

STRATEGIC DIRECTION FISCAL YEARS 2009-2011

U.S. DEPARTMENT OF THE TREASURY
OFFICE OF INTELLIGENCE AND ANALYSIS



STRATEGIC DIRECTION FISCAL YEARS 2009-2011

U.S. DEPARTMENT OF THE TREASURY
OFFICE OF INTELLIGENCE AND ANALYSIS

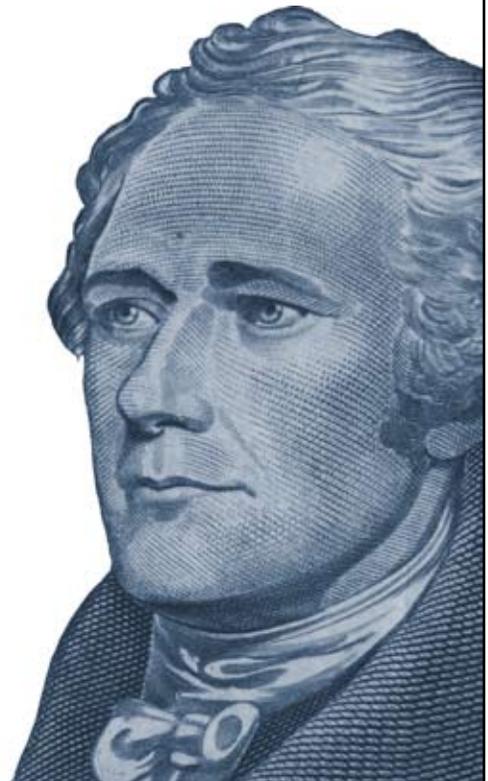
JULY 2008



THIS PAGE IS INTENTIONALLY BLANK

STRATEGIC DIRECTION: FISCAL YEARS 2009-2011

OFFICE OF INTELLIGENCE AND ANALYSIS
DEPARTMENT OF THE TREASURY



THIS PAGE IS INTENTIONALLY BLANK

INTRODUCTION

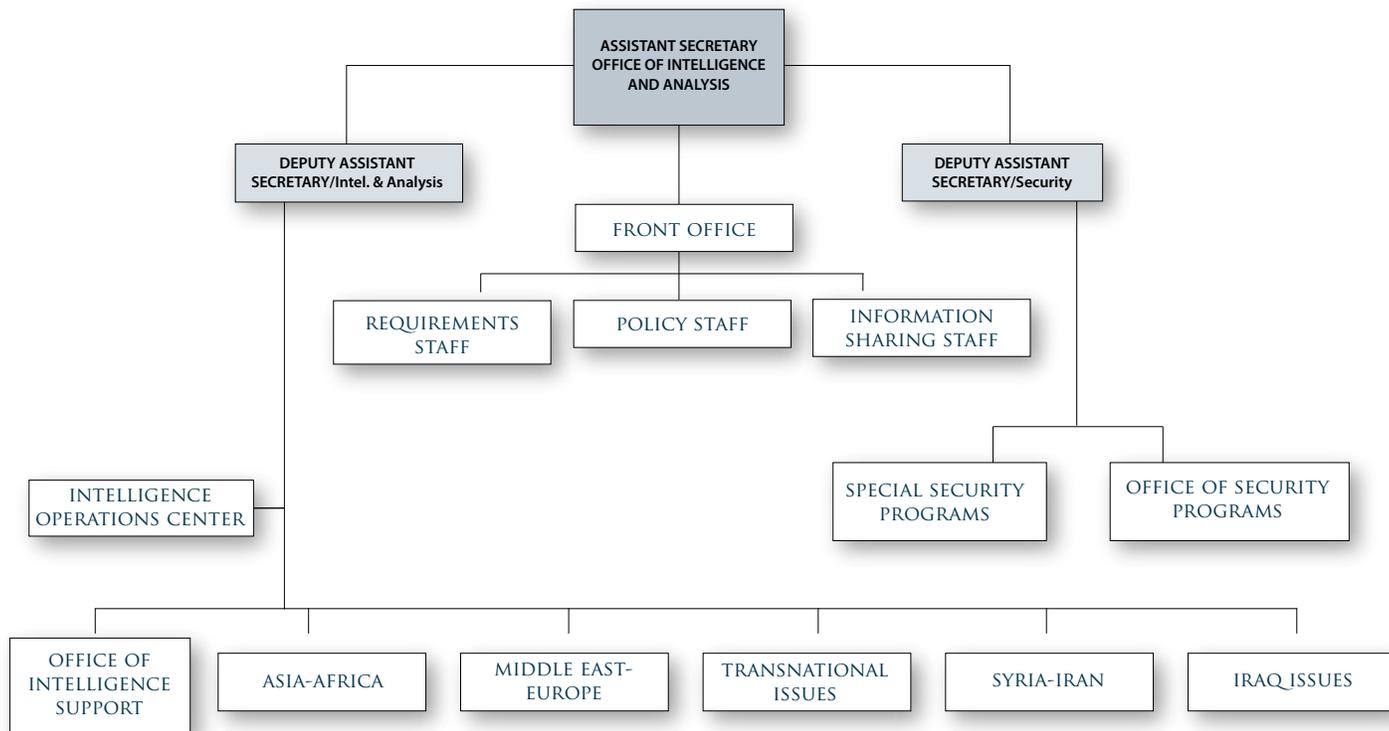
The Intelligence Authorization Act of Fiscal Year 2004 created the Treasury Department's Office of Intelligence and Analysis (OIA) and made it responsible for the receipt, analysis, collation, and dissemination of intelligence related to the operation and responsibilities of the Treasury Department. OIA was created to support the formulation of policy and the execution of Treasury authorities by providing expert analysis and intelligence production on financial and other support networks for terrorist groups, proliferators, and other key national security threats. In addition, OIA was charged with providing timely, accurate, and focused intelligence on the full range of economic, political, and security issues.

On April 28, 2004, the Secretary of the Treasury established the Office of Terrorism and Financial Intelligence (TFI), which includes OIA, the Office of Terrorist Finance 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). TFI brings a wide range of intelligence and enforcement authorities together under a single umbrella to strategically target a number of threats.

Since its creation in 2004, OIA has accomplished a great deal in the course of meeting ever growing demands from its customers. In its first year of operation, OIA focused on establishing a current intelligence process to meet the day-to-day information needs of decision makers in the Department, while also supporting the intelligence needs of the designation process under EO 13224.

- In 2005, President Bush signed EO 13382 aimed at freezing the assets of proliferators of weapons of mass destruction and their supporters; OIA expanded its analytic efforts in order to support implementation of the EO.
- In 2006, OIA enhanced its strategic analytic capability and began producing all-source intelligence assessments on terrorist finance and rogue state proliferation networks that leveraged Treasury's unique expertise and perspective.
- In 2007, OIA expanded the breadth and depth of its analytic cadre to meet increased demand from policymakers.
- In 2008, OIA initiated a research program to examine the systemic issues behind the financing of national security threats, such as cash courier networks, informal remittance systems, and terrorist use of the Internet.

OFFICE OF INTELLIGENCE AND ANALYSIS



DESIGNATIONS AND THE INTERNATIONAL EMERGENCY
ECONOMIC POWERS ACT

The International Emergency Economic Powers Act of 1977 (IEEPA) in times of national emergency gives the President authority to impose sanctions against those threatening the US economy, national security, or foreign policy; investigate, regulate, and prohibit certain transactions; and freeze the assets of foreign adversaries—including governments, individuals, and entities. The President has delegated IEEPA powers with respect to certain matters to the Secretary of the Treasury.

Executive Orders issued by the President under IEEPA—such as EO 13224—allow the Treasury Department to designate individuals and entities threatening the United States as subject to IEEPA sanctions. In addition to EO 13224, the Department enforces Executive Orders covering WMD proliferators, supporters of the Iraqi insurgency, parties undermining democracy in Lebanon, and Syrian regime corruption, among other threats.

ADDRESSING THE GLOBAL FINANCIAL NETWORK: A COMPREHENSIVE APPROACH TO FINANCIAL INTELLIGENCE

Building on its accomplishments of the past several years, OIA plans to launch a comprehensive approach to financial intelligence that will allow us to better confront national security challenges by strengthening our understanding of the global financial network. The global financial network encompasses four areas: the financial underpinnings of national security threats, our adversaries' financial vulnerabilities, the impact of targeted financial measures, and threats to international financial stability.

1. ***Assess Financial Underpinnings of National Security Threats:*** Terrorists, WMD proliferators, rogue states, and other nefarious actors require financial resources to support their activities. Without ready access to such resources, these actors are unable to indoctrinate, recruit, and train personnel; buy weapons, technology, and equipment; circulate propaganda; bribe officials; support the global networks of operatives essential to their existence; or launch attacks. The flow of funds to activities that threaten national security may not be shut off completely, but impeding the activities of these networks makes operating costlier, harder, and riskier for these threats.
2. ***Identify Adversaries' Financial Vulnerabilities:*** The US Government is relying more heavily on targeted financial measures aimed at specific actors engaged in illicit conduct, as opposed to broad-based economic sanctions. Targeted financial measures allow decision makers to apply financial pressure and isolate terrorists, proliferators, and others whose goal is to undermine US security. They also allow US leaders to take punitive action against threats without resorting to military force. Applying targeted financial measures effectively, however, requires in-depth knowledge of an adversary's economic or financial well-being: its strengths, weaknesses, connectivity to global markets, and key dependencies.
3. ***Evaluate the Impact of Targeted Financial Measures:*** As targeted financial measures become an increasingly important policy tool, measuring their effectiveness is imperative. This area of inquiry involves questions such as: What impact have the measures had on the target's economy and financial system? How is the target reacting? Are the measures having the desired effect on the target's behavior? What steps is the target taking to evade or avoid the measures? Moreover, have the measures had any unintended consequences or caused any collateral damage?
4. ***Monitor Threats to International Financial Stability:*** The US financial system and the economic well-being of every American are inexorably linked to the health and stability of the international financial system. Globalization and convergence in the

world economy only underscore this fact. Identifying threats to the global financial system's integrity and to sustainable growth and development therefore is essential to America's own security.

ECONOMIC AND FINANCIAL INTELLIGENCE

OIA assists the Treasury Department's mission to encourage financial stability and sound economic policies abroad by providing Treasury policymakers support on the full range of economic and financial issues. Examples include:

Critical Infrastructure Protection. OIA supports Treasury's role as the Sector Specific Agency responsible for protecting the critical infrastructure of the financial services sector by driving collection and analysis on threats to the sector, and leveraging technical expertise in other Intelligence Community agencies to inform the sector of threats and how best to mitigate them.

Committee on Foreign Investment in the United States (CFIUS). OIA plays three distinct roles when supporting the Secretary in his role as chair of the CFIUS process: advising the Office of International Affairs and TFFC on intelligence issues, representing the agency in the ODNI CFIUS Support Group, and providing input to Intelligence Community threat assessments.

Strategic Economic Dialogue with China (SED). The SED is a multi-agency effort, led by the Secretary of the Treasury, established to manage the bilateral economic relationship with China. Key areas of discussion include services, investment and transparency, energy, innovation and re-balancing domestic Chinese growth.

MISSION AND ENABLING OBJECTIVES

OIA addresses the global financial network by pursuing three substantive *mission objectives* and three cross-cutting *enabling objectives*.

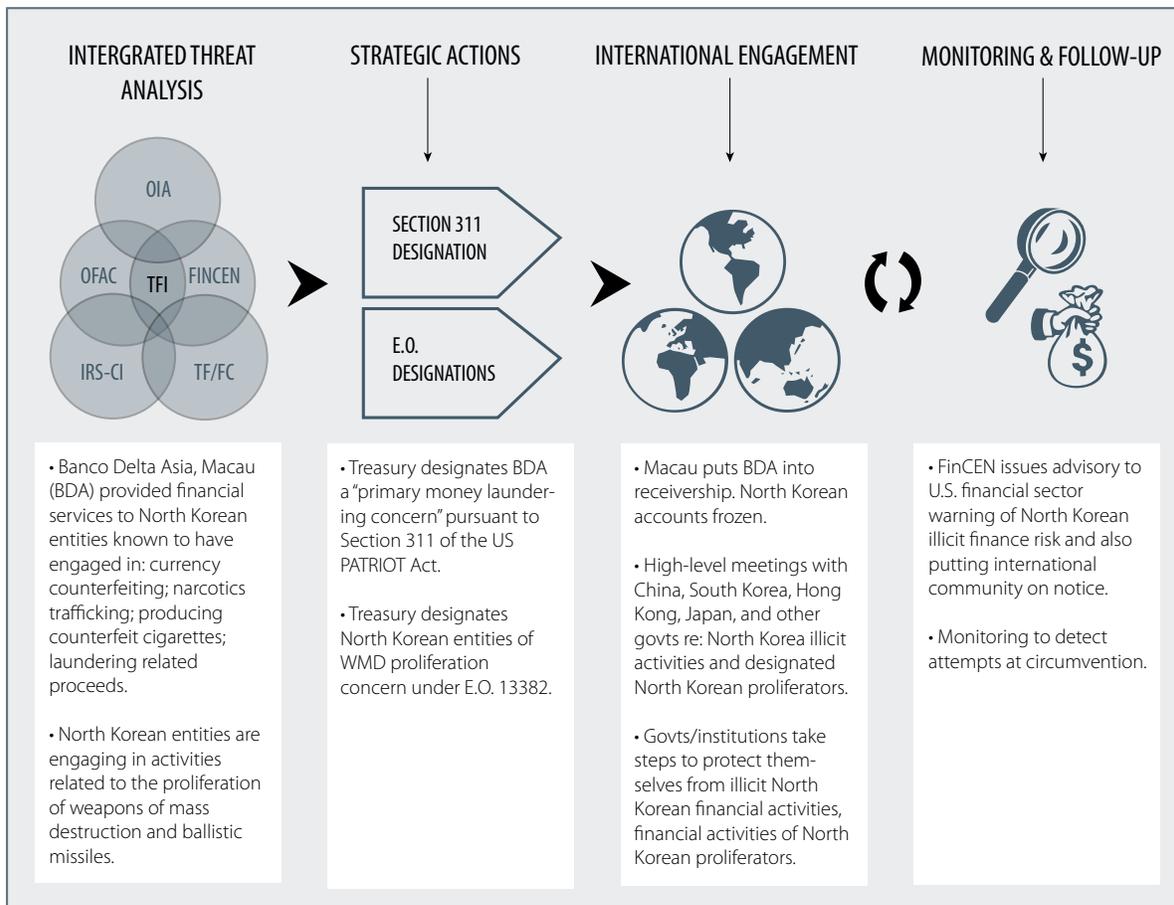
Mission Objectives

1. ***Support the formulation of Treasury policy and the execution of departmental authorities through all-source analysis of the global financial network.*** This analysis focuses on terrorist groups such as al-Qa'ida and its affiliates, Hamas, and Hizballah; WMD proliferation networks; Iraqi insurgency support networks; and rogue states such as Iran, North Korea, and Syria. The analysis takes the form of tactical materials such as target studies or evidentiary packages to support Treasury designations under the IEEPA, preparatory materials for Treasury officials' meetings with interagency and foreign counterparts, and strategic assessments of broad trends in the global financial network.

FROM INTELLIGENCE TO ACTION: TFI TARGETING MEETINGS

In order to review the full range of potential options for specific targets, OIA hosts twice-weekly targeting sessions led by the Under Secretary of the Treasury for Terrorism and Financial Intelligence. At these meetings the Under Secretary, the Assistant Secretary for Intelligence and Analysis, and the senior leadership of TFFC, OFAC, and FinCEN review OIA assessments of national security threats potentially vulnerable to Treasury authorities and decide what action the Department should take in response. These meetings have become Treasury's principal means for translating intelligence into action, and OIA will continue driving these efforts in the coming years.

INTELLIGENCE TO ACTION: NORTH KOREA



2. *Provide Treasury policymakers with timely, accurate, and relevant intelligence support on the full range of economic, political, and security issues.* OIA pursues this objective by ensuring that Treasury officials have access to all raw and finished intelligence products they need to perform their duties. This support is provided on all aspects of the global financial network, with particular attention paid to threats to international financial stability. In this regard, OIA serves as the Department's gateway to Intelligence Community experts on economic and financial issues, and as the Intelligence Community's focal point for expertise and insight unique to Treasury. The activities of OIA's Office of Intelligence Support and Intelligence Operations Center are integral to the pursuit of this objective.
3. *Protect the personnel, programs, and information of the Treasury Department from information security and counterintelligence threats.* As Treasury's national security role has grown, so has its potential as a target for foreign intelligence services and non-state actors like terrorists and criminal groups. OIA is pursuing this objective by developing and implementing a counterintelligence and security program commensurate with the Department's national security responsibilities. This program involves taking steps to prevent espionage in the Department; thwart adversarial threats to our personnel, programs, and facilities; identify and mitigate threats from theft or compromise of Treasury critical programs; and provide the security infrastructure necessary to safeguard Treasury's national intelligence information and systems.

Enabling Objectives

1. *Drive intelligence collection and shape analysis on the global financial network.* OIA pursues this objective by fostering increased cooperation across the Intelligence Community on issues related to the global financial network. Doing so strengthens OIA's ability to align Intelligence Community collection requirements on the global financial network more closely with policymaker needs; develop and exploit new sources of information; enhance analysis on the global financial network in coordination with Intelligence Community partners; and expand OIA's role and relationships within the Intelligence Community.

THE IRAQ THREAT FINANCE CELL: ACHIEVING RESULTS

The Iraq Threat Finance Cell (ITFC) is a Baghdad-based interagency effort co-led by Treasury and the Department of Defense, whose mission is to enhance the collection, analysis, and dissemination of timely and relevant financial intelligence to combat the Iraqi insurgency. Since its establishment in late 2005, senior U.S. and Coalition military commanders have come to rely on the ITFC's strategic and tactical analysis to help combat the Iraqi insurgency and disrupt terrorist, insurgent, and militia financial networks. For example, ITFC analysts and agents assist Coalition Forces in exploiting financial data captured during raids in Iraq, and in identifying trends and patterns in insurgency financing.

2. ***Coordinate intelligence-related activities across the Treasury Department.*** OIA pursues this objective by carrying out the responsibilities of the Assistant Secretary of the Treasury for Intelligence and Analysis as the Department's Senior Office of the Intelligence Community (SOIC). These responsibilities include serving as a central coordinating point for Treasury Department intelligence collection requirements, submitting downgrade/declassification requests to the Intelligence Community on behalf of Treasury policymakers, and managing the protection of and access to Sensitive Compartmented Information (SCI) in the Department.
3. ***Invest in people and information technology.*** OIA is pursuing this objective by developing and implementing a comprehensive human resources strategy. The strategy will address all aspects of recruitment, hiring, training, professional development, and retention issues. Doing so will give OIA a skilled and diverse workforce capable of meeting the Department's intelligence needs now and for the foreseeable future. OIA also is continuing the life-cycle management of its information technology resources in order to give its officers the collaboration and analysis tools they need to interact effectively with colleagues and perform their duties.

ANALYST SUPPORT SYSTEM ENVIRONMENT FOR TREASURY (ASSET)

Released in 2008, ASSET offers OIA personnel IT tools to organize documents in one location, search cable traffic, and collaborate. Based on Microsoft Office SharePoint Server 2007, ASSET can be used to share and store information such as intelligence cables, finished analytic pieces, contact lists, draft analytic products, office calendars, tasks, and discussion boards. ASSET also serves as a workflow tool to streamline a variety of administrative processes, and will grow to include a variety of analytic tools.

| | | | | | | |
|--------------------------------------|--|--|---|--|--|---|
| OIA STRATEGIC DIRECTION | <p>Support the formulation of Treasury policy and the execution of departmental authorities through all-source analysis of the global financial network.</p> | <p>Provide Treasury policymakers with timely, accurate, and relevant intelligence support on the full range of economic, political, and security issues.</p> | <p>Protect the personnel, programs, and information of the Treasury Department from information security and counterintelligence threats.</p> | <p>Drive intelligence collection and shape analysis on the global financial network.</p> | <p>Coordinate intelligence-related activities across the Treasury Department.</p> | <p>Invest in people and information technology.</p> |
| NATIONAL INTELLIGENCE STRATEGY | <p>MO 1: Defeat terrorists at home and abroad. MO 2: Prevent and counter the spread of WMD. MO 3: Bolster the growth of democracy and sustain peaceful democratic states. MO 4: Develop ways to penetrate and analyze the most difficult targets. MO 5: Anticipate developments of strategic concern.</p> | | <p>EO 7: Create clear, uniform security practices.</p> | <p>EO 2: Strengthen analytic expertise. EO 3: Rebalance, integrate, and optimize collection capabilities.</p> | <p>EO 5: Ensure that IC members and customers can access the intelligence they need when they need it.</p> | <p>EO 4: Attract, engage, and unify a results-focused IC workforce.</p> |
| DNI'S 500 DAY PLAN | <p>Focus Area 3: Foster collection and analytic transformation.</p> | <p>Focus Area 5: Modernize business practices.</p> | | <p>Focus Area 1: Create a culture of collaboration. Focus Area 3: Foster collection and analytic transformation.</p> | <p>Focus Area 2: Accelerate information sharing. Focus Area 5: Modernize business practices.</p> | <p>Focus Area 1: Create a culture of collaboration. Focus Area 5: Modernize business practices.</p> |

IMPLEMENTATION: THE GLOBAL FINANCE INITIATIVE

The Global Finance Initiative (GFI), proposed for Fiscal Year 2009, will help OIA meet its mission and enabling objectives on multiple fronts by allowing OIA to be a more effective Intelligence Community partner. The GFI will seek to enhance OIA's capabilities regarding requirements and collection support; analysis; dissemination and information sharing; policy and strategic planning; and mission support. OIA's Counterintelligence and Security Initiative, also proposed for Fiscal Year 2009, specifically will address the counterintelligence mission objective.

Requirements and Collection Support

OIA will help drive collection to meet the needs of Treasury policymakers by building a dedicated team of collection requirements officers. Although OIA does not conduct clandestine intelligence collection, its requirements officers will leverage expertise across Treasury to familiarize the Intelligence Community with OIA's requirements and on how to collect against them.

- OIA requirements officers will work with analysts and advisors to translate information needs into formal requirements, identify persistent collection gaps, develop strategies for closing those gaps, and provide feedback and guidance to Intelligence Community collectors. OIA also will support collectors by evaluating and providing feedback on their reporting and by drafting collection support briefs and collection-targeting packages on aspects of the global financial network.
- The requirements officers will continue work begun in Fiscal Year 2008 by OIA's Requirements Working Group—an internal body made up of representatives from each of OIA's analytic and advisory offices with the goal of leveraging the formal and informal collection requirements processes.
- In addition, OIA will develop a strategic approach for managing its outreach to foreign liaison partners and to the US banking and finance sector.

Analysis

OIA will continue to provide timely, accurate, and policy-relevant all-source analysis on the global financial network that best serves the needs of Treasury and senior USG leaders.

- OIA also will continue to harness Intelligence Community analysis on global financial and economic issues with the intent of leveraging its position as the nexus between the Intelligence Community and financial policymakers.
- OIA will broadly share its research and production plan with Intelligence Community partners, and seek opportunities to draft joint products. In addition, OIA will work with the Office of the Director of National Intelligence and Intelligence Community partners to synchronize and deconflict analytic efforts, fully leverage expertise, and enhance analytic tradecraft.

Dissemination and Information Sharing

OIA will expand the customer base for its analysis to non-Treasury consumers while maintaining the support it provides to policymakers in the Treasury Department. As targeted financial measures and other Treasury authorities have become increasingly utilized foreign policy tools, the demand for insightful analysis on the global financial network has broadened.

- A principal method for disseminating OIA analysis outside the Department is *Treasury Intelligence Online (TIO)*, a secure Community of Interest (COI) residing on a Top Secret//SCI-level network where OIA makes all of its finished intelligence products available to the full range of interagency customers.
- TIO also will house finished intelligence about the global financial network from other Intelligence Community agencies that wish to participate, as well as hard-to-find open source information and “gray literature” on finance-related issues.

OIA also will develop and implement a comprehensive strategic approach to information sharing in order to support outreach efforts initiated by Treasury policymakers. Over the last several years, Treasury officials have orchestrated a concerted campaign to inform foreign governments and private sector partners about the deceptive financial practices of rogue states such as Iran and “charities” that serve as fronts for terrorist financiers.

- As a result of that outreach campaign, many private financial institutions worldwide have terminated their business relationships with these entities, putting immense pressure on their illicit activities.
- The success of the campaign depends on the ability of OIA to downgrade or declassify, as appropriate, actionable intelligence for Treasury policymakers to use in their meetings with foreign and private sector partners, while maintaining safeguards to protect sources and methods, as well as diplomatic and operational equities.

THE IMPACT OF INNOVATIVE INFORMATION SHARING: IRAN

In the fall of 2006, the Treasury Department launched an effort to inform foreign governments and private sector leaders about the risk that Iran's financial deception poses to the international financial system. Iran exploits the global financial ties of its state-owned banks to pursue nuclear capabilities and to develop ballistic missiles in violation of UN Security Council resolutions, as well as to funnel hundreds of millions of dollars each year to fund and arm terrorists.

The result of Treasury's global outreach is that Iran has found itself increasingly isolated from the international financial system as banks around the world decide that maintaining their Iranian clientele is not worth the risk of unwittingly facilitating proliferation or terrorism. Many of the world's leading financial institutions have essentially stopped dealing with Iran – especially Iranian banks – in any currency. Financial isolation combined with the Iranian regime's mismanagement of their country's economy is beginning to generate a debate about the wisdom of the current regime's policies.

Policy and Planning

OIA will strengthen and expand its ability to direct its strategic planning process, and to contribute meaningfully to strategic planning processes initiated by the Treasury Department and the Office of the Director of National Intelligence. In particular, OIA will work with its Intelligence Community partners to advocate and advance initiatives that address the global financial network.

- Much of this effort will necessitate ensuring that the Treasury Department is sufficiently represented at all Intelligence Community and Office of the Director of National Intelligence bodies responsible for setting intelligence-related policies.

Recognizing the need to show that GFI and other initiatives are producing results and achieving increasingly measurable efficiencies, OIA will institute a performance measurement and improvement program that links strategic goals and related long-term goals with measurable results. This program will involve developing and implementing performance measures in order to comply with ODNI and Office of Management and Budget performance-based budget requirements, and will help identify organizational performance challenges and appropriate solutions.

Mission Support

OIA will enhance its mission support capability to implement a comprehensive human resources strategy to address its officers' needs in terms of recruitment, hiring, training, and professional development. This capability also will allow OIA, working in close collaboration with ODNI and Treasury Department budget and human resources personnel, to implement Intelligence Community-wide initiatives such as performance-based compensation.

- As part of this effort, OIA already has taken steps to develop new recruiting materials, create a “new hire” program to introduce new officers into the OIA workforce, and initiated a formal training/career development planning process for its officers.

Counterintelligence and Security

OIA will provide the information security infrastructure and oversight necessary to ensure a secure environment for the Intelligence Community and the Treasury Department. OIA is committed to a Department in which all employees are fully trained to safeguard National Security Information and recognize foreign intelligence threats to the Department's mission. OIA's security program will align Treasury security initiatives with the National Intelligence Strategy and the National Counterintelligence Strategy.

THE OFFICE OF SECURITY

OIA's Office of Security is comprised of Special Security Programs (SSP), and the Office of Security Programs (OSP).

SSP provides the security infrastructure necessary to protect OIA intelligence functions that deliver national intelligence to Treasury Department senior leadership. SSP also directs the Department's counterintelligence program and provides security oversight for Treasury SCI information systems.

OSP carries out personnel, industrial, and information security operations within Treasury's Departmental Offices and establishes Treasury-wide security policy. OSP manages personnel security investigations, adjudicates security clearances, provides security oversight for secure contracts, provides support to the Department's critical infrastructure security program, and manages secure storage and destruction.

In furtherance of this initiative, OIA will build on its ongoing programs to safeguard intelligence information provided to the Treasury Department, oversee Departmental information security programs, and establish a secure SCI information technology system by creating an effective counterintelligence program. The Treasury Counterintelligence Program will identify and deter hostile intelligence collection activities directed against Treasury personnel, op-

erations, systems, and facilities. Employing an Action Plan based on the 2007 Treasury Risk Assessment, OIA will implement a phased approach to establish an effective counterintelligence program at the Treasury Department. (Please see the appendix for more information on the Treasury Counterintelligence Action Plan.)

THIS PAGE IS INTENTIONALLY BLANK