

**SELECT COMMITTEE ON  
INTELLIGENCE**

**UNITED STATES SENATE**



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

1. Please describe how, if confirmed as the Assistant Secretary of the Treasury for Intelligence and Analysis, you will be responsive to the Director of National Intelligence (DNI) and the Secretary of the Treasury.
  - *Because of its dual character as a member of the Intelligence Community and the Department of the Treasury, OIA is positioned to serve as a critical bridge between the Intelligence Community and the Executive Branch's financial policymakers on issues of financial intelligence. 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 U.S. continues to face, 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 U.S. adversaries, the impact of targeted U.S. financial measures, and threats to international financial stability.*
2. If conflicts arise between the priorities of the DNI and the Secretary of the Treasury, how will you act to resolve them?
  - *I am not aware of any conflicts between the priorities of the DNI and the Secretary of the Treasury. If I am confirmed and such a conflict does arise, I would work to resolve any conflicts in the best interest of the United States.*
3. 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?
  - *It is my understanding that OIA drives collection by IC counterparts on top Treasury priorities and produces all-source intelligence analysis to inform Treasury activities. Given its expertise and focus on the topic, I view OIA as the IC's leader on financial intelligence analysis, a role that also involves working collaboratively with partners across the IC.*
4. Do you intend to comply with the president's executive order on ethics? Will you promptly notify the committee if any waivers are granted?

- *If confirmed, I will comply with the President's Executive Order on ethics, including signing the ethics pledge. I will abide by any rules or procedures established by the White House with respect to any waivers granted by the President or his designee.*
5. Please describe your current understanding of OIA's participation in the CFIUS process. Do you think OIA is positioned well to support the interagency in the CFIUS process? How do you see OIA evolving to better support the CFIUS process?
- *It is my understanding that OIA provides intelligence support to Treasury's role in the CFIUS process. If confirmed, I will seek opportunities for OIA to enhance its analytic contribution to this national security function.*
    - *Background: Press reporting describes the volume of CFIUS cases as increasing "considerably" or "dramatically;" some press reports describe case volume as "surging" or "skyrocketing." Exact case volumes for 2015, 2016, and 2017 have not been publicly released; 2014 case volume was 147.*
6. 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 a member 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 review the activities of Intelligence Community entities, assure that intelligence activities are lawful and Constitutional, and authorize funds for OIA. If confirmed, I look forward to working with the intelligence committees as they fulfill their oversight role.*
7. OIA is the only component within the broader Treasury Department that is designated as an Intelligence Community element under the National

Security Act of 1947. With that comes challenges in coordination and information sharing both within the Treasury Department as a whole, and with the broader Intelligence Community.

**a.** If confirmed, how would you protect IC-related information within the Treasury Department, while at the same time working with the IC and the congressional intelligence committees to ensure that we can accomplish our oversight obligations?

*○ It is my understanding that OIA's policies and practices on protecting IC-related information align with ODNI guidance. If confirmed, I would meet with my Security leadership team early on to ensure that is the case. At the same time, I am fully committed to engaging with OIA's Congressional intelligence committees to assist you in accomplishing your oversight objectives.*

**b.** If confirmed, how will you ensure that OIA's intelligence information is protected from information requests directed to the Treasury Department writ large?

*○ If confirmed, I will work with OIA and review the existing procedures and practices to ensure that classified information held by the Treasury Department continues to be appropriately handled and protected.*

**8.** In 2010, then-DNI Clapper established the National Intelligence Manager for Threat Finance (NIM-TF) and appointed Assistant Secretary Ireland to the position.

What are your views on the policy of dual-hatting the Assistant Secretary as the NIM-TF?

*Treasury needs to remain as a central player in threat finance. Its workforce has significant expertise to bring to bear in this important and growing analytic and reporting area. I understand that the ODNI is doing a review of all of its positions, including NIMS, and if confirmed, I will engage early with both Treasury and ODNI leaders to determine the best use of resources to ensure that Treasury remains the focal point for Threat Finance.*

- a. If confirmed, how would you use your dual-hatted role to ensure the necessary integration with the broader IC's threat finance intelligence components and efforts?

*I have strong ties to many of the players in the IC, particularly ODNI and CIA. If confirmed, I will ensure that OIA leverages all IC and USG forums to ensure we are informing decisionmaking in a transparent and collaborative way, and reviewing all options and implications of USG actions. OIA will continue to take a leading role in threat finance efforts, helping to ensure that we are taking a whole-of-government approach.*

9. What legal authorities does OIA primarily rely upon to identify, disrupt, and dismantle terrorist financing? Do you believe there are additional legal tools that OIA needs for its efforts against terrorist financing?

- I understand OIA supports Treasury and the U.S. Government under authorities that include Sections 311 and 312 of Title 31, U.S. Code, as well as Executive Order 12333, as amended. If confirmed, I will give careful attention to the question of whether OIA requires any additional legal authorities to enhance its mission in supporting the U.S. Government's whole-of-government approach to identify, disrupt, and dismantle terrorist financing.*

10. What terrorist organizations are of most concern to OIA? Please describe how, if confirmed, you would proceed to identify, disrupt, and dismantle the financial networks of these organizations?

- It is my understanding that OIA's terrorism priorities are driven by national terrorism priorities. Accordingly, ISIS and its branches and AQ and its affiliates would be OIA's primary concerns right now. I understand OIA is also looking with great concern at other terrorist groups operating in Afghanistan and Pakistan, such as the Taliban and Haqqani Network, among others. It is also my understanding that OIA closely follows Iran's IRGC-Qods Force, Hizballah, and Hamas. Identifying funding networks that support these groups is a unique intelligence discipline, requiring the right mix of smart analysts, training, tools, and information. I have had the privilege of working with OIA's terrorism analysts in previous positions and I know they are some of the*

*best in the IC. I would ensure that OIA retains its highly skilled workforce, that it can recruit and train top talent, and that its analysts have access to the tools and information they need to continue supporting the disruption of terrorist financial networks.*

11. If confirmed, how would you proceed to identify, disrupt, and dismantle the charities that raise money for terrorist organizations?
  - *I understand OIA is critical to enhancing the collection, analysis, and sharing of financial intelligence across the U.S. Government on terrorist-linked charities. OIA analysts pore over all-source reporting to identify key vulnerabilities and support the application of Treasury authorities and policy tools. I plan, if confirmed, to review existing analysis on this topic and, if necessary, conduct a comprehensive evaluation of how charities may be involved in supporting terrorism.*
  
12. What are the challenges that OIA faces regarding virtual currencies, such as bitcoins, pre-paid cards, and other payment forms that are traditionally difficult to track? If confirmed, how would you address those challenges?
  - *Like any payment system or financial product, virtual currencies and pre-paid cards offer opportunities for both legitimate and illegitimate use. The primary reason illicit actors use these products is the potential for greater anonymity in conducting financial transactions. It is my understanding that OIA works closely with Treasury counterparts and IC colleagues to gain greater fidelity into the range of tactics, techniques, and procedures used by terrorists, drug traffickers, and other illicit actors to obfuscate their financial activity. I will ensure that OIA analysts focus on both the financial networks associated with national security threats and laundering methodologies and financial technology more broadly in order to inform Treasury policymakers of potential vulnerabilities with non-traditional payment forms.*
  
13. It is critical that OIA have a workforce that is positioned to address the challenges posed by virtual currency, financing on the dark web, and other, new threats. How is OIA working to train and recruit a workforce that is fluent in how illicit financial networks operate?
  - *I understand that OIA analysts receive training, mentorship, and rotational opportunities to help them develop methodological skills and*

*fluency with tools and data for analyzing current and emerging illicit financial networks and mechanisms. Training and employee development would be a top priority of mine, if confirmed, including an emphasis on analytic tradecraft to ensure that OIA's products continue to exceed IC standards and deliver value to customers.*

**14.** Recent unauthorized disclosures have motivated different IC elements to focus on their insider threat programs. How does OIA confront and mitigate the insider threat challenge? Do you have any plans to revisit and readdress those programs?

- *It is my understanding that Treasury's Insider Threat Program operates in accordance with Executive Order 13587. I believe that deterring and identifying insider threats depends, among other things, on educating the workforce and maintaining robust insider threat capabilities consistent with applicable law, regulations, and policies. If confirmed, I will ensure that the Treasury Insider Threat Program continues to enhance its capabilities to confront and mitigate insider threats.*