

**SELECT COMMITTEE ON
INTELLIGENCE**

UNITED STATES SENATE



**Additional Pre-Hearing Questions
for
Ms. S. Leslie Ireland
upon her nomination
to be
Assistant Secretary for Intelligence and Analysis,
Department of the Treasury**

Additional Pre-Hearing Questions

1. If confirmed as the second Assistant Secretary of the Treasury for Intelligence and Analysis, you will serve as the head of one of the newest elements of the Intelligence Community (IC).
 - a. Please describe how the Office of Intelligence and Analysis (OIA) will be responsive to the Director of National Intelligence (DNI) and the Secretary of the Treasury.
 - b. If conflicts arise between the priorities of the DNI and the Secretary of the Treasury, how will you act to resolve them?

OIA is a critical bridge between the intelligence and policy communities on financial intelligence issues. If confirmed, I would support the DNI by leading OIA to be an agile organization that can respond to the complex and rapidly changing national security environment the US faces, and by further integrating OIA in the Intelligence Community as the lead organization on financial intelligence. I would support the Secretary of the Treasury as the Department formulates policy and executes authorities through all-source analysis of global financial networks, the financial vulnerabilities of US adversaries, the impact of targeted US financial measures, and threats to international financial stability.

I understand to date there have been no conflicts in priorities between the DNI and Secretary of the Treasury. If confirmed, I would work to resolve any conflicts in the best interest of the United States.

2. In answering the questions below, please explain how your previous duties in the IC, particularly as the President's intelligence briefer and the DNI's Mission Manager for Iran, inform your perspectives and plans. Additionally, please explain your understanding of OIA's role in driving intelligence collection requirements and otherwise filling intelligence gaps.
 - a. One of the chief concerns driving the creation of OIA was Treasury's need to more effectively coordinate and disseminate its analytical products throughout the IC. Please provide your assessment of the progress that has been made to date in addressing these concerns, the impediments and challenges that remain, and your plans to address those impediments and challenges, if confirmed.

As Iran Mission Manager I had the opportunity to work closely with TFI and OIA and my strong impression is that OIA is a healthy and thriving organization that has been very successful since its creation in 2004. As OIA's resident expertise on global financial issues has grown, so has its reputation and standing within the IC. In addition to responding to

requests from the Secretary of the Treasury, OIA analysis reaches broader audiences including the President, other PDB readers, and military commanders fighting insurgents and terrorists. If confirmed, I would continue measures, such as OIA's Community of Interest (COI), that foster coordination and dissemination of Treasury products. I would also work closely with the staff to understand areas for additional outreach to the IC, to identify any impediments and challenges to growth in this area, and to assess ways to address them.

- b. Please explain your understanding of OIA's responsibilities and authorities within the IC for coordinating, facilitating, or otherwise improving financial intelligence collection and analysis. Do you see OIA as the IC's lead agency on financial intelligence issues?

From my experience as Iran Mission Manager I understand that addressing intelligence gaps and shortfalls requires an integrated IC approach that prioritizes intelligence questions, determines what gaps exist, draws on analytical expertise to drive collection, and provides collectors with tailored requirements. These steps are critical to maximizing IC resources. I believe OIA is the IC's lead agency on financial intelligence issues by virtue of its unique expertise and proximity to Treasury's decisionmakers, and its access Treasury's significant holdings of global financial information. Consequently, OIA analysts are in the best position to provide timely opportunity analysis. As Iran Mission Manager I included OIA as a charter member of the Iran Strategy Board, reflecting OIA's lead role in financial intelligence.

- c. Please explain your understanding of the interagency processes and mechanisms for intelligence integration, policy coordination and operational decision-making and deconfliction regarding efforts to disrupt illicit finance networks, including the "chain of command" on these issues beginning with the President. In particular, please explain how OIA coordinates with, supports the work of, and enhances the capabilities of the Treasury Department, the IC, and other U.S. Government agencies and departments in combating:
 - i. Terrorist financing, including international and domestic sources;
 - ii. Illicit proliferation, arms- and narco-trafficking, and other international criminal networks, both international and domestic.

As I understand it, Treasury is a member of the National Security Council and informs the interagency process on how Treasury's authorities can be brought to bear as the NSC advises the President on policy against threats to US national security, including terrorism, weapons proliferation, arms- and narco-trafficking and international organized crime. OIA, working with the Office of Foreign Asset Control (OFAC) and the Financial Crimes Enforcement Network (FINCEN), provides expert analysis and intelligence products to Treasury's decisionmakers as they formulate policy. OIA is an advocate for Treasury within the IC, particularly as it drives collection on financial information and helps gain the actionable, cleared intelligence Treasury needs to execute its authorities.

- d. To what extent has OIA's interaction with other components of the Treasury Department and the other elements of the IC changed over the past several years? Do you anticipate that this interaction will change further in the coming years?

My understanding of OIA is that it has made great strides as one of the newest and smallest elements of the IC. OIA's analytical cadre is maturing and addresses Treasury's need for both day-to-day and increasingly for strategic intelligence—both within TFI and across the Department. OIA is also better integrated into the IC where it makes a significant contribution on the focus of collection and analysis. I expect these trends will continue in the coming years. If confirmed, I would commit to the growth of OIA's analytical cadre by recruiting and retaining the best financial analysts and giving them the training opportunities to develop the highest tradecraft skills. I would support joint duty assignments to grow OIA officers and encourage further integration with the IC.

3. Please explain your vision for balancing OIA's work in supporting designations and other regulatory or law enforcement actions; producing finished analytical intelligence products; contributing to actionable intelligence and/or operational activity; and supporting the policy activities of senior Treasury officials.

I believe the key to balancing the four very important elements of OIA's mission is to understand the priorities of the Secretary of Treasury and the Undersecretary for Terrorism and Financial Intelligence. Should I be confirmed, I would seek to immediately understand those priorities, align the focus of OIA to reflect them, and communicate them to key stakeholders in the IC to foster tailored collection and analysis.

4. On March 4, 2004, the Department of the Treasury announced the creation of the Office of Terrorism and Financial Intelligence (TFI), a realignment of the Executive Office for Terrorist Financing and Financial Crimes. TFI was designed to integrate OIA, the Office of Terrorist Financing and Financial Crimes (TFFC), the Office of Foreign Assets Control (OFAC), the Financial Crimes Enforcement Network (FinCEN), and the Treasury Executive Office for Asset Forfeiture (TEOAF). Following this announcement, these modifications were codified as part of the Consolidated Appropriations Act, 2005, Division H, Title II, Section 222 (Pub. L. 108-447 (Dec. 8, 2004)). Please explain your views on how OIA should coordinate with, support the work of, and enhance the capabilities of:
 - a. These other offices within TFI; and
 - b. Other Treasury Department offices outside of TFI.

It is my understanding that OIA, OFAC, and FinCEN work cooperatively to provide the information and analysis TFI needs to execute its authorities against financial networks. OIA also provides raw and finished intelligence from across the IC for other Treasury

Departments outside TFI. If confirmed, I would work to more fully understand these relationships, identify any gaps or shortfalls, and identify solutions to close them.

5. Please explain your understanding of how the oversight roles of the Senate Select Committee on Intelligence and the House Permanent Select Committee differ from the oversight roles of other congressional committees that have oversight jurisdiction for other offices within TFI and the Treasury Department.

As one of the 16 members of the Intelligence Community, OIA falls under the oversight of the SSCI and the HPSCI. Both committees have a unique role in their jurisdiction to monitor and review the activities of the intelligence community and to assure that intelligence activities are lawful and Constitutional. Both committees also have a role in authorizing funds for OIA as part of the National Intelligence Program.