and growth of employees, it will have a positive effect on the other perspectives ultimately increasing overall financial performance.

Just as with the internal-business-process perspective, Kaplan and Norton, and Niven all agree that there are no significant differences between public, non-profit organizations and private, for-profit companies when it comes to the learning and growth perspective. Niven recognizes that public organizations "rely heavily on the skills,

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[83] Kaplan and Norton, *Balanced Scorecard* 1996, 126.

[84] Kaplan and Norton, *Balanced Scorecard* 1992, 127.

85 Kaplan and Norton, *Balanced Scorecard* 1996,129-137.

86 Ibid., 126.

dedication, and alignment of their staff to achieve their socially important goal."[87] In the case of the JIATFS CTF Cell, a small organizational footprint allows more collaborative work on cases, but it also puts additional demand on each employee to be an expert in CTF and intel analysis. Additionally, from our CTF literature review, we know the demand for CTF is rising and therefore the JIATFS CTF Cell members need to flexible, willing, and able to learn the new ways adversaries are financing their illicit activities.

5. DOD Use of the Balanced Scorecard

Dr. Tom Albright, CDR Chad Gerber, and Dr. Paul Juras published a cover story in the Strategic Finance Magazine (October 2014 issue) titled *How Naval Aviation Uses the Balanced Scorecard*, in which they redesigned the traditional Balanced Scorecard for use in an United States Navy F/A-18 Strike Fighter Squadron. In this article, Albright, Gerber, and Juras are the first authors to publish an example of how operational commands within DOD can alter and use the Balanced Scorecard. Similar to what Dr. Norton states in his 1999 Report on Public-Sector Organizations, they argue that the learning and growth and internal process perspectives are similar to for-profit organization Scorecards, but they begin to diverge at the customer and financial perspectives.[88] They state that DOD organizations such as the U.S. Navy focus primarily on a "readiness" perspective to meet mission success.[89] Below are the three main modifications that Albright, Gerber, and Juras made when restructuring the Balanced Scorecard for strike fighter squadrons:

1. Replace the customer and financial perspectives with organizational levels who are responsible for readiness: Learning and Growth (Squadron Commander), Internal Business Process (Squadron Commander), Strike Group and Air Wing Readiness (Admiral/Commander)

2. Pilot training is classified as an Internal Business Process rather than Learning and Growth since training is part of daily internal business required for aviation.

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87 Niven, *Balanced Scorecard: Step-by-Step,* 33.

88 Albright et al., "How Naval Aviation," 22.

89 Ibid.

3.   Various maintenance crew inspections are classified as Learning and Growth rather than Internal Business Process outcomes since they contain a major teaching and learning opportunity. [90]

By modifying the Balanced Scorecard, Albright, Gerber, and Juras show how defense sector organizations, such as the Naval Aviation community within DOD, can use a managerial business tool to link and measure day-to-day performance to organizational strategy.

This method of Balanced Scorecard restructuring in conjunction with the thoughts of Kaplan and Norton, and Niven on adjusting perspectives for public, non-profit organizations is applicable to creating a Scorecard for the JIATFS CTF Cell. However, even though it may sound simple, there are some key challenges that organizations encounter when creating and implementing Scorecards. We will explore these Balanced Scorecard challenges next.

6.   Balanced Scorecard Challenges

The Balanced Scorecard, just like other performance and management measurement systems, has key challenges that are recognized by many business professionals, academics, and organizations. Below are a few of the key challenges of the Balanced Scorecard that we will briefly explain:

1.   Iterative and time consuming process

2.   Performance measurement is hard and often arbitrary

3.   Incorrect mission and strategy cascade

The first challenge identified is that the Balanced Scorecard requires an iterative and time consuming process to design, implement, and refine all perspectives, objectives, measures, targets, and initiatives. Kaplan and Norton's experience leads them to recommend a 16-week timeline for an organization to implement their first Balanced Scorecard.[91] Kaplan and Norton highlight quite a few assumptions in presenting this

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[90] Ibid., 23.

[91] Kaplan and Norton, *Balanced Scorecard* 1996, 308–311.

timeline: strategy is formed, market and customer research is complete, and dedicated senior executives and groups that are available to conduct interviews, participate in workshops, and attend meetings.[92] In addition, they recognize the Balanced Scorecard is an organic document that needs to be consistently reviewed and refined. Just as they stated in their Preface of the first book, the Balanced Scorecard has evolved over time and therefore an initial Balanced Scorecard is not the final product.[93] Other Balanced Scorecard advocates, such as Niven, agree with Kaplan and Norton in regards to meticulous and continuous timelines to develop, implement, and refine organizational Scorecards. In his rendition of a timeline, Niven provides a 20-week schedule for government and non-profit organizations along with a checklist to track Scorecard readiness before implementation.[94] He also agrees that the development of this managerial business tool requires continuous engagement, "The Scorecard is not something to be 'picked away at' as time permits."[95] Even more, Niven suggests results and of Balanced Scorecard be reviewed "at least quarterly, but even more frequently, monthly for example, if feasible."[96] As markets and customers readily change, it is inevitable that organizations will need to rethink strategy, change objectives, measures, and targets within the Scorecard in order remain relevant and competitive.

The second challenge of the Balanced Scorecard is that performance measurement is hard and often arbitrary.[97] Marshall W. Meyer wrote *Rethinking Performance Measurement* and introduced another performance measurement tool, the activity-based profitability analysis (ABPA) which he believes covers gaps overseen by the Balanced Scorecard by, "focusing on the basics: what are we doing, what does it cost, and what will the customer pay for it."[98] By developing a measurement tool focused on these

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[92] Ibid., 308–310.

[93] Ibid., ix.

[94] Niven, *Balanced Scorecard: Step-by-Step*, 70–72.

[95] Ibid., 70.

[96] Ibid., 172.

[97] Marshall W. Meyer, *Rethinking Performance Measurement: Beyond the Balanced Scorecard* (Cambridge: Cambridge University Press, 2002), 2.

[98] Meyer, *Rethinking Performance Measurement.*, xiii.

basics, Meyer argues that an organization will not have to worry about finding the right balance of financial and non-financial measures, but can concentrate on measures associated with the basic business questions that matter.[99] Meyer also states measures are "often arbitrary (since it is difficult to prove that any one measure is better than others)."[100] He is highlighting the fact that finding the right mix and match of performance measures is extremely difficult and may not be the most efficient use of an organization's limited time.

The third key challenge facing the Balanced Scorecard is incorrect mission and strategy cascade. Dr. Kaplan and Dr. Norton identified this fact as they continued to develop the Balanced Scorecard over the years and have addressed it through the introduction of *Strategy Maps* which we discuss in our next section. Kaplan and Norton recognized the Balanced Scorecard was initially developed to address the issue of measurement, but as they worked with organizations and companies implementing this tool, they realized it was actually a management tool that should measure the strategy. They state "all of the objectives and measures on the Balanced Scorecard—financial and nonfinancial—should be derived from the organization's vision and strategy."[101] Kaplan and Norton dedicate an entire book, *The Strategy-Focused Organization* to explain the importance of strategy and how the Scorecard evolved into a management tool that could measure how well strategy was being implemented. However, what if an organization agrees on the wrong strategy from the beginning? This error will inevitably cascade down into all four perspectives of the Balanced Scorecard causing the organization to choose the wrong performance objectives and select the incorrect performance measures. These errors can prove fatal to an organization if not caught and addressed. Thus, "What you measure is what you get."[102] If an organization has the wrong strategy, they will measure the wrong leading and lagging indicators.

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[99] Ibid., 107.

[100] Ibid., 2.

[101] Robert S. Kaplan and David P. Norton, *The Strategy Focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment* (Boston: Harvard Business School Press, 2001), 3.

[102] Meyer, *Rethinking Performance Measurement*, 4.

7.   Strategy Map

As the Balanced Scorecard continued to evolve, Kaplan and Norton realized that their performance measurement tool was being used to communicate and measure an organization's strategy.[103] They continued to refine their business management tool and developed a new tool, the *strategy map*, which they describe as, "a visual representation of a company's critical objectives and the crucial relationships among them that drive organizational performance."[104] Figure 4 is an example of a strategy map template. In addition to this description, Kaplan and Norton also explain some other benefits of the strategy map. First, it shows employees how their jobs and day-to-day activities are linked to the objectives and ultimately the overall strategy and mission of the organization.[105] Second, strategy maps "show cause-and effect links" within the Scorecard.[106] These cause-and-effect relationships are important when organizations want to determine what effects specific actions have throughout the perspectives of the Scorecard and their overall impact on the top objectives and mission. And third, "strategy maps show how an organization will convert its initiatives and resources—including intangible assets such as corporate culture and employee knowledge—into tangible outcomes."[107] Kaplan and Norton expand on this third benefit of the strategy map in a dedicated article, *The strategy map: guide to aligning intangible assets*. In this article they explain that intangible assets within organizations can account for more than 75 percent of a company's value and therefore strategy and the Balanced Scorecard should absolutely include these assets.[108] Kaplan and Norton offer the following summary stating the goal of the strategy map is to:

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[103] Kaplan and Norton, *Strategy Focused Organization*, 3.

[104] Robert S. Kaplan and David P. Norton, "Having Trouble with Your Strategy? Then Map It," *Harvard Business Review* 78, no. 5 (2000): 168, https://hbr.org/2000/09/having-trouble-with-your-strategy-then-map-it.

[105] Ibid.

[106] Ibid.

[107] Kaplan and Norton, *Strategy Focused Organization*, 168.

[108] Robert S. Kaplan and David P. Norton, "The Strategy Map: Guide to Aligning Intangible Assets," *Strategy & Leadership* 32, no. 5 (2004): 10, http://search.proquest.com/docview/194374134?accountid=12702.

Enable an organization to describe and illustrate, in clear and general language, its objectives, initiatives, and targets; the measures used to assess its performance (such as market share and customer surveys); and the linkages that are the foundation for strategic direction.[109]

Figure 4.   Example of Strategy Map
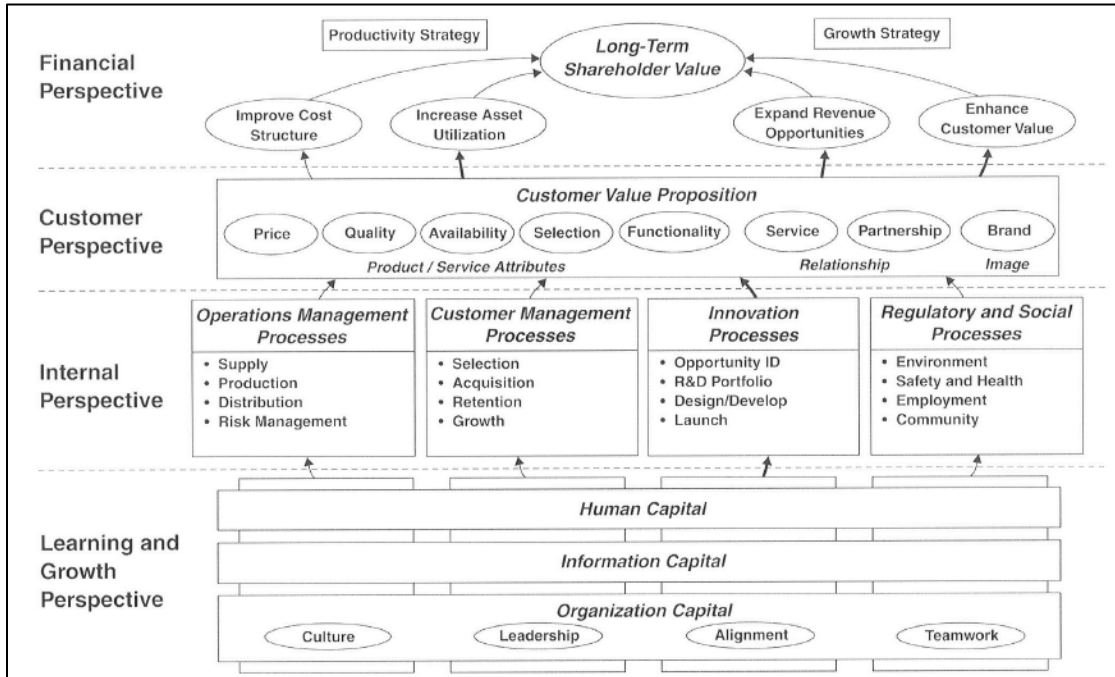
Kaplan and Norton provide a strategy map template which depicts a visual representation of the cause-and-effect relationships between strategy, objectives, and measures across all four perspectives of the Balanced Scorecard. From Robert S. Kaplan and David P. Norton, "The Strategy Map: Guide to Aligning Intangible Assets," Strategy & Leadership 32, no. 5 (2004): 10, http://search.proquest.com/docview/194374134?accountid=12702.

D.   CHAPTER SUMMARY

In Chapter II, we provided a literature review of past and current research in three key areas associated with our project: Counter Threat Finance (CTF), JIATFS CTF Cell performance measurement, and the Balanced Scorecard. First, we described the evolution of CTF by reviewing its history, authorities, policies, laws, and organizations in the

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[109] Kaplan and Norton, "Having Trouble," 170.

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global, United States, and U.S. Department of Defense (DOD) arenas. We also discussed the future role of CTF and stated that it is a capability that will continue to grow. The second area of this literature review shifted focus to JIATFS CTF Cell performance measurement where we defined both the individual and organizational performance measurement systems that are in place. We argued that these systems are based on an arbitrary and very subjective rating system. In the third and final area of our literature review, we presented the Balanced Scorecard and its four main perspectives (financial, customer, internal-business-process, and learning and growth). We also explained that Kaplan and Norton's initial development of the Balanced Scorecard was intended for private and for-profit organizations, but we provided examples of how this tool can be used to support public, non-profit, and government organizations. As explained here, some recognized challenges of the Balanced Scorecard continue to exist. Finally, we briefly described the development of Strategy Maps and how they provide the visual tool that show how the Balanced Scorecard links day-to-day activity to organizational strategy.

III. METHODOLOGY

In Chapter III, we describe in detail the research approach and method to gather information required to create an applicable business tool for the JIATFS CTF Cell. Following the creation of our MBA Project Group, we decided to focus efforts on CTF. We expressed interest in the topic, and many of CTF's core principles relate to our course of study in the Financial Management (FM) curriculum. One of these core principles includes an emphasis on "following the money."[110] Any organization conducting operations, whether it is a publically traded company or a terrorist group, requires money to finance its activities. With CTF selected as a broad topic, we then narrowed the focus of the project and decided to build a business tool to aid an organization within the DOD CTF realm. This allowed us the opportunity to apply knowledge of FM principles to create a business tool for the JIATFS CTF Cell.

A. RESEARCH APPROACH

After deciding to create a business tool to aid a DOD CTF organization, the next step involved selecting a group that may benefit from its development. As SOCOM serves as the CTF lead component for synchronizing DOD CTF activities, we first engaged with the SOCOM CTF Cell. The SOCOM cell was receptive to the idea of working with us to develop a business tool to aid their organization. However, after further conversation, we discovered the cell consists of approximately 30 members that focus on strategic level CTF capabilities worldwide.[111] The size and scope of SOCOM's cell hampered our ability to develop an adequate business tool for their use in the time allotted. We established CTF points of contact at U.S. Northern Command (NORTHCOM) and JIATFS, but elected to proceed with developing the tool for the cell at JIATFS based on their willingness to support our efforts.

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[110] U.S. Department of Treasury, "What We Do," accessed June 25, 2015, http://www.fincen.gov/about_fincen/wwd/index.html.

[111] Phone conversation with Director, USSOCOM J36 (Transnational Threats Division), October 17, 2014.

The next step involved selecting the proper business tool for the cell. We first conducted a cost benefit analysis (CBA) to assist the cell's decision-making process regarding funds and resource allocation. We gathered information from the cell related to their monetary costs and conducted research to account for other costs and benefits. However, the final product yielded inconclusive results that did not benefit the cell. Therefore, we decided to create an alternative tool that may offer the cell more value. A brief synopsis of the CBA results can be located in Supplemental A and the entire CBA can be obtained by contacting the Dudley Knox Library at the Naval Postgraduate School (NPS).

1. Selection of the BSC

After realizing a CBA was not the tool of choice, we determined a BSC was the best option. We learned about the use of BSCs in private industry throughout a number of our courses at NPS to include Cost Management, Management Control Systems, and Strategic Management. In each course we discussed how the BSC aimed to address the growing importance of non-financial measures of for-profit entities and their effects on overall company value.[112] We also learned that public, non-profit organizations, to include DOD, can tailor the Scorecard to support their daily operations. As discussed in the DOD use of the Balanced Scorecard section of the literature review, we shared an example of how an organization within the DOD can adjust the BSC perspectives to reflect operational readiness and mission success as a primary focus. The BSC would allow us to build a practical managerial business tool that links day-to-day activity with organizational strategy for the cell. The next challenge of this project started when we began to develop the BSC structure.

2. BSC Structure

When conducting the literature review, we obtained step-by-step guides on how to build a Balanced Scorecard from both Robert Kaplan and David Norton and Paul Niven. Both guides are extensive, and we combined key elements from each. At the same time,

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[112] Kathryn Aten, Class Lecture for GB4014, April 1, 2015.

we used the Naval Aviation BSC developed by Tom Albright, Chad Gerber, and Paul Juras for additional guidance in developing a DOD-specific BSC for the cell. Below are the key elements we incorporated into the structure of the Scorecard:

- *Mission at the Top:* "Public, non-profits do not aim to improve shareholder value, but 'serve a higher purpose.'"[113]

- *Ensure Strategy Supports Mission:* If an organization lacks strategy, or has the incorrect strategy, it can cripple the mission. "The uplifting words contained in mission, value, and vision statements represent nothing but wishful thinking unless accompanied by a strategy."[114] To assist with this key element, we completed a project during a Strategic Management course that assessed the cell's current strategy. See Supplemental B for a brief synopsis of this project.

- *Customer First:* Since shareholders do not exist in the public, non-profit environment, the financial perspective is not the top priority, but key stakeholders are critical to the continuing existence of public organizations. Echoing the words of Kaplan, "public-sector organizations should measure their success by how effectively and efficiently they meet the needs of their constituencies."[115]

- *Internal-Business-Processes and Learning and Growth next:* Being at the bottom of the Scorecard does not mean these two BSC perspectives come last, but actually the opposite is true. Both the internal-business-process and learning and growth perspectives are what start the drive to mission success. When it comes down to choosing what perspectives to use, Niven explains, "Ultimately, the choice of perspectives should be based on what is necessary to tell your strategic story."[116]

- *Performance Objectives:* The key link between an organization's strategy and the way they measure success is through their objectives. Niven says objectives "describe what you must do well in order to effectively implement your strategy."[117]

- *Performance Measures:* The goal of the BSC is to measure how well an organization is doing to achieve its mission. Therefore, the measures must be the right measures. Kaplan and Norton emphasize the importance of leading measures affirming, "the art of defining measures for a scorecard

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[113] Niven, *Balanced Scorecard: Step-by-Step*, 33.

[114] Ibid., 130.

[115] Kaplan, "Balanced Scorecard for Public-Sector Organizations," 4.

[116] Niven, *Balanced Scorecard: Step-by-Step*, 160.

[117] Ibid., 167.

rests with the performance drivers. These are the measures that make things happen, that enable the core outcome measures to be achieved."[118]

- *Set Weights:* "Not all performance measures are created equal."[119] Therefore, it is necessary to assign weights to all measures and identify the most important ones if there are any.

- *Set Targets:* An organization must continually ask itself, "What are we measuring ourselves against?" If there is no target to measure against, what is the point of measuring in the first place? "Targets are powerful communication tools, informing the entire organization of the expected level of performance required to achieve success."[120]

- *Build a Strategy Map:* A strategy map helps show the links between performance measures, strategy, and mission in the BSC. Kaplan and Norton state, "a strategy map specifies [the] cause-and-effect relationships, which makes them explicit and testable."[121]

After combining these key elements, we had the basic structure of the Scorecard. Next, we discuss the method used to gather the information to populate the cell's BSC.

B.   METHOD

We determined a site visit would be the best way to gather the information required to create the BSC. Prior to the visit, we worked with our advisors to develop a common questionnaire, as displayed in Appendix B, for the individual cell members. These questions were formulated based on the BSC perspectives (i.e., financial, customer, internal-business processes, and learning and growth) and attempted to gather more information about the following:

- How the cell currently measures performance

- How current performance measures tie day-to-day activities to current mission and strategy

- If the cell conducts procedures and processes that are not tied to current mission and strategy.

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[118] Kaplan and Norton, *Balanced Scorecard* 1996, 306.

[119] Niven, *Balanced Scorecard: Step-by-Step*, 204.

[120] Ibid., 216.

[121] Kaplan and Norton, "Having Trouble," 176.

Following the development of the questionnaire, we traveled to Key West, Florida, to conduct a site visit and run a BSC Workshop on February 26–27, 2015. The first day of the site visit afforded us the opportunity to meet with the JIATFS Intelligence (J2) Director, the cell chief, and the cell members. The meetings with the cell promoted knowledge sharing as we received the cell's inbrief concerning how they operate and observed their daily work process. We conducted individual interviews with the cell members at the end of the day using the questionnaire to guide the sessions. That evening, we consolidated results from the questionnaires to facilitate the BSC Workshop planned for the second day of the site visit.

On day two of the site visit, we conducted an interactive BSC Workshop. The workshop focused on providing the cell with some background and benefits of the BSC. We discussed the cell members' anonymous answers from the questionnaires and illustrated many of the similar responses regarding mission, strategy, and performance objectives. The workshop concluded with an attempt to have the cell collectively agree on organizational performance measures that enable objectives linked to strategy.

Following the site visit, we continued to engage the cell through numerous emails and phone conversations focused on identifying performance measures required for BSC development. After the cell came to a consensus regarding the measures, we requested the cell jointly rank, assign weights, and set targets for each measure.

C.   CHAPTER SUMMARY

In summary, our group agreed on CTF as a broad project topic based on the desire to learn more about the subject and some characteristics it shares with the FM community. We decided to develop a business tool to aid a CTF organization in the DOD and established a working relationship with a cell small enough to allow a thorough product. We decided that the best tool for the cell was a BSC because it highlights the importance of both financial and non-financial performance measures and links them directly to strategy ultimately leading to mission success. We formulated a questionnaire with our advisors and conducted a site visit focused on knowledge sharing, observing the cell's work process, interviewing the cell members, and conducting a BSC Workshop.

The workshop provided the cell with BSC background and benefits, presented the cell with the most common responses from the questionnaire, and attempted to identify organizational performance measures. After the site visit, we worked with the cell through email and phone conversation to finalize a list of performance measures, rank them, assign weights, and set targets. In the next chapter, we discuss the findings of this project and the detailed aspects of the JIATFS CTF Cell BSC.

IV. JIATFS CTF CELL BSC AND STRATEGY MAP

Chapter IV presents and explains the details of the JIATFS CTF Cell BSC and the corresponding strategy map. This organizational BSC is constructed from a cell analyst perspective and only includes cell analyst performance objectives. Although the cell chief performance objectives were obtained during the BSC Workshop, they are not incorporated into this Scorecard. The cell chief performance objectives apply only to the chief and are better suited for an individual Scorecard. Further, many specific daily tasks performed by the chief can also be captured by the cell analyst performance objectives and measures.

A. FINDINGS

During development of the cell BSC, it was imperative to understand the cell's mission and determine how it related to the mission of the JIATFS J2 (Intelligence Directorate) and the overall mission of the entire JIATFS command. Figure 5 depicts a comparison between the stated missions of the CTF Cell, JIATFS J2 and JIATFS as a whole.

Figure 5.   Mission Comparison

	JIATFS CTF Cell	JIATFS J2	JIATFS
MISSION	"Disrupt Transnational Criminal Organizations by attacking their financial structures/denying resources."[122]	"Support the command with reliable and timely intelligence information and provide appropriate indications and warnings on the characteristics of drug trafficking organizations."[123]	"Conduct interagency and international Detection & Monitoring operations and facilitate the interdiction of illicit trafficking and other narco-terrorist threats in support of national and partner nation security."[124]

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[122] Email message from JIATFS CTF Cell Chief, November 17, 2014.

[123] U.S. Department of Defense, "Joint Interagency Task Force South Directorates," accessed August 7, 2015, http://www.jiatfs.southcom.mil/index-2.aspx.

[124] U.S. Department of Defense, "Joint Interagency Task Force South."

We determined that by focusing on disrupting transnational criminal organizations (TCO), the cell's mission supports the J2 mission by providing appropriate indications and warnings on the characteristics of DTOs.[125] This, in turn, aligns with and supports the JIATFS overall mission by facilitating the interdiction of illicit trafficking and other narco-terrorist threats.[126]

1.   Cell Strategies

We examined the cell's strategies after determining the cell's mission aligned with the J2 and JIATFS missions. Two of their strategies, according to email correspondence with the CTF Cell Chief, include "enabling counter-network actions by Law Enforcement (LE)" and "targeting illicit trafficking." We evaluated the strategies using the knowledge gained from the site visit, and concluded the cell's strategies enable its current mission. By enabling counter-network actions by LE and targeting illicit trafficking, the cell can help disrupt TCOs. Ensuring the cell's strategies support its mission was critical prior to the construction of the BSC. However, as Kaplan and Norton make note, a BSC will not enable the cell to achieve its mission if it is developed to help implement incorrect strategies.[127]

2.   Performance Objectives

After we verified the cell's strategies were linked to the cell's mission, the next step was to identify collective cell performance objectives. The purpose of these performance objectives is to convert strategy into what Niven terms as "directional and action-oriented statements."[128] When we asked each cell member how or what they did to achieve the cell's strategies, every member stated they followed their individual CTF Cell Analyst DCIPS Performance Objectives: Target Illicit Proceed Activity, Research, Analysis, and Production, and Driving Full Cycle Intelligence Process.[129] Again, the

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[125] U.S. Department of Defense, "Joint Interagency Task Force South Directorates."

[126] U.S. Department of Defense, "Joint Interagency Task Force South."

[127] Kaplan and Norton, *Balanced Scorecard* 1996, 192.

[128] Niven, *Balanced Scorecard: Step-by-Step*, 167.

[129] From Cell Member Interviews conducted February 26-27, 2015.

definition of these CTF Cell Analyst Performance Objectives as provided by the cell chief can be found in Appendix A. For this BSC, the cell's organizational performance objectives are a mirror image of the individual cell analyst performance objectives. As previously stated, it is important to recognize that the cell chief has separate individual performance objectives: Supervisor Management, Target Attack, and Integration and Synchronization.[130] Even though the importance of these performance objectives is recognized, this BSC is created from a cell analyst perspective and therefore does not include these specific objectives.

3.   Performance Measures

The verification and identification process for mission, strategies, and performance objectives was straightforward since they were all previously identified. The difficulty in the BSC development process started when questions were asked about cell performance measures. Before our performance measure findings are presented, it is important to recap how the cell measures performance. The cell identified two ways of measuring performance: an individual performance measurement system using the Defense Civilian Intelligence Personnel System (DCIPS), and an organizational performance measurement system using manually produced metrics. At first glance, it seemed as though the cell already had the necessary performance measures required to populate the BSC. After further analysis, we determined the individual DCIPS performance measures contained an arbitrary 1–5 scoring system based on subjectivity rather than on concrete measures of intel analyst day-to-day activity. Even though there are performance objective rating descriptors that describe the difference between rating scores, the differences are not based on a measure of activity. Rather, the determining factor between these rating scores is dependent upon individual and manager interpretation. This BSC provides a less arbitrary and subjective scoring system by identifying and measuring key day-to-day activities. In addition to the individual performance measurements, the cell produces organizational metrics reports for JIATFS

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[130] Email message from JIATFS CTF Cell Chief, June 2, 2015.

leadership and the DASD CN&GT.[131] The importance placed on these organizational metrics reports is warranted, but most measures on this report recognize the end result of the cell's day-to-day activities. The BSC developed in this project not only recognizes these end result metrics, but goes a step further and includes drivers of these results as well.

The BSC Workshop reached a stalemate during performance measure development. After several follow-on email and phone conversations, the cell collectively agreed on 14 organizational performance measures.[132] These 14 organizational performance measures are listed and are identified by the characteristics of supported performance objective, assigned BSC perspective, and type of indicator (leading or lagging) in Appendix C. The subsections below define these organizational performance measures and provide an in depth description of each characteristic: supported performance objective, assigned BSC perspective, and the type of indicator (leading or lagging).

Measure #1: Number of Decisive Actions per quarter

Measure Definition: Decisive actions are considered actions that produce significant results for the LE investigations and/or D&M process such as indictments, arrests, or bulk cash and asset seizure.[133] This performance measure is one of the key organizational metrics reported by the cell to JIATFS leadership and the DASD CN&GT.[134]

Supported Performance Objective: This measure supports the target illicit proceed activity performance objective by having direct and indirect effects on the disruption of illicit funding and activity.[135]

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[131] Phone conversation with JIATFS CTF Cell employee June 15, 2015

[132] JIATFS CTF Cell organizational measures, targets, and weights were determined via multiple emails and phone calls with cell intel analysts from February-June 2015.

[133] Phone conversation with JIATFS CTF Cell Chief on November 17, 2014 and List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015.

[134] Email containing metrics from JIATFS CTF Cell Chief November 17, 2014

[135] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015

Assigned BSC Perspective: This measure is considered part of the customer perspective because, as Niven explains, it identifies the result that the cell's customers (e.g., LE and internal JIATFS departments) desire: decisive actions.[136] Even more, it measures only the decisive actions that the cell enabled through intel analysis provided to its customers. Customers desire decisive actions because they constrain DTOs from conducting further illicit activities.

Type of Indicator (Leading or Lagging): This measure is considered a lagging indicator. Decisive actions are the result of day-to-day intel analysis and casework conducted by the cell.

Measure #2: Amount of Bulk Cash Seized/Disrupted/Jettisoned per quarter

Measure Definition: Bulk cash is the hard cash from the sale of illicit drugs or other illicit activity returning to the originating source.[137] The amount of bulk cash seized/disrupted/jettisoned is another key organizational metric reported by the cell to JIATFS leadership and the DASD CN&GT.[138]

Supported Performance Objective: This measure supports the target illicit proceed activity performance objective by assisting in the disruption of DTO illicit funding and activity.[139] This measure also enables LE and JIATFS to conduct investigations and target, track, and potentially interdict additional illicit activity.[140]

Assigned BSC Perspective: This performance measure is considered part of the customer perspective because, as Niven describes, it identifies what its customer values: bulk cash from illicit activity targeted and seized/disrupted/jettisoned.[141]   Customers value illicit bulk cash interdiction and disruption because it disturbs future DTO operational funding.

Type of Indicator (Leading or Lagging): This measure is considered a lagging indicator because bulk cash is seized/disrupted/jettisoned as a result of the cell's support to the full D&M process.

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[136] Niven, *Balanced Scorecard: Step-by-Step*, 33-34.

[137] Email containing metrics from and phone conversation with JIATFS CTF Cell Chief November 17, 2014.

[138] Email containing metrics from JIATFS CTF Cell Chief November 17, 2014.

[139] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015.

[140] Obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015.

[141] Niven, *Balanced Scorecard: Step-by-Step*, 33-34.

Measure #3: Number of Cases Supported per quarter

Measure Definition: Cases are specific efforts of both LE and JIATFS that are tracked in a file and worked, hopefully leading to a decisive action.[142] The number of cases supported recognizes only the cases that the JIATFS CTF Cell directly supports.[143] The number of cases supported is another key organizational metric reported by the cell to JIATFS leadership and the DASD CN&GT.[144]

Supported Performance Objective: This measure supports the target illicit proceed activity performance objective by supporting LE case development and JIATFS operations.[145]

Assigned BSC Perspective: This performance measure is considered part of the customer perspective because, as Niven notes, it identifies what customer's value: support to their case work.[146] Customers value support to their case work because intel analysis and assistance provided by the cell provides them with information that may lead to a decisive action, the closing of a case, or the opening of an additional case.

Type of Indicator (Leading or Lagging): This measure is considered a lagging indicator. At first, this measure seems be a leading indicator because the number of cases supported enables LE and JIATFS to target and disrupt illicit fund movement and activity.[147] However, the number of cases supported is a lagging indicator because the cell can improve LE and internal JIATFS relationships, or find ways to improve quality and speed of intel analysis which could lead to additional case support.

Measure #4: Number of Current or New Contacts Engaged per quarter

Measure Definition: Contacts are considered organizations, or individuals (LE customers and domestic and foreign partners) who the cell engages to assist with Intel analysis.[148] Current contacts are those the cell previously

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[142] Email containing metrics from and phone conversation with JIATFS CTF Cell Chief November 17, 2014.

[143] Phone conversation with JIATFS CTF Cell Chief November 17, 2014.

[144] Email containing metrics from JIATFS CTF Cell Chief November 17, 2014.

[145] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015.

[146] Niven, *Balanced Scorecard: Step-by-Step*, 33-34.

[147] Obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015.

[148] Obtained from JIATFS CTF Cell Intel analysts via multiple emails and phone calls from February-June 2015.

engaged while supporting other cases while new contacts are those the cell has not engaged before.

Supported Performance Objective: This measure supports the target illicit proceed activity performance objective by enabling Intelligence Community (IC) and Intelligence Agency (IA) partner collaboration.[149] This collaboration allows for information sharing and integrated intel analysis which can lead to a more efficient and higher quality product.[150]

Assigned BSC Perspective: Following Niven's classifications, this performance measure is considered part of the internal-business-process perspective because the maintenance of current contact relationships and establishment of new contact engagements is identified as a process the cell must excel at in order to be successful.[151] Through continuous contact engagement, the cell is better able to anticipate any change to customer value. Additionally, through discovery of new contacts, the cell builds a critical resource network that can be leveraged during the Intel analysis process.

Type of Indicator (Leading or Lagging): This measure is considered a leading indicator because it is through contact engagement that the cell is able to obtain case work and establish key relationships required to improve and expand CTF Intel analysis efforts.

Measure #5: Current and Accurate Metrics (Yes/No)

Measure Definition: A list of all cell organizational metrics is listed in Chapter II.[152] Currency and accuracy is based on whether or not metrics are updated with all available information and if they support the required timeline established by JIATFS and DASD CN&GT.[153] If the above requirements are met, then the cell organizational metrics are considered current and accurate.

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[149] Obtained from JIATFS CTF Cell Intel analysts via multiple emails and phone calls from February-June 2015.

[150] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015

[151] Niven, *Balanced Scorecard: Step-by-Step*, 35.

[152] Email from JIATFS CTF Cell Chief dated November 17, 2015 containing FY13 and FY14 Metrics

[153] Obtained from JIATFS CTF Cell Intel analysts via multiple emails and phone calls from February-June 2015.

Supported Performance Objective: This measure supports the target illicit proceed activity performance objective by allowing the cell to "catalogue CTF metrics with a high degree of fidelity."[154]

Assigned BSC Perspective: This performance measure is considered part of the internal-business-process perspective because, as Niven describes, the collection and maintenance of metrics is a specific process that the cell must excel at in order to satisfy higher authority.[155] Additionally, metrics are a critical way the cell can prove their worth and defend their need for continued funding.

Type of Indicator (Leading or Lagging): This measure is considered a lagging indicator because metrics are the measure of end results. Even more, the cell provides metrics as required which is the result of direction from higher authority.

Measure #6: Percent of Selectors Run per case

Measure Definition: Selectors are defined by the National Security Agency (NSA) as information such as "email addresses and phone numbers… that help isolate the communications" which allow intelligence agencies to target further data collection from these sources.[156] The cell identifies selectors during the LE and JIATFS D&M case support process. The percent of selectors run is one key element in determining the thoroughness of the Intel analysis.

Supported Performance Objective: This measure supports the research, analysis, and production performance objective by highlighting the importance of utilizing "all appropriate sources of information."[157] By using all sources of information in the Intel analysis process, the cell enables their ability to provide a more thorough product.

Assigned BSC Perspective: This performance measure is considered part of the internal-business-process perspective because, as Niven makes note, selector identification and successive collection is one of the key, if not

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[154] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015

[155] Niven, *Balanced Scorecard: Step-by-Step*, 35.

[156] National Security Agency, "NSA PAO Statement – October, 31, 2013," last modified January 27, 2014, https://www.nsa.gov/public_info/press_room/2013/NSA_Activities_Valid_FI_Targets.pdf.

[157] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015

the most important processes for the cell's Intel analysis and case support.[158]

Type of Indicator (Leading or Lagging): This measure is considered a leading indicator because the percent of indicators run leads to more thorough Intel analysis, which may then result in a decisive action.

Measure #7: Percent of Intel Tools Used per case

Measure Definition: The cell identified 13 Intel tools as part of their "Counter-Network Toolbox" ranging from multiple Joint Worldwide Intelligence Communication System databases to open source centers.[159] This measure identifies the percent of these tools used to support each LE and D&M case. The cell understands some tools are not applicable to all cases. In the case that a tool is not applicable, it is removed from the overall count and will not adversely affect this measure.

Supported Performance Objective: This measure supports the research, analysis, and production performance objective by supporting customer cases with the "appropriate level of detail and specificity" and assists in "identifying and mapping illicit networks."[160]

Assigned BSC Perspective: This performance measure is considered part of the internal-business-process perspective because Intel tool use is a daily process performed by the cell while supporting cases. The knowledge of how to use each tool is a process the cell must excel at in order to improve their Intel analysis products.[161] Additionally, the results of this measure could be used to determine if there are any obsolete tools and/or new tools required.

Type of Indicator (Leading or Lagging): This measure is considered a leading indicator because Intel tool use is the first line of effort the cell exercises when supporting cases.

Measure #8: Number of Requests for Information Answered per quarter

Measure Definition: Requests for Information (RFI) are the questions, data requests, and Intel analysis requirements sent to the cell for

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[158] Niven, *Balanced Scorecard: Step-by-Step*, 35.

[159] Counter-Network Toolbox slide was included in brief presented by the JIATFS CTF Cell on February 27, 2014.

[160] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015

[161] Niven, *Balanced Scorecard: Step-by-Step*, 35.

support.[162] According to the cell's organizational metrics, they measure "total requests for LE case support" and "individual searches contained within requests for support from LE."[163] For the purpose of this measure, each individual search/question is counted as a single RFI. Thus, each case can have multiple RFIs. It is especially important to note that the cell must be aware that this measure can cause congruence problems between what is desired and what is actually being incentivized: desires to increase the quantity of RFIs answered may incentivize the cell to sacrifice the quality of Intel analysis.[164]

Supported Performance Objective: This measure supports the driving full cycle intelligence process performance objective by providing answers to customer requests which "reduce intelligence gaps."[165]

Assigned BSC Perspective: This performance measure is considered part of the internal-business-process perspective because answers provided to customer RFIs is the key task that the cell conducts on a daily basis.[166] Without customer RFIs, it would be hard to defend the existence of the cell, and therefore, it is extremely important to consistently improve the process of answering RFIs.

Type of Indicator (Leading or Lagging): This measure is considered a lagging indicator because the number of RFIs answered is dependent upon many factors such as how many selectors are identified, how many Intel tools are used, how well the cell understands what the customer is asking, etc.

Measure #9: Number of CTF-related Events Attended per quarter

Measure Definition: CTF-related events are considered any conferences, meetings, training events, etc., in which CTF personnel expand their knowledge.[167] An example of a CTF-related event is the annual Association of Certified Financial Crime Specialists (ACFCS) Financial Crime Conference. This three-day event is comprised of a number of workshops, lectures, and panel discussions that cover the newest financial

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[162] Phone conversation with JIATFS CTF Cell Chief November 17, 2014.

[163] Email containing metrics from JIATFS CTF Cell Chief November 17, 2014.

[164] Kenneth A. Merchant, Wim A. Van der Stede, *Management Control Systems: Performance Measurement, Evaluation, and Incentives*, 3rd ed (Harlow: Pearson Education Limited, 2012), 123-124.

[165] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015

[166] Niven, *Balanced Scorecard: Step-by-Step*, 35.

[167] Obtained from JIATFS CTF Cell Intel analysts via multiple emails and phone calls from February-June 2015.

crime techniques and how to detect criminals that use these newly obtained skills.[168]

Supported Performance Objective: This measure supports the research, analysis, and production performance objective by enabling the cell to "contribute to enterprise knowledge development related to illicit finance."[169]

Assigned BSC Perspective: This performance measure is considered part of the learning and growth perspective because the attendance at CTF-related events builds cell requisite knowledge in all aspects from illicit trafficking to financial fraud. The knowledge gained from these events can provide invaluable methods, tools, and techniques, which can inform better decisions and improve customer outcomes.[170]

Type of Indicator (Leading or Lagging): This measure is considered a leading indicator because cell employees are able to keep abreast of the most recent tools and financial techniques criminals are using by attending CTF-related events. This knowledge then enables the cell to become more effective and thorough in its Intel analysis and customer support.

Measure #10: Number of Professional Certificates Acquired annually

Measure Definition: Cell members receive professional certificates when they are recognized for training event or course completion in an area that supports the cell's CTF mission.[171] Examples of professional certificates in the CTF community are the Certified Anti-Money Laundering Specialist (CAMS), Counter Fraud Examiner (CFE), and completion of the Joint Special Operations University (JSOU) Counter Threat Finance Course.[172]

Supported Performance Objective: This measure supports the research, analysis, and production performance objective by giving the cell Intel

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[168] Consult their website for more information on the ACFCS Financial Crime Conference http://www.financialcrimeconference.com.

[169] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015.

[170] Niven, *Balanced Scorecard: Step-by-Step*, 35-36.

[171] Obtained from JIATFS CTF Cell Intel analysts via multiple emails and phone calls from February-June 2015.

[172] Additional information on ACAMS, CFE, and JSOU CTF Course professional certificates and training can be found at http://www.acams.org, and http://www.acfe.com/default.aspx, and http://jsou.socom.mil/Pages/CourseInformation.aspx?courseName=Counter_Threat_Finance_Course.

analysts the opportunity to "contribute to enterprise knowledge development related to illicit finance."[173]

Assigned BSC Perspective: This performance measure is considered part of the learning and growth perspective because after receipt of professional certificates, Intel analysts are considered subject matter experts in the associated area.[174] This growth in CTF subject matter expertise gives the cell employees the proper mix of skills and keeps each analyst motivated.[175]

Type of Indicator (Leading or Lagging): This measure is considered a leading indicator because knowledge and individual subject matter expertise keep the cell informed and aware of the latest CTF advances thus allowing the cell to engage and support CTF customers even more.

Measure #11: Number of Additional CTF-related Articles Studied per quarter

Measure Definition: CTF-related articles are considered open source news, books, studies, etc., that engage the cell Intel analysts intellectually about CTF or DTO advances.[176] An example of a CTF-related article is Dr. Shima D. Keene's 2014 contribution to the U.S. Army War College's Strategic Studies Institute entitled, "Operationalizing Counter Threat Finance Strategies" describing how CTF can go beyond financial disruption of an adversary and also help predict and prevent a threat's future illicit actions.[177]

Supported Performance Objective: This measure supports the research, analysis, and production performance objective by allowing the cell to build requisite CTF knowledge and enabling each analyst to develop his or her own expertise.[178]

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[173] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015.

[174] Obtained from JIATFS CTF Cell Intel analysts via multiple emails and phone calls from February-June 2015.

[175] Niven, *Balanced Scorecard: Step-by-Step*, 35.

[176] Obtained from JIATFS CTF Cell Intel analysts via multiple emails and phone calls from February-June 2015.

[177] Shima D. Keene, "Operationalizing Counter Threat Finance Strategies" (Strategic Studies Institute, U.S. Army War College Press, Carlisle, PA, 2014), v, http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=1239

[178] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015.

Assigned BSC Perspective: This performance measure is considered part of the learning and growth perspective as it focuses on the area of human capital and CTF skill growth.[179]

Type of Indicator (Leading or Lagging): This measure is considered a leading indicator as the cell expands their CTF abilities and situational awareness through knowledge garnered from researching additional CTF-related articles.

Measure #12: Percent of Intel Analysts with Language Proficiency

Measure Definition: For this BSC measure, percent of Intel analysts with foreign language proficiency is determined by members with Interagency Language Roundtable (ILR) Level 2 in Spanish divided by total number of cell analysts. Individual language proficiency is identified by ILR proficiency levels through a series of tests in the areas of listening, reading, speaking, and writing.[180] Department of Defense Instruction (DoDI) Number 1400.25, Volume 2016 dated April 28, 2015 states "to be eligible for foreign language pay, DCIPS employees must be certified at a minimum qualifying language skill level of not less than ILR Level 2 proficiency."[181]

Supported Performance Objective: This measure supports the research, analysis, and production performance objective by allowing the cell to leverage language skills to "provide accurate and timely intelligence support to Command/mission and synthesize CTF, IC, and IA efforts."[182]

Assigned BSC Perspective: This performance measure is considered part of the learning and growth perspective because language proficiency is a skill that not only supports the cell's CTF abilities, but also motivates the Intel analysts with a monetary incentive in the form of foreign language pay.[183]

Type of Indicator (Leading or Lagging): This measure is considered a leading indicator because through language proficiency, the cell is able to

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[179] Niven, *Balanced Scorecard: Step-by-Step*, 198.

[180] Martha Herzog, "How did the Language Proficiency Scale Get Started?" Interagency Language Roundtable, accessed August 7, 2015, http://www.govtilr.org/Skills/IRL%20Scale%20History.htm.

[181] U.S. Department of Defense, *DOD Civilian Personnel Management System: Administration of Foreign Language Pay for Defense Civilian Intelligence Personnel System (DCIPS) Employees* (DOD Instruction No. 1400.25, vol. 2016), (Washington, DC: GPO, 2015), 8, http://www.dtic.mil/whs/directives/corres/pdf/140025_vol2016.pdf.

[182] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015

[183] Niven, *Balanced Scorecard: Step-by-Step*, 35.

translate documents and communicate with Spanish-speaking contacts which establishes relationships.[184]

Measure #13: Number of Source Directed Requirements Created per fiscal year

Measure Definition: Source Directed Requirements (SDR), as the CTF Cell Chief made note in an email to the authors, are defined as requests sent from the cell to information collectors asking for "collectors to collect information from an existing source [on CTF issues]."

Supported Performance Objective: This measure supports the driving full cycle intelligence process performance objective by placing an emphasis on the importance of establishing CTF collection in the IC.[185]

Assigned BSC Perspective: This performance measure is considered part of the learning and growth perspective because cell Intel analysts are able to build the required knowledge and skill to understand and work the full Intel cycle through the submission of SDRs.[186]

Type of Indicator (Leading or Lagging): This measure is considered a leading indicator because it is through SDR submission that the cell is able to receive information from collectors that may support their day-to-day Intel analysis.[187]

Measure #14: Number of Intelligence Community Products Evaluated per quarter

Measure Definition: Intelligence Community (IC) products are defined as intelligence products that have been submitted or completed by other cells or agencies.[188]

Supported Performance Objective: This measure supports the driving full cycle intelligence process performance objective by driving the cell Intel

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[184] From Cell Member Interviews conducted February 26-27, 2015.

[185] From Cell Member Interviews conducted February 26-27, 2015.

[186] Email message from JIATFS CTF Cell Chief, April 16, 2015; Niven, *Balanced Scorecard: Step-by-Step*, 35.

[187] Email message from JIATFS CTF Cell Chief, April 16, 2015.

[188] Email message from JIATFS CTF Cell Chief, April 16, 2015.

analyst to "drive follow-on collection and provide feedback for collectors."[189]

Assigned BSC Perspective: This performance measure is considered part of the learning and growth perspective because the evaluation of IC products builds the cell Intel analyst's critical thinking and furthers their analytical skills.[190] This critical thinking and analytical skill growth enables the cell to perform more in depth Intel analysis on their own day-to-day case support.

Type of Indicator (Leading or Lagging): This measure is considered a leading indicator because through IC product evaluation, the cell is able to build on their analytical skill set, leading to follow-on collection requests.

These 14 organizational performance measures and their identified characteristics are the key to understanding how measures link to strategy.[191] Each measure was developed keeping in mind the cell mission and strategies, and the cell focused on identifying the right mix of leading/lagging indicators to instill a BSC that actually has balance. With a 9–5 lead-to-lag ratio, this BSC contains a mix of measures focused on measuring the key performance drivers that will ultimately lead to customer satisfaction.[192] The next section discusses the results of BSC measure weight and target setting.

4.   Weights and Targets

It was Paul Niven who stated, "Not all performance measures are created equal."[193]   While Niven was referring to the importance of selecting the right performance measures, this concept is also applicable when discussing measurement weight.[194]

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[189] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015

[190] Email message from JIATFS CTF Cell Chief, 16 April 2015; Niven, *Balanced Scorecard: Step-by-Step*, 35.

[191] Kaplan and Norton, *Balanced Scorecard* 1996, 148-149.

[192] Kaplan and Norton, *Balanced Scorecard* 1996, 31-32.

[193] Niven, *Balanced Scorecard: Step-by-Step*, 204.

[194] Ibid.

a. *Performance Measure Weights*

After the cell identified the 14 performance measures, team members came to a collective agreement on how to weight each measure. Table 1 provides the cell performance measures with their associated weights.

Table 1.   Performance Measure Weights

Measure – Leading or Lagging	Weight
3) Number of Cases Supported per quarter – Lagging	20%
8) Number of Requests for Information (RFIs) Answered per quarter – Lagging	20%
4) Number of Current or New Contacts Engaged per quarter – Leading	10%
6) Percent of Selectors Run per quarter – Leading	10%
7) Percent of Intel Tools Used per case – Leading	10%
1) Number of Decisive Actions per quarter - Lagging	8%
2) Amount of Bulk Cash Seized/Disrupted/Jettisoned per quarter – Lagging	8%
5) Current and Accurate Metrics – Lagging	3%
13) Number of Source Directed Requirements (SDRs) Created per fiscal year – Leading	3%
14) Number of Intelligence Community (IC) Products Evaluated per quarter – Leading	3%
12) Percent of Intel Analysts with Language Proficiency – Leading	2%
9) Number of CTF-related Events Attended per quarter – Leading	1%
10) Number of Professional Certificates Acquired annually – Leading	1%
11) Number of Additional CTF-related Articles Studied per quarter – Leading	1%
Cumulative Weight	**100%**

This table contains the performance measures arranged according to their corresponding weights, listed in descending order.

The cell decided that key organizational metrics reported (e.g., number of cases supported, number of RFIs answered, number of decisive actions, and amount of bulk cash seized/disrupted/jettisoned) should hold the majority of the heavier weights because they are most desired by the customer. Just as in for-profit industry, the top financial indicators are usually the most important and are more heavily weighted. Realizing that all of organizational metrics are lagging indicators and are measuring the end result of their day-to-day work, the cell agreed to weight some of the leading indicators a bit heavier. The top three weighted leading indicators are the number of current or new contacts engaged, percentage of selectors run, and percent of Intel tools used. With each weighted at 10%, the cell emphasized that quality Intel analysis is extremely important. In order to achieve quality, Intel analysis needs to be thorough and incorporate the use of all available tools.

b.   *Performance Measure Targets*

After weights for all organizational performance measures were established, the cell agreed on targets for each measure. This was a challenging task because there is no baseline for many of these measures. Therefore, as the organization conducts periodic reviews of the BSC, they can adjust each of the performance measures and established targets from the baseline depicted in Table 2.

Table 2.   Performance Measure Targets

Measure	Target
1) Number of Decisive Actions per quarter	(Number of Decisive Actions in Previous Fiscal Year / 4) + 5%
2) Amount of Bulk Cash Seized/Disrupted/Jettisoned per quarter	(Amount of Bulk Cash Seized/Disrupted/Jettisoned in Previous Fiscal Year / 4) + 5%
3) Number of Cases Supported per quarter	(Number of Cases Supported in Previous Fiscal Year / 4) + 5%
4) Number of Current or New Contacts Engaged per quarter	(Number of Current or New Contacts Engaged per quarter in Previous Fiscal Year / 4) + 5%
5) Current and Accurate Metrics	Yes = 1
6) Percent of Selectors Run per quarter	100%
7) Percent of Intel Tools Used per case	80%
8) Number of Requests for Information (RFIs) Answered per quarter	(Number of Decisive Actions in Previous Fiscal Year / 4) + 5%
9) Number of CTF-related Events Attended per quarter	1 per Intel Analyst per Quarter
10) Number of Professional Certificates Acquired annually	1 per Intel Analyst per Fiscal Year
11) Number of Additional CTF-related Articles Studied per quarter	4 per Intel Analyst per Quarter
12) Percent of Intel Analysts with Language Proficiency	At Least 50% of Intel Analysts have Language Proficiency
13) Number of Source Directed Requirements (SDR) Created per fiscal year	1 per Intel Analyst per Fiscal Year
14) Number of Intelligence Community (IC) Products Evaluated per quarter	4 per Intel Analyst per Quarter

The targets are taken from the Cell's current DCIPS evaluation metrics in addition to newly developed targets as discussed during the Site Visit and follow-on correspondence. Targets for Measures 1–4 and 8 are divided by four to make them quarterly.

Five measures (number of decisive actions, amount of bulk cash seized/disrupted/jettisoned, number of cases supported, number of current or new contacts engaged, and number of RFIs answered) have the same target based on the desire for growth. Again, this is a placeholder until the Cell establishes a baseline and realistic, yet challenging, targets.[195] Current and accurate metrics are required and therefore setting the target was easy: Yes, the cell wants current and accurate metrics. There were some minor differences between the two measures of percentage with percent of selectors run set at 100% and percent of Intel tools set at 80%. The reason for this disparity is that running 100% of selectors is one of the most important processes in obtaining thorough information while customer time constraints may not allow for all Intel tools to be used during analysis.[196] Finally, the cell established targets for the remaining six performance measures which are all considered part of the learning and growth BSC perspective: number of CTF-related events attended, number of professional certificates acquired, number of additional CTF-related articles studied, percent of Intel analysts with language proficiency, number of source directed requirements, and number of IC products evaluated. The targets for these final six measures were similar because this is where the BSC starts to become more finite, focusing on what individual cell members contribute to the organization as a whole. It is important to specifically highlight three of these learning and growth measures. First, the target established for percent of Intel analysts with language proficiency is set for at least 50%. This percentage was established based on how frequently cell members must travel to Spanish speaking countries in the JIATFS JOA.[197] This percentage can fluctuate depending on the requirements of travel and partner-nation engagements. Second, the targets for both number of SDRs created and number of IC products evaluated are based on the cell

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[195] Merchant and Van der Stede, *Management Control Systems*, 313.

[196] National Security Agency, "NSA PAO Statement."

[197] Obtained from JIATFS CTF Cell Intel analysts via multiple emails and phone calls from February-June 2015.

chief's direct requirements for Intel analysts established in the DCIPS performance objectives.[198]

c.   BSC Percent of Target and Weight Score Calculations

When weights and targets are discussed, it is important to understand how actual versus target comparisons and weighted scores are computed in the BSC.

First, actual versus target comparisons are calculated using "% of Target." This percent of target is found by actual measurement divided by target measurement and then converted to a percentage.

$$\% \, of \, Target = \frac{\text{Actual Measurement}}{\text{Target Measurement}} \, x \, 100$$

Of important note for this BSC, each performance measure has a maximum percent of target limit set at 100%. By limiting percent target, the BSC prevents any single measure that exceeds the target value to skew cascading weighted scores and the overall cell's cumulative BSC score. For example, if the cell had a great quarter and the number of actual RFIs answered was double the target, the percent of target would be 200%. This value would then have a cascading effect on the measure's weighted score and artificially inflate the cell's cumulative score. The exceedingly high cumulative score may lead the cell to erroneously believe they performed better than they actually did.

Second, we mentioned the cascading effects of percent of target on a measure's weighted score. To compute weighted score, the percent of target for a specific measure is multiplied by the designated weight of that same measure.

$$Weighted \, Score = \% \, of \, Target \, x \, Weight$$

The cell can then take the sum of all weighted scores to get a cell cumulative score. The cell can take this score and implement any initiatives to improve areas of contention, or use it to make management decisions on how to allocate resources.[199]

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[198] List of CTF Cell Analyst Performance Objectives obtained from JIATFS CTF Cell Chief during Site Visit on February 27, 2015

B. BSC CONSTRUCTION

After developing all individual pieces (i.e., mission, strategies, performance objectives, performance measures, weights, and targets), we constructed the BSC from an Intel analyst perspective, as depicted in Appendix D. The figure labeled "BSC Template" in Appendix D shows the Scorecard with measures explained, and the figure labeled "BSC with Notional Numbers" in Appendix D contains notional numbers to illustrate the application of the BSC. This BSC is structurally different from most traditional Scorecards in having the performance objectives listed on top rather than the side. The reasoning for placing the performance objectives on top is to show that the associated performance measures do not fall into one single BSC perspective (e.g., customer, internal-business-process, and learning and growth) but across multiple perspectives. This BSC was created in a Microsoft Excel document that can be readily altered based on any cell organizational changes. Supplemental C provides a few additional details regarding the BSC Excel document and gives directions on how to obtain a full copy.

C. STRATEGY MAP

Kaplan and Norton highlight the importance of a strategy map as a strategic part of the BSC illustrating strategies for value creation.[200] A strategy map can be used to depict relationships between various perspectives, including learning and growth, internal, customer, and the financial perspective. An organization, Kaplan and Norton continue to explain, can use a strategy map to illustrate strategies and the links between the various perspectives, thus facilitating alignment and implementation of strategy.[201] Following the creation of the BSC for the cell, focus shifted to designing a strategy map. As with the BSC, the financial perspective was excluded since it does not translate well to DOD organizations for reasons previously discussed. The resulting strategy map is included as Figure 6.

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[199] Niven, *Balanced Scorecard: Step-by-Step*, 219.

[200] Kaplan and Norton. "The Strategy Map," 72.

[201] Ibid., 104.

Figure 6.　　JIATFS CTF Cell Strategy Map

Mission
"What is our overarching goal?"[1]

Disrupt Transnational Criminal Organizations by attacking their financial structures/denying resources[6]

Strategies
"What priorities will we adopt in recognition of our operating environment and in pursuit of our mission?"[2]

Enable LE (External)[7]

Target Illicit Trafficking (Internal Targeting Process)[8]

Customer Perspective
"How do customers see us?"[3]

Support Casework[9]

Internal-Business-Process Perspective
"What must we excel at?"[4]

Answer RFIs[10]

Conduct In-depth Analysis[11]

Build Intel Networks[12]

Learning & Growth Perspective
"Can we continue to improve and create value?"[5]

CTF Expertise[13]

IC/Regional SA[14]

Notes 1–2 are from Niven, *Balanced Scorecard: Step-by-Step, for Government and Nonprofit Agencies*, 104; 297. Notes 3–5 are from Kaplan and Norton, *The Balanced Scorecard: Measures that Drive Performance*, 72. The remaining information is from the BSC Workshop and subsequent communication.

Creating the strategy map began with the cell's mission, or as Niven claims, the "core purpose of the organization"[202] as provided by the cell: "Disrupt Transnational Criminal Organizations by attacking their financial structures/denying resources."[203]

The strategies that enable the cell to achieve its mission were placed below the cell's mission: enable LE and target illicit trafficking.[204]   The strategies can be envisioned as priorities adopted in recognition of operating environment and in pursuit of an organization's mission.[205] In considering the two strategies, it was determined the strategy of enabling LE supports organizations external to JIATFS while the strategy of targeting illicit trafficking is an internal JIATFS process conducted through coordination with the JIATFS J3 (Operations Directorate). However, both strategies enable the cell to achieve its mission.

The next level of the cell's strategy map examines the customer perspective, or how customers view the organization.[206] Areas focused on for this perspective should support the organization's strategies. The BSC includes the number of cases supported or casework as part of the customer perspective. This applies to the strategy map as well. By supporting casework, the cell provides intelligence that enables LE and facilitates the targeting of illicit trafficking, thus fulfilling the cell's strategies.

The internal-business-process is the next perspective on the cell's strategy map. It considers the activities at which an organization must excel.[207] Again, the BSC contains measures for this perspective, including the percent of selectors run per case, the number of current or new contacts engaged per quarter, the percent of Intel tools used per case, the number of RFIs answered per quarter, and maintaining current and accurate metrics. These measures were considered when creating the internal-business-process perspective of the cell's strategy map, resulting in the selection of answering RFIs, conducting in-

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[202] Niven, *Balanced Scorecard: Step-by-Step*, 102.

[203] Email message from JIATFS CTF Cell Chief, November 17, 2014.

[204] Email message from JIATFS CTF Cell Chief, November 17, 2014.

[205] Niven, *Balanced Scorecard: Step-by-Step*, 129-130.

[206] Kaplan and Norton, *Balanced Scorecard* 1992, 72.

[207] Ibid.

depth analysis, and building intel networks as the areas for this perspective. By answering RFIs, conducting in depth analysis, and building Intel networks, the cell conducts casework and provides Intel, thus supporting the customer perspective.

Learning and growth is the final perspective contained within the cell's strategy map and focuses on efforts that allow the cell to "continue to improve and create value."[208] Measurements of learning and growth from the cell's BSC include the number of conferences attended per quarter, number of certificates acquired annually, number of CTF-related articles studied, the percentage of Intel Analysts with language proficiency, number of SDR's created per FY, and the number of IC products evaluated per quarter. For purposes of the strategy map, these measures were equated to CTF expertise and IC/regional situational awareness (SA). By maintaining and improving CTF expertise and IC/regional SA, the cell is better equipped to answer RFIs, conduct in-depth analysis, and build intel networks, thereby supporting the internal-business-process perspective. Each level in the strategy map supports and enables the level above it, and the strategy map as a whole illustrates the links between perspectives, thus facilitating strategy implementation.

D.   CHAPTER SUMMARY

Chapter IV not only presents the JIATFS CTF Cell BSC from a cell analyst perspective and the corresponding strategy map but also sequentially describes each key element used to develop these business tools. The first key elements included the cell's overarching CTF mission and strategies, which must always be at the forefront when developing a Scorecard. Emphasis was placed on ensuring the cell's strategies support its mission prior to the construction of the BSC to ensure the final product facilitates mission accomplishment. The next element incorporated into the BSC and strategy map was the organization's performance objectives, which explain what actions the cell needs to conduct in order to achieve strategic success.[209] Another set of elements included in the BSC was the organizational performance measures which had distinct associated

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[208] Kaplan and Norton, *Balanced Scorecard* 1992, 75.

[209] Niven, *Balanced Scorecard: Step-by-Step*, 168.

characteristics to include the supported performance objective, the assigned BSC perspective, and type of indicator (leading or lagging). The final element of the BSC was the computed performance measure percent of target and weighted scores which are then combined to present an overall organizational score. In the end, a consolidated Scorecard and strategy map were developed with the goal to identify performance measures for activities that enable achievement of the cell's strategies, which are linked to the cell's mission.

The following chapter provides the project's conclusion. Areas of focus include major findings and challenges encountered while creating the BSC and strategy map. Suggestions for future research are also provided. The chapter concludes with some recommendations for the cell such as conducting a periodic assessment of strategy and activities, incorporating additional measures into the BSC, and implementing initiatives for improvement.

V.   CONCLUSION

Chapter V captures the major findings realized during the research and development of the BSC and strategy map for the JIATFS CTF Cell. Additionally, this chapter discusses areas for future research and provides recommendations for the cell. These areas for future research and recommendations focus on enhancing the BSC and exploiting the lessons learned during its creation.

A.   MAJOR FINDINGS

As discussed in Chapter III, the search for a business tool for the cell initially led to the development of a CBA in an attempt to assist the cell's decision making process regarding funds and resource allocation. However, the final product yielded inconclusive results that did not benefit the cell, and efforts shifted to the creation of an alternative tool that may offer the cell more value.

1.   Challenges

Research conducted about the BSC revealed its ability to link day-to-day activities to strategy. Based on initial discussions with the cell, we determined the cell could benefit from the development of a BSC and the resulting links between activities and strategy. However, certain areas presented difficulties while conducting the BSC Workshop and developing the BSC based on the cell's inputs. Particularly, identifying and quantifying measurements for daily activities that enabled the cell's strategy offered challenges. Capturing the correct measures required extensive coordination with the cell regarding the measures that should be used, how to properly measure them, and their corresponding importance or weight. Further, implementing the resulting BSC may likely be challenging for the cell. The cell has limited resources, including personnel and time. The current version of the BSC requires manual input of metrics. However, according to a phone conversation with BSC expert Christopher Burgess, "Finding measures that are automated is key. Manual measures slow down the process." Constantly recording performance measures related to the BSC creates additional requirements for the cell which is already facing time constraints.

2. Research Objectives Revisited

As specified by the research objectives described in Chapter I, this project addresses the following questions:

- Can we link day-to-day activity to the organization's strategy via a BSC?

- Can we assist the JIATFS Cell with:

    - How to allocate their budget?

    - How to spend their time?

The BSC created for the cell, based on the information obtained during the BSC Workshop and follow-on interaction, does link the cell's day-to-day activity to its strategies. Hence, the BSC can assist the cell with budget allocation and highlight areas where the cell should focus their efforts or time. Performance measures weighted heavily by the cell in regards to achieving strategies may serve as the best candidates for the allocation of resources including time and money.

B. FUTURE RESEARCH

As explained in Chapter II, DOD Directive 5205.14 directs CCMDs to establish a dedicated DOD CTF capability. Accordingly, there are multiple CTF cells around the globe. The BSC developed for the JIATFS CTF Cell may likely be applicable to other CTF cells. While the BSC developed for the JIATFS CTF Cell focuses on their specific strategies, similar strategies, objectives, and performance measures may be present among the various CTF cells. The BSC created for the JIATFS CTF cell may potentially serve as a framework for creating a BSC for other CTF cells across the DOD.

The current cell BSC is constructed from a cell analyst perspective and only includes cell analyst performance objectives. Although the cell chief performance objectives were obtained during the BSC Workshop, these objectives are not incorporated into the cell Scorecard. The cell chief performance objectives apply only to the chief and are better suited for an individual Scorecard. A BSC specifically for the cell chief can be constructed using the cell chief performance objectives obtained during the BSC

Workshop. Additionally, a BSC for each individual cell member can be constructed as each member performs some unique activities in support of achieving the cell's strategy.

C. RECOMMENDATIONS

The cell's resources, such as time, may be too constrained for a full scale implementation of the BSC. However, the cell may have opportunities to periodically assess its strategy and day-to-day activities. The cell may benefit from determining if its strategy has changed or possibly needs to change. Once that is determined, the cell can assess current activities to ensure they adequately support the identified strategy and can adapt if needed. Fundamentally, the process involved in crafting the BSC may offer the cell the most benefit as opposed to the actual Scorecard.

1. Additional Measures

The BSC did not capture all of the measures identified during the workshop and follow-on coordination with the cell. The cell may consider incorporating additional measures into the BSC to include the amount of customer feedback received, funding received, and cell briefs presented.

The amount of customer feedback received can be measured on a quarterly basis and focuses on the customer perspective and the targeting of illicit proceed activity objective. Feedback from the customer offers the cell information concerning the value customers place on the services offered by the cell. It can also highlight activities that may need improvement in order to meet customer needs or inform the cell that their current activities meet or exceed customer expectation. Feedback can also facilitate the cell's understanding of what activities best enable the customer's targeting of illicit activity.

The amount of funding received can be measured on an annual basis and also focuses on the customer perspective and the targeting of illicit proceed activity objective. DASD is the customer who provides funding for the cell, and increases in funding are necessary to cover personnel cost increases and allow the cell to continue operating. By continuing operations, the cell supports the targeting of illicit proceed activity.

Furthermore, by engaging in activities that support the cell's strategies and mission, the cell is able to illustrate its value to DASD and justify further funding.

Cell briefs presented can be measured on a quarterly basis and focus on the customer perspective. The cell often gives briefs that inform potential customers about the services the cell offers. Increasing the number of briefs provided potentially offers the cell an opportunity to add new customers. More agencies, or customers, may seek the cell's services upon realizing what the cell can offer their organization.

2.   Initiatives for Improvement

Niven describes initiatives as "specific programs, activities, projects, or actions you will engage in to help ensure you meet or exceed your performance targets."[210] It logically follows that in order for the cell to reach performance targets, it needs to engage in activities that support obtainment of those targets. A specific example involves increasing the number of analysts proficient in Spanish. In order to meet the target set for this performance measure, analysts first must be willing to learn Spanish. Assuming the desire is present, the analysts must then have the opportunity to enhance their Spanish skills. This may be accomplished through several mediums such as Rosetta Stone Software or Spanish classes. However, implementing an initiative for improvement does not come without costs. In the case of improving Spanish proficiency, some of the costs include the monetary value of the chosen educational medium and time away from the workplace for analysts taking classes. As time and money are constrained resources for the cell, consideration may be given to implementing initiatives that require minimal resources or implementing those that help achieve the performance targets tied to the BSC's heaviest weighted performance measures.

D.   PROJECT SUMMARY

This project achieved the two key research objectives. First, a BSC was developed linking the cell's day-to-day activities to their organizational strategies. The BSC provides a balanced mix of 14 leading and lagging organizational performance measures

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[210] Niven, *Balanced Scorecard: Step-by-Step*, 219.

of day-to-day activities related to three performance objectives. Second, this BSC offers the cell a business tool that can provide assistance with allocating resources such as time and money. The JIATFS CTF Cell is already effective in assisting myriad law enforcement agencies in the fight against funding illicit activity. It is our opinion that the cell can enhance mission accomplishment by focusing resources on the day-to day activities that are linked to organizational strategies. When deciding where to allocate scarce resources, the BSC readily identifies weighted performance measures where organizational investment should be made. In order to ensure maximum value of the BSC, the cell should conduct periodic assessments of strategy and activities, consider modifying or adding performance measures, and implement initiatives for improvement.

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APPENDIX A. JIATFS CTF CELL PERFORMANCE OBJECTIVES

This appendix contains the performance objectives used to evaluate the CTF Cell members. This information is taken directly from material provided by the CTF Cell Chief.

<u>CTF Cell Chief Performance Objectives</u>[211]

1) *Supervisor Management:* Over the course of the rating period provide leadership, guidance, and oversight to ensure a smooth running work element while maximizing work element effectiveness to achieve mission success. Develop and communicate priorities, specific performance objectives with success measures for each, and provide feedback to all subordinate employees such that all objectives are met by the completion of the rating period. Ensure administrative requirements (performance reports, awards, nominations, timecards, etc) are accurately completed within suspense timeframes. Adhere to merit principles. Maintain a safe work environment and promptly address allegations of noncompliance. Ensure Equal Employment Opportunity/Equal Opportunity (EEO/EO) principles are adhered to throughout the organization. Promptly address allegations of prohibited discrimination, harassment, and retaliation.

2) *Target Attack:* Ensure CTF Cell is fully integrated into JIATFS mission execution, internally coordinating and synchronizing its efforts with Operations and Intelligence Directorate, Law Enforcement liaisons and other command elements in support of operations and tactical mission execution. Ensure CTF is an active participant in the daily battle rhythm and targeting process. Place special emphasis on the daily targeting process, supporting law enforcement, and supporting the development of mid- and long-term operational planning. Maintain a high level of data integrity working to ensure case attributes and associated metrics are accurate and substantive.

3) *Integration and Synchronization:* Ensure JIATFS CTF cell is fully integrated into interagency efforts focused on illicit fund transfers to and through the Joint Operations Area (JOA). Engage the intelligence community, federal law enforcement, and other members of the interagency. Working with and through Liaison Officer (LNOs) at JIATFS

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211 Email message from JIATFS CTF Cell Chief, June 2, 2015.

and independently, seek to maintain a robust network of cooperating organizations focused on information exchange and leveraging of resources. Ensure JIATFS leadership is kept appraised of significant threat finance developments with special emphasis on impacts to the command's mission within the JOA. Ensure JIATFS is represented at CTF coordination/synchronization/intelligence meetings. Ensure high quality, impactful CTF briefings are provided internally and externally.

CTF Cell Analyst Performance Objectives[212]

1) *Target Illicit Proceed Activity:* Aggressively work to disrupt the flow of illicit funds either through the Detect and Monitor (D&M) process or support to Law Enforcement (LE) investigations. Provide operationally relevant information to the JIATFS watch and targeting process. Support law enforcement case development. Internally coordinate and synchronize CTF with Operations and Intelligence Directorates, Law Enforcement Agency (LEA) Liaisons, and other command elements. Participate fully in the daily battle rhythm, liaise with the Intel Watch and integrate analytical efforts with other Joint Interagency Intelligence Operations Center (JIIOC) elements. Establish and maintain a network of Intelligence Community (IC) and Intelligence Agency (IA) partners in order to share information, collaborate on collection requirements, and integrate analysis. Catalogue CTF metrics with a high degree of fidelity. Accomplishment ensures CTF execution is fully aligned with JIATFS D&M objectives, illicit domain awareness is enhanced, and CTF actions are properly documented.

2) *Research, Analysis, and Production:* Contribute to enterprise knowledge development related to illicit finance. Reporting in all venues shall be substantively accurate, with the appropriate level of detail and specificity, tailored to customer requirements, and marked with appropriate classifications. All appropriate sources of information should be utilized in analysis. Place emphasis on identifying and mapping illicit networks, moving the analysis beyond individual events with priority placed on information tied to the effective execution of the JIATFS mission. Accomplishment provides accurate and timely intelligence support to Command/mission and synthesizes CTF, IC, and IA efforts. Maintain knowledge and awareness of the proper handling of U.S. persons data. Ensure that U.S. persons data is reviewed in a timely manner and marked appropriately.

3) *Driving Full Cycle Intelligence Process:* In coordination with JIATFS CTF Cell Members, J2 (Intel) Analysts and Collection Managers, and

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[212] Obtained from JIATFS CTF Cell Chief during site visit on February 27, 2015.

associated internal staff, drive the CTF intelligence collection process. Develop, review, and update collection requirements for your geographic and/or functional CTF assignment. Reduce intelligence gaps through the creation of Requests for Information (RFIs) to all the INTs. In coordination with Collection Mangers, evaluate four Intelligence Community products per quarter in order to drive follow-on collection and provide feedback for collectors. Create a minimum of one Source Directed Requirement annually. Place additional emphasis on sorting and analyzing information derived through the collection process, keeping CTF Supervisor(s) advised of collection issues. All attempts should be made to effectively leverage the entire intelligence cycle and collection system. Accomplishment enables JIIOC analysts to accurately and effectively task the entire intelligence collection system to achieve goals.

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APPENDIX B. BSC WORKSHOP QUESTIONAIRE

This appendix presents the BSC Workshop Questionnaire developed for the site visit at JIATFS on February 26–27, 2015. The NPS Institutional Review Board (IRB) Chair, Mr. Lawrence Shattuck, determined the BSC Workshop Questionnaire did not require IRB review and NPS President Approval on February 10, 2015.

Balanced Scorecard (BSC) Workshop Questions

I. **What do we need to find out?**

- How does the JIATFS CTF Cell (referred to as "Cell" in remaining questions) currently measure their performance?
- How do current performance measures tie current Cell activities to current strategy & mission?
- Is the Cell conducting procedures and processes that are not tied to current strategy & mission? If so, what?
- The Balanced Scorecard focuses on 4 areas:
  - *Learning and Growth:* "Is the Cell maintaining the ability to change and improve?" How is the cell improving its CTF skill set?
    - Does the Cell provide opportunity to expand language proficiency?
    - Does the Cell incorporate latest technologies and CTF efforts?
    - Is the Cell actively involved in attending Working Group Meetings / Travel to gain other CTF knowledge & techniques?
    - Does the Cell incorporate interagency knowledge sharing? How is this done and how often?
    - Does the Cell conduct in-house training or computer based training (CBT)? If so, through what means and how often?
  - *Internal Business Procedures:* "Has the Cell improved key business processes so they can deliver more value to customers?"
    - How does the Cell do day-to-day business in providing what the customer needs?
    - Is there a battle rhythm to the Cell's daily, monthly, quarterly, annual schedule?
    - What obstacles/constraints does the Cell currently experience?
  - *Customer:* "Do customers recognize that the Cell is delivering value?"
    - Who are the Cell's customers: DOD, SOUTHCOM, JIATFS, FBI, Immigration and Customs Enforcement (ICE), DEA, Homeland Security Investigations (HSI), Partner Nations (P/N), etc.
    - Is there a hierarchy in customer base?
    - How are all customer needs similar?

- Are customer needs consistent?
- How does the Cell engage and build customer relationships?
- How does the Cell expand its customer base? Does the Cell have capacity or show the need to expand its customer base?
- Does the Cell self-promote? Is the Cell sought out? Or is the cell assigned customers by higher authority?

o *Financial:* This performance measure is still applicable, but a different question will be asked – "Has the Cell disrupted/denied TCO finances and resources?"
- Target illicit trafficking.
- Enable & Support Law Enforcement (LE) illicit trafficking targeting efforts.
- Does the Cell execute its budget?
- Are the any unfunded requirements for the Cell?

APPENDIX C. JIATFS CTF CELL BSC ORGANIZATIONAL PERFORMANCE MEASURES

Figure 7. Performance Measure Characteristics

Measure	Supported Performance Objective	Assigned BSC Perspective	Type of Indicator (Leading or Lagging)
1) Number of Decisive Actions per quarter	Target Illicit Proceed Activity	Customer	Lagging
2) Amount of Bulk Cash Seized/Disrupted/Jettisoned per quarter	Target Illicit Proceed Activity	Customer	Lagging
3) Number of Cases Supported per quarter	Target Illicit Proceed Activity	Customer	Lagging
4) Number of Current or New Contacts Engaged per quarter	Target Illicit Proceed Activity	Internal-Business-Process	Leading
5) Current and Accurate Metrics	Target Illicit Proceed Activity	Internal-Business-Process	Lagging
6) Percent of Selectors Run per quarter	Research, Analysis, and Production	Internal-Business-Process	Leading
7) Percent of Intel Tools Used per case	Research, Analysis, and Production	Internal-Business-Process	Leading
8) Number of Requests for Information (RFIs) Answered per quarter	Driving Full Cycle Intelligence Process	Internal-Business-Process	Lagging
9) Number of CTF-related Events Attended per quarter	Research, Analysis, and Production	Learning and Growth	Leading
10) Number of Professional Certificates Acquired annually	Research, Analysis, and Production	Learning and Growth	Leading
11) Number of Additional CTF-related Articles Studied per quarter	Research, Analysis, and Production	Learning and Growth	Leading
12) Percent of Intel Analysts with Language Proficiency	Research, Analysis, and Production	Learning and Growth	Leading
13) Number of Source Directed Requirements (SDR) Created per fiscal year	Driving Full Cycle Intelligence Process	Learning and Growth	Leading
14) Number of Intelligence Community (IC) Products Evaluated per quarter	Driving Full Cycle Intelligence Process	Learning and Growth	Leading

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APPENDIX D.   JIATFS CTF CELL ORGANIZATIONAL BSC

SEE FOLLOWING PAGE

Figure 8.   BSC Template

JIATFS CTF Cell BSC
from an Intel Analyst Perspective
Mission (UNCLASS//FOUO) Disrupt Transnational Criminal Organizations (TCOs) by attacking their financial structures and denying resources.

	Objective 1: Target Illicit Proceed Activity	**Objective 2: Research, Analysis, and Production**	**Objective 3: Driving Full Cycle Intelligence Process**

Customer Perspective

Measure 1: # of Decisive Actions per Qtr

Actual:	#		
Target:	(Previous FY4) + 5%		
Weight:	8%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Measure 2: Amount of Bulk Cash Seized/Disrupted/Jettisoned per Qtr

Actual:	$		
Target:	(Previous FY4) + 5%		
Weight:	8%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Measure 3: # of Cases Supported per Qtr

Actual:	#		
Target:	(Previous FY4) + 5%		
Weight:	20%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Internal-Business-Process Perspective

Measure 4: # of Current or New Contacts Engaged per Qtr

Actual:	#		
Target:	(Previous FY4) + 5%		
Weight:	10%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Measure 5: Current and Accurate Metric (Yes=1 & No=0)

Actual:	Yes = 1; No =0		
Target:	Yes = 1		
Weight:	3%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Measure 6: % of Selectors Run per Case

Actual:	%		
Target:	100%		
Weight:	10%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Measure 7: % of Intel Tools Used per Case

Actual:	%		
Target:	80%		
Weight:	10%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Measure 8: # of Requests for Information (RFIs) Answered per Qtr

Actual:	#		
Target:	(Previous FY4) + 5%		
Weight:	20%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Learning and Growth Perspective

Measure 9: # of CTF-related Event Attended per Qtr

Actual:	#		
Target:	1 per Intel Analyst per Qtr		
Weight:	1%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Measure 10: # of Professional Certificates Acquired Annually

Actual:	#		
Target:	1 per Intel Analyst per FY		
Weight:	1%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Measure 11: # of Additional CTF-related Articles Studied per Qtr

Actual:	#		
Target:	4 per Intel Analyst per Qtr		
Weight:	1%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Measure 12: % of Intel Analysts with Language Proficiency

Actual:	% of Intel Analysts with Language Proficiency		
Target:	At Least 50% of Intel Analysts have Language Proficiency		
Weight:	2%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Measure 13: # of Source Directed Requirements (SDR) Created per FY

Actual:	#		
Target:	1 per Intel Analyst per FY		
Weight:	3%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Measure 14: # of Intelligence Community (IC) Products Evaluated per Qtr

Actual:	#		
Target:	4 per Intel Analyst per Qtr		
Weight:	3%		
% of Target	Actual Target	Weighted Score	% of Target x Weight

Figure 9.   BSC with Notional Numbers

JIATFS CTF Cell BSC
from an Intel Analyst Perspective

Mission (UNCLASS//FOUO)	Disrupt Transnational Criminal Organizations (TCOs) by attacking their financial structures and denying resources.

	Objective 1: Target Illicit Proceed Activity	Objective 2: Research, Analysis, and Production	Objective 3: Driving Full Cycle Intelligence Process

Customer Perspective

Measure 1: # of Decisive Actions per Qtr
Actual:	3		
Target:	3.2		
Weight:	8%		
% of Target	95.24%	Weighted Score	7.62%

Measure 2: Amount of Bulk Cash Seized/Disrupted/Jettisoned per Qtr
Actual:	$300,000.00		
Target:	$262,500.00		
Weight:	8%		
% of Target	100.00%	Weighted Score	8.00%

Measure 3: # of Cases Supported per Qtr
Actual:	39		
Target:	41.2		
Weight:	20%		
% of Target	94.63%	Weighted Score	18.93%

Internal-Business-Process Perspective

Measure 4: # of Current or New Contacts Engaged per Qtr
Actual:	11
Target:	15.8
Weight:	10%
% of Target	69.84%	Weighted Score	6.98%

Measure 5: Current and Accurate Metrics (Yes=1 & No=0)
Actual:	1
Target:	1
Weight:	3%
% of Target	100.00%	Weighted Score	3.00%

Measure 6: % of Selectors Run per Case
Actual:	94.87%
Target:	100%
Weight:	10%
% of Target	94.87%	Weighted Score	9.49%

Measure 7: % of Intel Tools Used per Case
Actual:	75.13%
Target:	80%
Weight:	10%
% of Target	93.91%	Weighted Score	9.39%

Measure 8: # of Requests for Information (RFIs) Answered per Qtr
Actual:	390
Target:	217.4
Weight:	20%
% of Target	100.00%	Weighted Score	20.00%

Learning and Growth Perspective

Measure 9: # of CTF-related Events Attended per Qtr
Actual:	5
Target:	6
Weight:	1%
% of Target	83.33%	Weighted Score	0.83%

Measure 10: # of Professional Certificates Acquired Annually
Actual:	2
Target:	6
Weight:	1%
% of Target	33.33%	Weighted Score	0.33%

Measure 11: # of Additional CTF-related Articles Studied per Qtr
Actual:	12
Target:	24
Weight:	1%
% of Target	50.00%	Weighted Score	0.50%

Measure 12: % of Intel Analysts with Language Proficiency
Actual:	33.33%
Target:	50%
Weight:	2%
% of Target	66.67%	Weighted Score	1.33%

Measure 13: # of Source Directed Requirements (SDR) Created per FY
Actual:	6
Target:	6
Weight:	3%
% of Target	100.00%	Weighted Score	3.00%

Measure 14: # of Intelligence Community (IC) Products Evaluated per Qtr
Actual:	24
Target:	24
Weight:	3%
% of Target	100.00%	Weighted Score	3.00%

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SUPPLEMENTAL A

After conducting a cost benefit analysis (CBA) focused on the Joint Interagency Task Force South (JIATFS) Counter Threat Finance (CTF) Cell, we could not determine hard evidence that shows the JIATFS CTF Cell is directly responsible for benefits arising from seizing or disrupting illicit drugs. Furthermore, we could not show direct evidence that the cell has improved economic conditions for U.S. citizens by removing illicit drugs. However, the CBA did illustrate the cell's ability to find and direct resources to target and interdict transnational criminal organizations. The CBA also provides a tool that expresses the cell's budget in terms of drug user prevention.

To obtain a full copy of this CBA, please contact the Dudley Knox Library at the Naval Postgraduate School (NPS).

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SUPPLEMENTAL B

We evaluated Joint Interagency Task Force South (JIATFS) Counter Threat Finance (CTF) Cell's current strategy. We conducted this evaluation by developing an activity map, conducting a SWOT (i.e., strengths, weaknesses, opportunities, and threats) analysis, and providing the scope for exploitation and exploration. We concluded that the cell does their day-to-day job well (e.g., answering requests-for-information, analyzing raw intelligence, etc.), but their strategy and current performance measures lack a forward strategic focus. We recommended exploring new ways of how to conduct the CTF mission in the Joint Operational Area (JOA) which shows added value.

To obtain a full copy of this project, please contact the Dudley Knox Library at the Naval Postgraduate School (NPS).

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SUPPLEMENTAL C

The Joint Interagency Task Force South (JIATFS) Counter Threat Finance (CTF) Cell's Balanced Scorecard (BSC) was constructed in Microsoft Excel. This BSC Excel document contains 18 separate tabs. Below is a brief explanation of what is on each individual tabs:

1. *Cumulative Score Sheet:* Lists each performance measure in the BSC and their calculated weighted score, which are referenced from the actual BSC.

2. *BSC with Notional Numbers:* Contains the actual BSC with notional numbers and cell equations and references to each measure sheet.

3. *BSC Template:* Contains the actual BSC with cells that explain targets, and how percent of target and weighted score are calculated. There are no cell equations or references on this sheet.

4. *Recommendations:* Contains three performance measure recommendations that could be included into the BSC.

5. *Measure 1 – Decisive Actions:* Lists the description and number of decisive actions for current quarter and number of decisive actions from the previous fiscal year.

6. *Measure 2 – Bulk Cash:* Lists the description and amount of bulk cash seized/disrupted/jettisoned for current quarter and amount of bulk cash seized/disrupted/jettisoned the previous fiscal year.

7. *Measure 3 – Cases Supported:* Lists the description and number of cases supported for current quarter and number of cases supported from the previous Fiscal Year.

8. *Measure 4 – Contacts:* Lists the description and number of current or new contacts engaged in current quarter and number of current or new contacts engaged from the previous fiscal year.

9. *Measure 5 – Metrics:* Lists the date and reason metrics were updated and verified along with a binary scoring system (Yes=1, No=0).

10. *Measure 6 – Selectors Run:* Lists the case description and percent of intelligence selectors run per case for current quarter.

11. *Measure 7 – Intel Tools Used:* Lists the case description and percent of intel tools used per case for current quarter.

12. *Measure 8 – RFIs Answered:* Lists the description and number of requests for information (RFIs) answered in current quarter and number of RFIs answered from the previous fiscal year.

13. *Measure 9 – CTF Events Attended:* Lists the description and date of CTF-related events attended in current quarter.

14. *Measure 10 – Certs Acquired:* Lists the description and date of professional certificates acquired in current quarter.

15. *Measure 11 – CTF Articles:* Lists the description and number of CTF-related articles studied in current quarter.

16. *Measure 12 – Language Prof:* Lists the ILR scores of each employee and computes the percentage of employees at an ILR of 2 for listening, speaking, reading, and writing in current fiscal year.

17. *Measure 13 – SDR Created:* Lists the description and number of source directed requirements (SDR) created by each employee in current fiscal year.

18. *Measure 18 – IC Products Review:* Lists the description and number of intelligence community (IC) products reviewed by each employee in current fiscal year.

To obtain a full copy of this BSC Excel document, please contact the Dudley Knox Library at the Naval Postgraduate School (NPS).

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