In insurgency situations, the government organized force is confronted by a small guerrilla group that is dispersed in the general population with no or very small signature. Effective counterinsurgency operations require good intelligence. Absent intelligence, not only the insurgents may get away unharmed and continue their violent actions, but collateral damage caused to the general population from poor targeting may generate adverse response against the government and create popular support for the insurgents, which may result in higher recruitment to the insurgency. We model the dynamic relations among intelligence, collateral casualties in the population, attrition, recruitment to the insurgency, and reinforcement to the government force. Even under best case assumptions we show that the government cannot totally eradicate the insurgency by force. The best it can do is contain it at a certain fixed level.