

**NOMINATION OF SHANNON CORLESS
TO BE ASSISTANT SECRETARY FOR
INTELLIGENCE AND ANALYSIS,
U.S. DEPARTMENT OF THE TREASURY**

HEARING
BEFORE THE
SELECT COMMITTEE ON INTELLIGENCE
OF THE
UNITED STATES SENATE
ONE HUNDRED SEVENTEENTH CONGRESS
FIRST SESSION

NOVEMBER 30, 2021

Printed for the use of the Select Committee on Intelligence



Available via the World Wide Web: <http://www.govinfo.gov>

U.S. GOVERNMENT PUBLISHING OFFICE

46-623 PDF

WASHINGTON : 2022

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[Established by S. Res. 400, 94th Cong., 2d Sess.]

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**NOMINATION OF SHANNON CORLESS
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TUESDAY, NOVEMBER 30, 2021

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC.

The Committee met, pursuant to notice, at 2:30 p.m., in Room SH-216 in the Hart Senate Office Building, Hon. Mark R. Warner (Chairman of the Committee) presiding.

Present: Senators Warner, Rubio, Wyden, Heinrich, King, Bennet, Casey, Gillibrand, Burr, Risch, Collins, Blunt, Cornyn, and Sasse.

**OPENING STATEMENT OF HON. MARK R. WARNER,
A U.S. SENATOR FROM VIRGINIA**

Chairman WARNER. I would like to call this hearing to order.

Before we get to our witnesses, I want to acknowledge that today is the birthday of the oldest Member on the Committee, Richard Burr, and we want to wish Richard a very, very happy birthday.

Senator BURR. I will correct you on that. You're right about the birthday. You're not right about the oldest.

Chairman WARNER. I know. I was hoping that somebody might self-correct that. But Richard, happy birthday.

Again, welcome Ms. Corless, and welcome to your family. I had a chance to meet briefly Josh and Declan and your mom, Linda, and your brother, Chet. Congratulations on your nomination to be Assistant Secretary of the Treasury for Intelligence and Analysis.

Welcome also, obviously, to John Cornyn, who's going to introduce you.

You come to this position as a highly qualified and highly recommended nominee. You're currently the Intelligence Community Executive and National Intelligence Manager for Economic Security and Financial Intelligence at the office of the DNI. It's clearly a position of direct relevance to the position you're about to be nominated for and hopefully will be confirmed for. My understanding is that you currently have the IC's activities and assessments relating to economic security, energy security, export controls, investment security, sanctions, the supply chain, telecom, threat, finance and trade, including engagements with interagency process and our foreign partners.

So we'll probably ask you on each of those subjects today. You obviously have come highly recommended by your former boss, DNI Jim Clapper. I understand Dan Coats and former HPSCI Chairman Mike Rogers, as well. And obviously, John Cornyn doesn't introduce or recommend that many folks, so that's a very, very good sign as well. The fact is, that kind of broad bipartisan support is absolutely what we need in the Intelligence Community. Non-partisan professionalism throughout the community. The office that you hopefully will be coming to, the Office of Intelligence and Analysis, is really, really important. I know you're going to be over at Treasury. When we get to our questions, I'd like to hear your thoughts on the importance of financial intelligence to the IC, and what capabilities Treasury's OIA brings to the table, especially as we enter a period of strategic competition with countries like China and Russia.

I have not mentioned this to Senator Rubio yet, but Senator Cornyn and I, most or all of us on this Committee, are obviously very supportive of the CHIPS Bill and trying to make sure that we protect our semiconductor industry.

I'm reading today from DIA, there was some information about a potential American company that is perhaps being acquired by China. This is exactly the thing we need to prevent. And I don't know whether I can, I'm not sure where that kind of responsibility fits in the overall framework. Senator Cornyn, Senator Feinstein did a good job on CFIUS Reform a few years back. But this is still an area that we need, I think, a lot more work on. This whole movement around financial intelligence—follow the money—was obviously a critical component of our fight against terrorism extremism. I think we're going to have to follow the money in the same way, particularly as we see the emerging challenges that China and particularly the Communist Party of China is putting forward. I think we also are interested in some of the effects of the digital Yuan, how that plays into the whole power balance. Also, how we deal with Russia from their cyber activities to their use of proxies. And again, the follow the money component, I think, is terribly important.

So I thank you for being willing to serve. And a big thank you to all the women and men who served under your leadership in your current position. The Vice Chairman will now make a statement, followed by Senator Cornyn. And then, Ms. Corless, you will be sworn in and invited to give your introductory statement. After this, the Members' questions will be in five minute rounds.

I now recognize the Vice Chairman.

**OPENING STATEMENT OF HON. MARCO RUBIO,
A U.S. SENATOR FROM FLORIDA**

Vice Chairman RUBIO. Thank you, Mr. Chairman. And thank you, Ms. Corless, for being here, for your willingness to serve in this capacity, for your years of service. You have two decades of service in the Intelligence Community and extensive experience in financial intelligence. And this is a department, in the Treasury Department, that is a really critical member of the Intelligence Community. It has a really important mandate. I think one that's become even more important in the last few years. Obviously, with-

in the context of those challenges, I think none is greater at this point, that's widely acknowledged, than that posed by the Chinese Communist Party. They have a holistic, comprehensive, long-term, and committed plan that they're using both licit and illicit means to dominate particularly global emerging technologies to displace the United States, and, ultimately, to reshape the rules based on international order to its benefit. They used to hide that ambition. They hide it a lot less these days. And it certainly puts a tremendous amount of pressure on us. So I appreciate your long standing work on CFIUS.

I would be interested to hear a little bit today about how you'll support efforts to identify and ensure U.S. companies are not providing—not just being acquired—but providing data, capital technology, know-how to Chinese state-owned companies and state controlled, so called private companies that advance the goals of the Communist Party, as I described earlier. Through the things like joint venture, venture capital, private equity, and other vehicles, which make the tracking of some of these things harder than ever before. I know it's not your doing or in your department, but once again today for the second time at hearing, I expressed the concern I have with the Administration's recent decision to remove the FARC from the Foreign Terrorist Organization lists. I'm just deeply concerned that it's going to contribute to a quick unraveling of decades of progress in Colombia and actually goes against the wishes of our democratic partners in Colombia, a very stable ally, who we worked very closely with throughout all these years. Without, I think, the expectation of this Committee in a role, like the one you will play, is that you will provide the support needed to better inform policy decisions such as these and others, and that it not be driven by political agendas. From all I have seen and read so far, there's no reason to expect that you won't meet that standard.

And so, we're grateful for your willingness to continue to serve, and we look forward to your testimony.

Thank you.

Chairman WARNER. Thank you, Senator Rubio.

I now recognize Senator Cornyn for a formal introduction.

**OPENING STATEMENT OF HON. JOHN CORNYN,
A U.S. SENATOR FROM TEXAS**

Senator CORNYN. Well, thank you, Mr. Chairman and Vice Chairman Rubio. Thank you for holding this hearing to consider the nomination of Shannon Corless to serve as Assistant Secretary for Intelligence and Analysis at the Department of Treasury. She's accompanied by her husband and son and her mom and her brother, and we welcome all of you here today.

I appreciate the opportunity to introduce her to you briefly. I had a chance to work with Ms. Corless a few years ago when we were working on reforms to the Committee on Foreign Investment in the United States, which we all know as CFIUS. There was a clear need to modernize the CFIUS process to prevent predatory investments by adversaries like China and Russia from impacting our national security.

To close that security gap, Senator Feinstein and I introduced the Foreign Investment Risk Review Modernization Act, now

known as FIRRMA, and we looked to Ms. Corless for her expert non-partisan advice. Her tireless work as an intelligence professional was integral to ensuring that we got this legislation right. She provided expertise, advice, and experience to a process that ultimately saw FIRRMA signed into law.

But her interaction with that legislation did not end there. In her capacity at the Office of the Director of National Intelligence, Shannon has adeptly overseen the expansion of capabilities within the Intelligence Community to comply with the requirements to support the updated CFIUS regime. I'm proud of the process we all made together, since FIRRMA became law, and I imagined Ms. Corless is as well. She should be. But we all know that the threat from our foreign adversaries has not all of a sudden evaporated. Our adversaries continue searching for ways to undermine the United States and threaten our position as the preeminent global power.

That's exactly why we need intelligence professionals like Ms. Corless in key positions. In a meeting in my office yesterday, Ms. Corless and I had the opportunity to discuss the importance of export controls and outbound investment reviews, something along the lines that Senator Casey and I have been advocating for, as a way to round out what we began with CFIUS reform. And we look forward to asking you a few questions about that topic.

The Assistant Secretary for Intelligence and Analysis, the Department of Treasury plays a vital role in ensuring our continued economic security. At a time when our adversaries are testing American power all around the world, we cannot ignore the economic component of our national security. Ms. Corless' passion for national security, her work at the ODNI and her nearly 20 years of experience in the Intelligence Community, in my opinion, make her an ideal candidate for this position.

I have confidence that if confirmed, she'll continue to serve our country with honor and integrity and act in the best interest of our national security. Our country is fortunate to have leaders willing to answer the call to preserve American strength and to serve our country despite the hard work, long hours, and thankless expectations that often accompany such service.

Finally, I would be remiss if I didn't mention in my comments that while Shannon is a native of Florida, she did live in Dallas, Texas, for a few years as a child, and that makes her a fellow Texan in my eyes—or at least an honorary Texan.

I'm honored to introduce her to the Committee today.

Thank you very much, Mr. Chairman.

Chairman WARNER. Thank you, Senator Cornyn. I now ask unanimous consent that the many letters of support for the nominees received by the Committee be entered into the record without objection.

[Letters of support for the Nominee follows:]

Senator Dan Coats

November 29, 2021

The Honorable Mark R. Warner
Chairman
Select Committee on Intelligence
United States Senate
Washington, DC 20510

The Honorable Marco Rubio
Vice Chairman
Select Committee on Intelligence
United States Senate
Washington, DC 20510

Chairman Warner and Vice Chairman Rubio:

I write to offer my strong support for the nomination of Shannon Corless as Assistant Secretary for Intelligence and Analysis at the Department of Treasury. During my time as Director of National Intelligence, I worked closely with Shannon when she served as Director of the National Intelligence Council's Investment Security Group (ISG). Throughout my time working with her, I found Shannon to be exceptionally intelligent and hard working. In particular, she played an important role at the ISG in coordinating assessments across the intelligence community for CFIUS and other investment reviews, and worked closely with Congress in providing technical assistance in the development of the Foreign Investment Risk Review Modernization Act of 2018, legislation which strengthened the CFIUS process. She also played a key role in leading the NIC's efforts to identify and work with domestic and global partners to address potential threats associated with foreign 5G investments.

I believe that Shannon's leadership roles at the ISG and more recently as the Economic Security and Financial Intelligence Executive will allow her to excel in the role of Assistant Secretary for Intelligence and Analysis, and I wholeheartedly support her nomination.

Sincerely,



Dan Coats

November 17, 2021

Senator Mark Warner
Chair, Senate Select Committee on Intelligence
211 Hart Senate Office Building
Washington, DC 20510

Senator Marco Rubio
Vice Chair, Senate Select Committee on Intelligence
211 Hart Senate Office Building
Washington, DC 20501

Dear Senator Warner and Senator Rubio:

I am writing to you to express my support for the nomination of Shannon Corless to be the Assistant Secretary for Intelligence and Analysis at the Department of the Treasury. I was the first Under Secretary for Terrorism and Financial Intelligence at Treasury, serving in that position from 2004 until 2011, in both the Bush Administration and the Obama Administration. I am very familiar with the work of the Office of Intelligence and Analysis and the importance of having a confirmed leader in that role.

I have had the pleasure of engaging with Ms. Corless in her current role as the Intelligence Community Executive and National Intelligence Manager for Economic Security and Financial Intelligence for the past several years. I am confident that she brings both the substantive skill set and the management capability that will be needed to succeed in the role she has been nominated for. She also is keenly aware of the need to prioritize private sector engagement to maximize the quality of the analysis that she would bring to policymakers.

Thank you for considering my views. I am happy to engage further if I can be of any assistance.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'Stuart Levey', with a stylized flourish at the end.

Stuart Levey (former Under Secretary for Terrorism and Financial
Intelligence)

Senator Mark Warner

1 November 2021

Chair, Senate Select Committee on Intelligence

211 Hart Senate Office Building

Washington, DC, 20510

Senator Marco Rubio

Vice Chair, Senate Select Committee on Intelligence

211 Hart Senate Office Building

Washington, DC, 20510

Dear Senators Warner and Rubio:

I write to you for the purpose of endorsing the nomination of Ms Shannon Corless and urging her confirmation to be Assistant Secretary for Intelligence and Analysis, Department of the Treasury.

Having worked with Shannon for several years and understanding the requirements of the position she's been nominated to fill, I think this is as close to a "perfect fit," of highly qualified person to demanding senior position as one will ever encounter in the Executive Branch. I say this from the perspective of having served in the Intelligence Community (IC) for over 50 years and watched the performance of a great many intelligence officers, I believe I have some basis for comparison. I consider Shannon to be the foremost authority in the Intelligence Community on matters related to international finance, foreign investment in the United States, and threat dimensions of economic security.

When I served as Director of National Intelligence(DNI), Shannon was an inter-agency leader in the Committee on Foreign Investment in the United States (CFIUS). Because of her demonstrated expertise in these arcane, complex areas, she worked closely and directly with Senator Cornyn and his staff to help draft what was ultimately enacted as the Foreign Investment Risk Review and

Modernization Act of 2018. Because of that collaboration, the Intelligence Community role in this process was clarified and codified, and importantly, the IC was provided appropriate resources to execute its crucial tasks.

Shannon conceived the concept for the Investment Security Group in 2017, which elevated CFIUS-related analytic work and strategic analysis to the level of a National Intelligence Officer. This signaled both internally to the IC, as well as externally to the inter-agency, the crucial importance of these responsibilities and the key roll played by the IC. Subsequently, Shannon led the effort to create greater center of mass of resources for analysis and partner engagement.

Shannon earlier served in other capacities in the IC with exceptional success. She began her intelligence career in the Office of Naval Intelligence, first as an intern, and later as a South Asian analyst. She additionally served in the Chief of Naval Operations Flag Plot providing daily briefing support on South Asia and Russian Naval issues to the Chief of Naval Operations and senior Navy leadership.

Because of Shannon's professionalism, leadership, proven track record, her broad-gauged knowledge and experience, and, importantly, her impeccable integrity, she was selected for promotion to the Senior National Intelligence Service in 2014 while I was DNI. It is for these very same characteristics and capabilities that I now unreservedly recommend her for confirmation as the Assistant Secretary for Intelligence and Analysis, Department of the Treasury. I have every confidence that if confirmed, she will serve with great distinction.

Respectfully,

James R Clapper

601 13th Street NW
Suite 1050N
Washington, DC 20005

29 October 2021

Senator Mark Warner
Chair, Senate Select Committee on Intelligence
211 Hart Senate Office Building
Washington, DC 20510

Senator Marco Rubio
Vice Chairman, Senate Select Committee on Intelligence
211 Hart Senate Office Building
Washington, DC 20510

Dear Senators Warner and Rubio,

It is my distinct honor to pen this letter of support for Shannon Corless' nomination as Assistant Secretary for Intelligence and Analysis within the Department of the Treasury.

I have had the privilege of working with Shannon personally on multiple intelligence-related issues, both in and out of government. She is one of those unsung, quiet professionals within the Intelligence Community to whom our country owes a debt of gratitude for their service.

Shannon brings over 20 years of intelligence experience working on the hardest financial intelligence threats facing our country. She began her career as an analyst with the Office of Naval Intelligence and rose to her current post as the country's first Executive for Economic Security and Financial Intelligence within the Office of the Director of National Intelligence. Throughout her career, Shannon has continuously demonstrated a commitment to excellence, professionalism, and unparalleled subject-matter expertise, all of which are needed now more than ever.

As Chairman of the House Permanent Select Committee on Intelligence, I saw first-hand the products of the hard work and determination put forth by her and her team. She consistently demonstrated an attention to detail and had a candor that I appreciated and found invaluable as Chairman. Like all good intelligence analysts, she is exceptional at putting disparate pieces together to form a complex mosaic yet is unafraid to admit when there are holes and gaps in the information. Being an Assistant Secretary for Intelligence and Analysis is as much about building, nurturing, and sustaining teams, and Shannon has routinely demonstrated this in all her capacities, not only within the ODNI but across the IC writ large.

The financial threats our country faces are complex, numerous, and unfortunately, growing. Yet, I, for one, will sleep much more soundly at night knowing that Shannon Corless is keeping watch within the Department of the Treasury.

With warmest regards,

A handwritten signature in black ink, appearing to read "Mike Rogers", with a stylized flourish at the end.

The Honorable Mike Rogers
Former Chairman, House Permanent Select Committee on Intelligence
Former Representative, 8th District of Michigan

Chairman WARNER. With that we'll proceed to the administering of the oath.

So, will the witness please stand and raise her right hand?

Do you solemnly swear to give this Committee the truth, the full truth and nothing but the truth, so help you God?

Ms. CORLESS. I do.

Chairman WARNER. Please be seated.

Before we move to your opening statement, I'll now ask you to answer the five standard questions that the Committee poses to each nominee who appears before us. They require a simple yes or no as an answer for the record.

First, do you agree to appear before the Committee here or in other venues when invited?

Ms. CORLESS. I agree.

Chairman WARNER. If confirmed, do you agree to send officials from your office to appear before the Committee and designated staff when invited?

Ms. CORLESS. Yes.

Chairman WARNER. Do you agree to provide documents or other materials requested by the Committee in order for it to carry out its oversight and legislative responsibilities?

Ms. CORLESS. Yes.

Chairman WARNER. Will you ensure that your office and your staff provide such material to the Committee when requested?

Ms. CORLESS. Yes.

Chairman WARNER. Do you agree to inform and fully brief to the fullest extent possible, all members of the Committee on intelligence activities, covert activity, and covert actions rather than only the Chairman and the Vice Chairman?

Ms. CORLESS. Yes.

Chairman WARNER. Thank you very much, and we will now proceed to your opening statement.

STATEMENT OF SHANNON CORLESS, NOMINEE TO BE ASSISTANT SECRETARY FOR INTELLIGENCE AND ANALYSIS, U.S. DEPARTMENT OF THE TREASURY

Ms. CORLESS. Chairman, Vice Chairman and distinguished members of the Committee, it is truly an honor to sit before you today as you consider my nomination for the role of Assistant Secretary for Intelligence and Analysis at the U.S. Department of the Treasury.

I am deeply grateful to President Biden, Vice President Harris, Secretary Yellen, and Deputy Secretary Adeyemo for their confidence in me, and also to the Director of National Intelligence Avril Haines for her support and encouragement in my decision to accept this nomination.

I want to take a moment to recognize several important individuals in my life, without whom today would not have been possible. First and foremost, my husband Josh; he is the love of my life, my best friend, and the most amazing father to our two children, Declan and Margo.

I would also like to recognize my mother and father Linda and Bill Ratliff and my brother Chet. Our parents were the ultimate

role models. They instilled in us from a young age a sense of confidence that we are capable of achieving our goals and realizing our dreams. My father passed away nearly 10 years ago, and while it saddens me enormously that he's not around to savor this moment, I know that he is with me every step of the way.

I would also like to recognize my in-laws, Joseph and Sylvia Corless, who have truly become like a second set of parents to me. And finally, I would like to recognize my late grandmother, Virginia Moser Horgan, who passed away on Christmas night of 2020 from complications related to COVID. There are so many more people, family, friends and colleagues to whom I owe a debt of gratitude for their love and support.

My interest in service to country came at an early age. I grew up in Tampa, Florida, near MacDill Air Force Base. I vividly recall watching my father, a television anchor at WFLA TV in Tampa, report daily on Operation Desert Storm. The conflict and my father's role in reporting it led to many conversations at home about the history of service in my family. This included my great grandfather's service in World War I, both grandfathers' service in World War II and the Korean War respectively, and my great uncle, Colonel Robert Montel, who spent over 30 years in the Army. My uncle served in a variety of special forces roles and posts throughout his career, including as commander of the 5th Special Forces Group. He was my inspiration to pursue a career in national security. And he readily indulged and encouraged my growing interest as a child and young adult.

This passion for national security led me first to work with the Office of Naval Intelligence and then at the Office of the Director of National Intelligence, where I have overseen the provision of broad intelligence for support to Treasury, including with respect to Treasury's role as Chair of the Committee on Foreign Investment in the United States. I am currently responsible for leading the Intelligence Community's economic security and financial intelligence mission. In short, my team is responsible for ensuring that the IC is postured to support policy customers on issues such as CFIUS reviews, export controls, telecommunications, sanctions implementation, and the rise of digital assets, among many others.

The position I am being considered for today, the Assistant Secretary for the Department of the Treasury Office of Intelligence and Analysis, or OIA, is perhaps one of the most unique roles in the IC. The Department of the Treasury is the only finance ministry in the world to have its own intelligence component. Though OIA may have been born out of 9/11 and designed to play a key role in the U.S. government's counterterrorism efforts, it is increasingly pivotal to our government's efforts to compete with China and assure U.S. economic security and that of our allies. Leading an organization with such a unique and critical responsibility is an opportunity I am eager to take on. And one I feel I am prepared to lead, drawing upon my decades of service to the IC and leadership in the IC.

If confirmed to the role of Assistant Secretary, I will strive to ensure that OIA has the human capital and technology resources it needs to successfully execute its mission. Intelligence integration has been a central pillar and guiding principle of my career at

ODNI. If confirmed, I intend to leverage that experience and ensure that OIA continues to lead when appropriate, and partners with IC colleagues always. My entire career has been in the IC, where I am privileged to work with extraordinarily committed and talented colleagues. I never imagined I would have the opportunity to be considered for this role, but I am deeply honored to be nominated and I look forward to your questions.

Thank you.

[The prepared statement of the Nominee follows:]

Shannon Ratliff Corless
Nominee to be the Assistant Secretary for Intelligence and Analysis
U.S. Treasury Department
U.S. Senate Select Committee on Intelligence
November 30, 2021

Chairman, Vice Chairman, and distinguished members of the Committee, it is an honor to sit before you today as you consider my nomination for the role of Assistant Secretary for Intelligence and Analysis at the U.S. Department of the Treasury. I am deeply grateful to President Biden, Vice President Harris, Secretary Yellen, and Deputy Secretary Adeyemo for their confidence in me, and to Director of National Intelligence Avril Haines for her support and encouragement in my decision to accept this nomination.

I want to take a moment to recognize several important individuals in my life, without whom today would not be possible.

First and foremost, my husband Josh. He is the love of my life, my best friend, and the most amazing father to our two children, Declan and Margot, who are the lights of our lives.

I would also like to recognize my mother and father, Linda and Bill Ratliff, and my brother Chet. Our parents were the ultimate role models. They instilled in us from a young age, a sense of confidence that we are capable of achieving our goals and realizing our dreams. My father passed away nearly 10 years ago, and while it saddens me enormously that he's not around to savor this moment, I know he is with me every step of the way.

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This passion for national security led me to work first with the Office of Naval Intelligence, and then at the Office of the Director of National Intelligence—or ODNI—where I have overseen the provision of broad intelligence support to Treasury, including with respect to Treasury’s role as Chair of the Committee on Foreign Investment in the United States. I am currently responsible for leading the Intelligence Community’s Economic Security and Financial Intelligence mission. In short, my team is responsible for ensuring that the IC is postured to support policy customers on issues such as: CFIUS reviews, export controls, telecommunications, sanctions implementation, and the rise of digital assets.

The position I am being considered for today, the Assistant Secretary for Treasury’s Office of Intelligence & Analysis—or OIA—is perhaps one of the most unique roles in the IC. The Department of the Treasury is the only finance ministry in the world to have its own intelligence component. Though OIA may have been borne out of 9/11 and designed to play a key role in the U.S. Government’s counter terrorism efforts, it is increasingly pivotal to our government’s efforts to compete with China, and to shore up U.S. economic security and that of our allies.

Leading an organization with such a unique and critical responsibility is an opportunity I am eager to take on and one that I am prepared to lead drawing upon my decades of service and leadership in the IC.

If confirmed to the role of Assistant Secretary, I will strive to ensure OIA has the human capital and technology resources it needs to successfully execute its mission. “Intelligence integration” has been a central pillar and guiding principle of my career at ODNI. If confirmed, I intend to leverage that experience and ensure that OIA continues to lead when appropriate and partners with IC colleagues always.

My entire career has been in the IC, where I am privileged to work with extraordinarily committed and talented colleagues. I never imagined I would have the opportunity to be considered for this role, but I am deeply honored to be nominated and look forward to your questions.

Chairman WARNER. Thank you, Ms. Corless. And for planning purposes, if any members of the Committee wish to submit questions for the record, after today's hearing, please do so by 5 p.m. this Thursday, December 2nd.

And as usual, we recognize members for five minutes each in order of seniority at the gavel, followed by order of arrival.

Because we actually got a larger turnout than I anticipated, I'm only going to ask you one question and make sure all my colleagues get in, if there's something they don't get to them, I'll get you on a second round.

How do we, from your vantage point right now at ODNI, we're supposed to see some of these efforts to collaborate these economic financial challenges and threats we face. How do we make sure we stay up with what China's doing?

I want to cite this case, where they're potentially buying into a cutting-edge semiconductor entity here in the United States and seems like everything we've done that should have been red flashing lights. How do we make sure that we don't have gaps in obtaining this information? That we have the right tools in place to follow it?

I know from a written standpoint where Treasury OIA fits in, but how do you see your role fitting in with having this role of coordination at ODNI? And what do we need to do to improve the product?

Ms. CORLESS. Sure, Senator, thank you very much for that question. Thank you again for the opportunity to meet with you the other day.

So I think I would offer a couple of points to your question. First, OIA's responsibility within the Department of the Treasury is to identify, deter, and help enable disruption of threats to the U.S. financial system. And I think that would come in a variety of different ways that would certainly come through potential cyberattacks to financial system, but it also comes through efforts to acquire intellectual property, to invest in as U.S. companies gain access to technological capabilities.

So I think the role and responsibility of OIA in this regard is to ensure that it is providing strategic analysis to Secretary Yellen, and to other senior leadership within the government, so that they understand how we see that China is trying to adjust to our efforts to stop their access to technology, through efforts like CFIUS reform. Something that I think we all well know is that China is a learning adversary and while we make great strides to reform how we are reviewing the foreign investments in the U.S., we should expect that they will try to continue to get around those.

So certainly making sure that we have our collection and analysis. Our collection and priorities in place that they are in alignment with what we understand to be the priorities of the administration.

But also critical to that is our partnerships with our foreign partners and our private sector partners. Without those partnerships, and without understanding what private sector sees as trends in industry, it'll be hard for us to necessarily get ahead of the problem.

Chairman WARNER. Well, thank you, I would simply say I was out at ODNI recently, and on the subject of China's economic efforts and kind of ask a basic question about which American venture funds are investing in which of these Chinese tech companies and these good analysts, but they almost felt like they were constrained from looking at American enterprise. I mean, this was a question that at a big Wall Street firm, you'd have a first year analyst to get an answer in a matter of hours, if not, days. So I do hope with your background coming into this role, this is an area we're going to need to beef up our skills and our playing sense.

And, again, your question about making sure we partner with, or your comment making sure we partner with the private sector, is very critical.

Vice Chairman.

Vice Chairman RUBIO. Thank you, again for being here. Look, it's my belief that the Communist Party of China isn't simply a competitor of the United States, but they're engaged in a zero-sum game that they seek to grow at our expense, and ultimately to displace us as the world's most powerful and influential nation in every realm.

Do you agree with that assessment? Do you share that same view?

Ms. CORLESS. Sure. Senator Rubio, I see China as perhaps our greatest strategic competitor. We know that they go after U.S. critical technologies using a whole of government, in a comprehensive approach we know they use the traditional methods such as espionage. We also know that they work with academia. They leverage the seams in our system, whether it would be CFIUS reviews or export control. They take advantage of those. So I absolutely agree that we are facing a significant challenge with China.

Vice Chairman RUBIO. Yes. I get that they're a challenge. And they're not our only global competitor. I guess the question really is, are they engaged in a zero-sum game in your view? You don't have to agree with my view, I'm just wondering, do you agree that they seek to displace us to become the world's most powerful country as opposed to simply being a competitor that wants to reach parity?

Ms. CORLESS. Senator, that is a very good question. It's a complex one. And I do think that there is a great reason for concern that they do have an aim of displacing U.S. economic superiority. And I think for that reason, it's all the more important that OIA, makes sure that it provides the best strategic analysis that it can to the Secretary. If confirmed, I will ensure that OIA will do so.

Vice Chairman RUBIO. So is there anything in the time that you've been working in that position—you can't divulge it obviously in this setting—that leads you to be more cautious about the assessment than I've been? I mean, I've made a pretty straightforward pronouncement. And that is China is involved in a zero-sum game in which they believe either they win or we win, but we can't both benefit.

Is there anything that you've seen or come across, that gives you some pause and reaching the same conclusion in such terms?

Ms. CORLESS. Senator, thank you very much for that question. I think that is probably one that is better reserved for a classified

conversation, and I would be more than happy to come back and talk to you and your staff about that question.

Vice Chairman RUBIO. Okay, so putting aside anything in your work, I just want to be fundamentally clear: what I just said about the zero-sum game, you obviously acknowledge that that's a concern, and you acknowledge that they are a significant, powerful competitor. But you're not able to say, as I have said, that they're involved in a zero-sum game, at least not in this setting?

Ms. CORLESS. So, Senator, yes, I think I would agree with everything that you've just said. We absolutely see them as perhaps our greatest strategic competitor. And they are, at least sitting in within my role right now, they are the priority of the ODNI and of the Intelligence Community in terms of how we are placing our resources and trying to get at the challenge.

Vice Chairman RUBIO. Alright, let me ask you, related to that question: the Chinese laws require companies to turn over information to the Chinese State and the CCP, clearly blurring the military and civilian sector through this military/civil fusion strategy.

Given that, is there any meaningful distinction, for example, at this point between Chinese state-owned entities and what they claim to be private companies, given the reach—in essence, no matter how private you think you are, under Chinese law, if the Communist Party tells you, we need your data, we want your information, you have to do this, they have to do it, or they don't exist as a company anymore.

At this point, is there any real distinction when it comes to the purpose of reviewing investments and things of that nature?

Ms. CORLESS. Senator, if I understand your question correctly, are you asking if there is truly a distinction between the state-owned enterprises and a company that may put itself out as a private Chinese company?

Vice Chairman RUBIO. Correct.

Ms. CORLESS. I think that while there may be some validity to making that distinction, I think what we ultimately have to realize is that the Chinese government has a number of levers over companies that may put themselves out as being private, and there are requirements for them to go back to seek certain approvals from the government in order to seek outbound investments in the United States or in countries like our allies in Europe.

And so I think whether—I almost wondered the extent sometimes whether it's a distinction without a difference, because of the nature of the Chinese laws, as you pointed out.

Vice Chairman RUBIO. Okay, thank you.

Chairman WARNER. Senator Wyden.

Senator WYDEN. Thank you, Mr. Chairman. Good to see you, Ms. Corless, and I certainly know you've gotten positive reviews for your work.

I'm going to start with a question we told you then I would ask you about under the Terrorist Finance Tracking Program. The Treasury Department obtains information on financial transactions from the Swift Company, which is used by thousands of financial institutions to move money around the world. The program has been controversial, because the Treasury Department just scoops

up the data, meaning it gets information on the personal financial transactions of countless innocent people.

More than a year ago, the independent Privacy and Civil Liberties Board reviewed the program, and urged the Treasury do more to protect the privacy of individual Americans, as we indicated before the hearing. What's been done?

Ms. CORLESS. I'm sorry, Senator, could you repeat the last part of your question?

Senator WYDEN. We said that we would be asking, given the recommendation from the board more than a year ago, that more had to be done to protect the privacy of individual Americans. What's been done?

Ms. CORLESS. So, Senator, thank you for the question. I am familiar with the Terrorist Finance Tracking Program. But it is one that I would need to be briefed on, if confirmed, upon arrival with the Treasury, to better understand how it is used and what OIA's role is in it.

That being said—and certainly how I would be implementing any of the board's recommendations—I do want to ensure, I would ensure, that OIA, if I'm confirmed for this role, abides by both the spirit and the intent of the ODNI's processes and procedures with respect to handling U.S. persons' information, and ensuring protection of civil liberties.

Senator WYDEN. Why don't I let you put that in writing? Because I did tell you that I was going to ask the question.

Second question is about following the money. Over the years, the previous Presidents spent decades developing and maintaining and relying on financial relationships with Russia. Other administration officials had compromising links to other countries such as Turkey. And I'm very concerned about foreign adversaries exploiting financial entanglements to undermine our democracy. Are you?

Ms. CORLESS. Senator, yes, I absolutely am concerned about that. And I think, understanding how money moves, it gives us insight into the nature of the relationships and how these adversaries might be trying to circumvent U.S. laws, to circumvent our sanctions process. If confirmed, that is absolutely something that I would ensure that OIA continues to do because it is core to their mission.

While OIA was born out of 9/11 and focused on countering terrorism threats, we see considerable applicability of that same approach to understanding how China and Russia and other adversaries such as Iran and North Korea are trying to use that approach.

Senator WYDEN. Let's be very specific then. I appreciate your answer. As chairman of the Senate Finance Committee—and I should note that I believe there are six members of the Committee in the room now—so there is a real connection between the Finance Committee, Treasury, and Intelligence and as chairman of the Committee, I've long been concerned about the ways in which government investigators are prevented from following the money. Specifically, large private investment funds are a \$10 trillion global industry, yet are exempt from most due diligence and disclosure rules that other investment vehicles are subject to.

If you're confirmed, will you examine whether private offshore investment funds like hedge funds and private equity firms are being used to launder money at scale and potentially evade sanctions or finance terrorism?

Ms. CORLESS. Senator Wyden, thank you for your question. If confirmed, I will ensure that OIA will continue to look at a variety of mechanisms which are used for money laundering, whether it be through mechanisms, such as what you just mentioned, whether it may be through the use of cryptocurrencies or other tools.

Senator WYDEN. I'd like a written answer to that question as well, Ms. Corless. These are hugely consequential issues. Ten trillion, a global industry to a great extent exempt from due diligence and disclosure rules that other investment vehicles are subject to. I want to know whether you're going to examine those.

So I've asked you two questions. As I say, I've heard only positive things about you. I'd like those in writing and under the rules that comes in through the Chair and the Vice Chair. So I'll look forward to that. Thank you.

Thank you, Mr. Chairman.

Chairman WARNER. I would echo this issue of investment firms. I think is something that literally only fairly recently I have become aware of. You talk about terrorism. You also talk about all the challenges we've—we've tried to deal with challenging, for example China. That's all opaque as well.

Senator BURR.

Senator BURR. Thank you, Mr. Chairman. Shannon, welcome. Our paths have had the opportunity to cross a number of times over the years. I don't have questions for you, I just have a few comments.

One, it's refreshing to see somebody as qualified nominated for a spot in the intelligence community and I will say that this administration has held a high standard for anybody within the intel community and you're at the top of that list.

You talk about I&A being created out of 9/11. I can still remember when the office stood up and we had these young, smart guys with computers downstairs in the basement, probably the worst office in the building, and it didn't take them long before they tracked down exactly how terrorist financing was happening. And they began to shut it down, even in the most rudimentary way.

My observation on that is we can do much more than just track terrorism dollars down there. I would hope that when you got there you would look at an expanded horizon as to how that asset can be used. And I'm sure it's there, probably in a different office. Probably they're a little older now, probably the technology they use is a little bit better, but I think it is a strong force multiplier for us in a lot of the things that we're concerned with.

Second, Treasury is the loudest voice in the room for CFIUS, but it seems that entities like the State Department bring more assets to tip the scales when the vote happens and how the votes line up. I just want to encourage you to make sure that not only is Treasury a loud voice, they're the loudest voice in the room.

What the Chairman and the Vice Chairman have expressed about China concerns all of us on this Committee. It should concern every American, but we've reached out and read companies

and academia into the China threat, and it by no means is overwhelming when they walk away that they understand just how big a threat this is. You'll see it, you'll know it, you'll have the factual information. Make sure that the voice at Treasury is the loudest voice that goes in the room on some of the CFIUS decisions.

The last thing I want to say is you're probably the only one in an intel role that fits into an agency that's not an intelligence agency with the possible exception of the State Department. We have high expectations about this intelligence component at the Treasury and it's much different than the intelligence component at the State Department because your information goes to a much broader array of the intelligence community. They don't have the insight that you're going to have from your technical folks, from your analytic team. So it is valuable that you make sure that that is properly broadcast throughout the intelligence community to influence what analysts are writing, but more importantly so the products that we get on the Hill, as policymakers, we make the best decisions that we possibly can. So you really are in a pivotal, pivotal role where you're going.

I wish you tremendous success. I have high expectations of you. I know you're going to make us proud and you already have made your parents proud. Thank you for doing this.

Chairman WARNER. Senator Casey.

Senator CASEY. Mr. Chairman, thanks very much.

Ms. Corless, we're grateful for your willingness to serve again, especially at this time. I wanted to raise some questions with you, some of which we had a chance to talk about recently, I guess just last week, about this question of outbound investment and the review of that investment. We've seen over the last couple of years how the Chinese government has really politicized—I think that's an understatement—both U.S. supply chain security as well as so many other issues relating to this concern that I have and many have about outbound investment. We know that CFIUS and the export control regime have not been designed to address the gaps in knowledge that we face and how this outbound U.S. investment to China and other non-market economies are in fact badly compromising U.S. supply chain and our national security.

The good news is this recognition that many of us have identified, or this concern, I should say, that many of us have recognized has gotten the attention of both branches of government and some other entities as well. National Security Advisor Jake Sullivan noted in July, and I'm quoting, "That the White House is looking at the impact of outbound U.S. investment flows that could circumvent the spirit of export controls and otherwise enhance the technological capacity of our competitors in a way that harm—in ways that harms our national security," unquote.

The U.S.-China Economic and Security Review Commission published a series of recommendations—32 of them. Number 13 says, and I quote, Congress should consider, quote, "legislation to create the authority to screen the offshoring of critical supply chains and production capabilities to the PRC to protect U.S. national and economic security interests"—and it goes on from there. As Senator Cornyn made reference to in his opening statements here today, in his introduction of you, we've teamed up to a really bipartisan bill,

beyond just the two of us, to introduce the National Critical Capabilities Defense Act which would establish the mechanism we're talking about.

So first question is to what extent are both industrial and supply chain intelligence—or to what extent are they an element of financial intelligence?

Ms. CORLESS. Senator, thank you for that question. I think you could easily argue that they are an element of financial intelligence because it is about trying to understand how our adversaries are trying to disrupt our financial infrastructure. And so to the extent that we're talking about industrial policies or efforts that they may have underway to take advantage of vulnerabilities in our supply chains, vulnerabilities in our infrastructure, you could easily make a connection between the two.

Senator CASEY. And the second question, I guess my last, would be what gaps do we have in understanding how Chinese state-owned enterprises weaponize either investment or weaponize the outflow of capital, or even joint ventures, to the detriment of, and against the interests of the United States?

Ms. CORLESS. Senator, thank you for that question. I think in part that question is one that's easier to discuss in more detail in a classified setting, but I think it's very clear when China shares with us its five-year plans, they share what exactly they are intending to invest in, and that is certainly something that we can use to help us better understand where we need to focus our efforts to countering the challenges that they present to us.

But yes, I'd be more than happy to answer those more in depth in a classified setting.

Senator CASEY. Well, I appreciate that and I thank you for the answers to the questions. We'll have more time to discuss them in a different setting as well, but we're grateful not only for your public service but that of your family by extension. So thanks very much.

Thanks, Mr. Chairman.

Chairman WARNER. Senator Cornyn?

Senator CORNYN. Ms. Corless, thank you. Senator Casey's asked most of my questions—how we can fill the gaps left by CFIUS reform on the export side, export controls, and the like. But recently colleagues and I went to Taipei to Taiwan Semiconductor where they use Dutch lithography machinery, which is enormously expensive and sophisticated machinery, to build the most advanced microchips in Taiwan.

But I know at different times the People's Republic of China and the CCP have attempted to purchase that kind of machinery, and that that there's been discussions about whether they should be able to gain access to that. But in the absence of formal or legal controls on the sale and export of machines made in other countries, what tools, if any, are available to the U.S. Government to try to deter the sale of some of this advanced equipment that would allow China, conceivably at some point, to catch up with the rest of the world?

Ms. CORLESS. Senator Cornyn, thank you for that question and thanks again for the opportunity to meet yesterday in advance of this hearing and for your kind remarks in your introduction of me.

Perhaps it's less appropriate for me to talk about tools available to the U.S. Government and more appropriate for me to speak to the need for the IC and for OIA in particular to make sure that we are providing—that we have our collection priorities align such that they can ensure that we get better insight into what China's gaps are, what their capability gaps are, what gaps they're trying to close.

And then similarly, to ensure that OIA, in concert with other IC colleagues, is producing strategic analysis that informs any policies that Secretary Yellen or others in the government might take on to try and counter this challenge. I think I would also add here that this is another example of making sure that we have really strong and robust relationships with our foreign partners because to the extent that we may not have tools that we can use to counter this challenge, they may very well. Or it could be that it's an issue that falls out of our jurisdiction, in which case partnerships that we have with some of our European allies, I think—and our allies such as Japan and India and Australia—are increasingly important.

Chairman WARNER. Senator Gillibrand.

Senator GILLIBRAND. Thank you, Mr. Chairman.

Thank you, Ms. Corless. I appreciate your dedication to serving in this capacity and I want to echo the remarks of Senator Burr. I thought his statements were exactly on point. In your responses to questions sent by the Committee, you listed, quote, "Ensuring that OIA is effectively utilizing human resources to enhance the financial intelligence expertise of OIA's workforce," as your first priority.

Given that OIA was largely born of the post-9/11 work on investigating terrorism financing, do you feel confident that the current workforce has the necessary skills and training to meet the challenge posed to our Nation by China?

And what skills and capabilities can you identify as necessary to ensuring OIA is able to protect and increase its competitive advantages against China and Russia?

Furthermore, if confirmed, what steps will you take to ensure that you're hiring, training, and retaining the necessary talent at OAI to counter the threat posed to the United States by China? And what lessons have you learned from your time at ODNI that will inform your approach to ensuring your workforce is able to meet the strategic challenges posed by China?

Ms. CORLESS. Senator Gillibrand, thank you very much for that question. I appreciate it. While I'm obviously not in the position of assistant secretary yet within OIA, my current position has given me a decent amount of insight into the unique nature of the mission as well as the broad skill set that is required to support the efforts with respect to following the money; for example, economics, global financial infrastructure, virtual currencies, and the like. That's an example of the broad set of expertise that OIA has and needs to continue to build out.

Unfortunately, as you all probably well know, these are very similar skill sets that the private sector highly values and so we need to make sure that we are doing what we can to recruit folks with this expertise—and that we are training them appropriately,

as well. These are folks that we often lose to Wall Street, to the tech firms, and the like.

So I think it's important that we understand what our baseline competencies are that we need. I think we need to make sure that we take advantage of a variety of U.S. Government tools that exist to recruit highly qualified experts and I know that there is a provision in the upcoming Intel Authorization Act which essentially is a pilot program of sorts to bring individuals like this in and to compensate them accordingly.

If confirmed, I look forward to working with the Committee and across the Department to see that pilot program through.

Senator GILLIBRAND. So one of the ideas that is in the NDAA for this Committee is a Cyber Academy to do exactly that, to train a whole set of young recruits like the service academies to work in civilian capacities in the Federal Government like at Treasury, like for you in the intel community, throughout the intel community including Department of Energy, including CIA and NSA, to do the type of work you're talking about. Because I would imagine you will also need skills in data protection, surveillance capitalism, cryptocurrency, blockchain; and people who have the expertise to be able to understand how those technologies are being used by China, by Russia, by adversaries to undermine national security, to undermine our economy, to undermine our financial services industry, to undermine our entire financial underpinnings.

So to the extent recruitment and retention of the brightest and best workforce will be essential for your completion of your mission and duties, we hope that we can create this Cyber Academy, to create a curriculum and to create even an ROTC-type program and collaborate with existing universities to build that workforce for you. I hope that I can work with you on developing that curriculum and developing that pipeline of talent to staff some of your efforts.

Ms. CORLESS. Senator, thank you for that. I am always in favor of new and innovative ways come at critical challenges like this, particularly with respect to recruitment of a next generation workforce for the intelligence community. And to the extent that we have opportunities to work together and with your staff to explore those, if confirmed, I would be honored to do so.

Senator GILLIBRAND. Thank you. Thank you, Mr. Chairman.

Chairman WARNER. Senator Collins.

Senator COLLINS. Thank you. Let me begin, Ms. Corless, by congratulating you for your nomination. I would join my colleagues in saying that you have an impressive background and that it should equip you well in your new position should you be confirmed—I know you always have to add that phrase—which I anticipate that you will be.

I want to talk a bit about the fact that we are pivoting away from terrorism and terrorism financing in the focus on Russia and China. The collapse of Afghanistan amid the chaotic withdrawal by the administration has allowed the Taliban obviously to seize control of the country, but equally worrisome, it opens the possibility that once again Afghanistan will be a safe haven for terrorist groups intent on attacking us.

What can be done to ensure that any humanitarian assistance that is sent to Afghanistan, whose people are in dire need, is not diverted to strengthen terrorist groups?

Ms. CORLESS. Senator, thank you for that question and I think it's a valid one, what you highlighted at the outset, the pivot from counterterrorism to great power competition and the focus on China and Russia. Certainly the core mission of OIA is still going to remain through a pivot like this, identifying tracking and enabling the threats of disruption to the U.S. financial system; and certainly understanding, too, how much is moving to places where we may not want it to go.

And so I think what I would offer as well, while OIA is making an effort to pivot toward great power competition, that capability still resides within OIA to follow the money, if you will, and also to work closely with interagency partners to understand where U.S. aid may be going, to understand what those targets might be so, that we can potentially inform and better direct, as a government, where that aid is going.

Senator COLLINS. About a decade ago, when former Senator Joe Lieberman and I headed the Homeland Security Committee, I remember vividly testimony that we received from the Treasury Department in which the officials said that Saudi Arabia was the epicenter of terrorism financing. That was his phrase. As you look around the world today and as we see increasing threats which I believe will become even stronger with the collapse of Afghanistan, what country or countries would you describe as the epicenter of terrorism financing?

Ms. CORLESS. Senator, I thank you very much for that question. What I think I would offer in this setting is that financial centers around the world are attractive to people engaged in illicit financial activity. It's crucial that OIA continues to partner with these financial centers to understand how the systems are being abused and to understand how money may be used to—furthering efforts with respect to terrorism-related activity.

So if confirmed, I pledge that I would continue to work with our Treasury policy counterparts to understand where illicit financial activity is occurring so that we can effectively engage with counterparts around the world.

Senator COLLINS. Well, just quickly, a final question. Would Iran be on your list?

Ms. CORLESS. Senator Collins, I think we are certainly concerned with Iran's malign influence behavior and their funding of Hezbollah. So yes, I think I would be concerned.

Senator COLLINS. Thank you.

Chairman WARNER. Senator Blunt.

Senator BLUNT. Thank you, Chairman.

Shannon, congratulations to you and your family. This hasn't been the toughest hearing anybody's ever had in this Committee—for good reason. I've watched your work. Dan Coats and others, in addition to Senator Cornyn, have stepped up to say great things about your work in the past.

Following up on Senator Collins' question about diverted aid, there have been several stories recently about state-sponsored groups that seem to do very well collecting U.S. unemployment

during the pandemic and even terrorist groups that, you know, would suggest they were obviously people they weren't and start collecting those kinds of funds.

How big a problem do you think that is and what can we do about it and what's the role of somebody in your job, working with the Department of Labor or wherever these checks are going from, to people who actually are in other countries? Though obviously they're not saying that when they apply for those moneys. And I've seen numbers adding up to billions of dollars maybe going to places that were just pure fraud and some of them were state-sponsored entities.

Ms. CORLESS. Senator Blunt, thank you for that question. So I have heard what—much of what you have just shared. It is something that I probably would need to go back and get briefed on by colleagues to better understand the challenge and the—the veracity of the concerns. So I'd be more than happy to come back and discuss in further detail with you and your staff.

Senator BLUNT. Well, I'd like you to do that and I think, you know, it's obvious people with access to computers and lots of great skills to suggest they're different people and they really can take advantage of particularly situations like we've been in for the last 18 months, where we're trying to get aid to people as quickly as we can who wouldn't have anticipated needing it, and what do we do to see that we're not using that to fund other activities that we don't want to fund.

What would you say is the greatest outside threat to our financial system?

Ms. CORLESS. Senator, thank you for that question. I think without a doubt we are greatly concerned about the cyber threats posed by China and Russia to the U.S. financial system and their efforts and intents to take advantage of the vulnerabilities both with our financial system but also with respect to our critical infrastructure. We may not talk about it as much and as at length as we do with China and Russia, but I think we also would share that we had the same concerns with Iran and North Korea as well, too.

If confirmed for this position, I would ensure that OIA continues to stay on top of that issue and produce a strategic analysis that examines those issues in detail and ensures that the Secretary and other senior leaders within the government are informed to take actions that they feel are necessary to protect our infrastructure.

Senator BLUNT. Right. Cyber threat. And as I suggested in the other question, and as Senator Collins suggested in her question, is serious cybercrime, some state-sponsored, some terrorist-sponsored, some just sponsored by people who'd rather they had our money than we had our money in the United States. I think that could wind up taking a lot of the time of this job over the foreseeable future.

Thank you, Chairman.

Chairman WARNER. Let me echo what Senator Blunt said. I'd be really curious. I mean, I saw those same stories, literally in the hundreds of millions, if not billions potentially, that—and the stories appeared and then I never saw—and maybe shame on all of us—that that was many, many months ago and I don't think we've ever gotten a readout on that ever.

Senator BLUNT. Yes. I saw some stories just this week and we had somebody in our office the other day talking about people in prison, also with lots of time and the access to computers, and they've just decided they're going to apply for unemployment on behalf of them or somebody they know who starts getting unemployment checks. But I think where Shannon's concerned, particularly the outside people that could use that and, you know, they spend their time, particularly terrorist groups, being totally deceptive and this is a source of revenue we don't want them to have.

Chairman WARNER. Absolutely. Well, Ms. Corless, my friend Senator Blunt said you've gotten through this hearing so far pretty well, but you're down to that last Senator who's always been a bit notorious about trying to raise the zinger questions.

Senator SASSE. Failing nominees? Is that what I'm known for? Well, let's call the—

Chairman WARNER. We're going to move to Senator Sasse.

Senator SASSE.—let's call the Chairman of the Finance Committee instead, Mark.

This question you're asking about, all of the fraud in the payments in the COVID response package three and four seems like great, important work for the Finance Committee to do as oversight. So when Chairman Wyden was here, he noted that six of the nine of us who were here at that point were on that committee. Maybe you and I could jointly stiff-arm him that we ought to actually have a Finance Committee hearing.

Ms. Corless, congratulations on your nomination and congratulations to your family as well and getting to have, I guess, two-thirds of them with you today. In your response to your pre-hearing questions, you noted that malign actors cannot be permitted to utilize cryptocurrency, digital assets, or other electronic payment forms as a means of evading sanctions, financing terrorism, or violating other U.S. laws. Is China included in that list?

Ms. CORLESS. If I understand your question correctly, Senator, you're asking if China is using cryptocurrency to circumvent the U.S. financial system?

Senator SASSE. Yes.

Ms. CORLESS. So I think this is again one probably I would like to discuss in more detail appropriately in a classified setting, but that said, I think we are generally concerned with the potential that criminal actors, non-State actors, and then certainly countries like China and Russia, would use cryptocurrencies as a manner to circumvent—and Iran and North Korea as well—to circumvent U.S. sanctions and other U.S. laws. Absolutely.

Senator SASSE. Thank you. I think there are probably a lot of us on this Committee who would like to continue to learn from you on that topic in a classified setting. So then in our public setting, walk us and the American people through, more broadly, not the classified piece, but what does it mean that China is pursuing the digital yuan?

What does it mean for them and what does it mean for us?

Ms. CORLESS. Senator, thank you for that question. I think there are some legitimate concerns with respect to the digital yuan. It is a new technology and so I think I would caveat my forthcoming remarks by saying that technological innovation in and of itself is not

a bad thing. It is impressed that the U.S. Government and the Federal Reserve is also exploring digital currency as well, too.

So I think there's still a lot to be learned, but certainly with respect to China's efforts with the digital yuan, I think there is concern about the potential that it creates a new opportunity for surveillance, more collection of data of U.S. persons or people around the world, the extent to which it is adopted more beyond China's borders. So I think it's something that we need to pay extremely close attention to.

I know that they are planning to use the Beijing Olympics as an opportunity to roll that out and it is something the community and certainly other colleagues across the policy interagency are watching very closely, as you all know.

Senator SASSE. Yes. I appreciate the distinction you drew there because obviously the world has benefited, the U.S. has benefited, but the world has benefited that the dollar has remained the reserve currency of the world for the whole post-World War II global order. It has been a positive-sum game that nations that allied with us, nations that believe in human rights, free trade, open navigation to seaways, transparent contracts, et cetera, have benefited. It has been a positive-sum game, not a zero or a negative-sum game as the CCP wants, going back to Vice Chairman Rubio's questions.

So there's all sorts of threat to the U.S. as the global reserve currency, but in addition, there's all this exported surveillance State powers that the CCP continues to offer to autocracies around the world that they can track. They could potentially track all payments denominated in that digital currency in real time, both their citizens and the citizens of other countries that governments are scared of and want to hold down.

What do you think the role of OIA should be in preventing strategic surprise, not just for Treasury, but also for the Federal Reserve more broadly?

Ms. CORLESS. Thank you very much for that question, Senator. I think to sort of sum up your points, I think we can easily say that the financial system is undergoing some substantial changes right now with the arrival of digital assets, to include cryptocurrencies and to include digital currencies as well. How the financial system evolves will affect the departments as a whole. It will affect their work across both licit economic and illicit finance portfolios.

So if confirmed as the assistant secretary for OIA, I will ensure that OIA is tracking these developments very carefully through engagements with colleagues across the department, counterparts in the Federal Reserve, and others across the interagency to understand what's going on, make sure that the workforce is able to provide expert level advice to Secretary Yellen and others across the government.

Senator SASSE. We're basically out of time for me, so I'll be brief on this one, but thinking of the office, not to which you've been nominated, but the one you're departing from, and the coordinating responsibilities of ODNI across CIA and other agencies in particular, do you think we have the right human capital right now to do that kind of high level of financial/intel integration work?

Ms. CORLESS. That's an excellent question. I think what I would say is that these are issues that elements of the IC have been studying for a long time. Generally speaking, they tend to be sort of smaller groups, I think, vis-à-vis the level of importance that is being placed on the issues today. So I think we have an opportunity here, thanks to the interest—the recognition of our senior IC leadership, and the importance of these issues with respect to countering China and Russia and other competitors, as well. They recognize the importance, they recognize the need to invest in human capital. And certainly we've had some good opportunities with the committee staff to look at opportunities to how we can better invest. So I think we are in a good place. However, we have a ways to go, particularly given the complexity of the issues which we are facing today.

Senator SASSE. Thanks for being frank.

Chairman WARNER. Very good job. I want to follow-up on two things that Senator Sasse said, then I've got just a learning question on my part.

One, I do think your—Senator Sasse's last comment—we've got a lot of bright people in the intel community, but the kind of basic financial knowledge that you get in the first couple years at a McKinsey or at a Goldman or I think back to some of my times—. Very smart folks on trying to sort through Chinese tech firms. And again, I think we need to always make clear our beef is with the Communist Party of China, not the Chinese people. The CCP manipulating these tech firms. There was an enormous lack of knowledge of that—again, a first-year or second-year associate in investment firms would know how to get that information—and I don't know whether part of that is because there's a reluctance to look at American assets that comes from the intelligence side. But where that fits? And is that going to be your job if we're going to ask, all right, how many of the American private equity firms that candidly have refused to take a classified briefing from this committee on the challenges presented by China, how many of these private equity firms have major investments in Baidu, Tencent, Alibaba, TikTok? The list goes on and on.

Where should I go to try to get that question from somebody in the IC or USG? Would it be your office?

Ms. CORLESS. That is a good question, Senator, I think one that I would have to explore in more detail and take back. I think it is possible that that information is available through a couple of different locations within the government and certainly to the extent that that information is available in terms of who is investing where, OIA, in partnership with other IC partners, including those at the FBI, would certainly welcome the opportunity to engage with those . . .

[Crosstalk.]

Chairman WARNER. Some of this is public, you know—a lot of this is public information that you could get from the SEC or if you just look at the filing reports. I worry—again echoing what Senator Sasse said and indirectly what Senator Gillibrand said—that we may not have the skill set that has that background as it's more than just kind of technically follow the money, but look at the analysis of investment patterns. It's one reason why so many of us on

this committee think In-Q-Tel is a very valuable asset. But I would hope this would be something you think about.

Let me take another question that Senator Sasse raised and we've had some spirited discussions with the IC about the digital yuan and the movement within the financial community to more digital assets. I think there's a lot of upside there, but there's also some challenges. One of the theories that have been said is that the ubiquity of Chinese mobile payment systems, which will be, as you said, rolled out at the Olympics and then, God willing, we'll see the demise of COVID and tourism return, Chinese tourists in Europe.

And if those global payment systems get picked up as the de facto payment system the currency that backs, most consumers won't care. Could be the digital yuan. I do think we could get to where Senator Sasse was headed on his questions about ultimately the dollar's reserve currency. If we were looking at that and trying to get the answers and monitor that and follow that, where should I ask that question? To whom in USG? Would it be OIA or would it be somebody in the traditional IC community?

Ms. CORLESS. Certainly, Senator. I think OIA would probably be one of the first places to go based on my understanding of how they are looking at this activity, but certainly there are other organizations within the IC that would be very well positioned to discuss this as well.

Chairman WARNER. Well, sitting there from your current position at ODNI, when you list that mouthful title that you've got, are you, in your current role, supposed to be coordinating all that activity? I mean, like one of the things I worry about—we've got lots and lots of expertise in the IC and I'm still not sure that we're bringing it all together in one spot. But you've done a great job, you've got a committee that's obviously very, very supportive. I'm not trying to do a gotcha here, but where should that be taking place?

Ms. CORLESS. Senator Warner, it's a valid question. I think in my current role right now, our emphasis, I would say, is two-fold. First, we work to ensure that the DNI and the principal deputy and other leadership are prepared to engage with—with their cabinet level counterparts and IC meetings downtown and with respect to their engagements with the White House, as well.

But the other part of my role is ensuring that the IC has the resources that it needs to focus on issues such as this. So I would say while we are responsible to a degree in my current role for having some of that insight and expertise. Really, where the work is done is out in the IC and so it is my current job to ensure that we've got our collection and analytic priorities in place and that we are working with IC agencies to ensure that they have additional resources—

Chairman WARNER. But does that mean, you bring in CIA analysts? I know ODNI's got some of their own analysts. Do you bring in OIA? You know, do you bring in—can you tap resources of folks at the Fed? I mean, how do we make sure all this information, particularly in new technology, emerging spaces around finances that we're tapping into all that expertise?

Ms. CORLESS. Sure. It's less about bringing the resources to ODNI from CIA and as much as it is—or other agencies as—and

as much as it is ensuring that they have the resources and then we work with all the agencies to help coordinate the production that is done so that we can take advantage of whatever unique expertise resides in each agency. So that we minimize redundancies and that we are providing a more complete picture of the challenge to our various policy customers.

Chairman WARNER. I think we've still got some room for improvement there. Let me ask you—this will be my last question. When Senator Burr and I and this committee took on the Russia investigation, we spent some time with FinCEN which was, you know—I think actually while the administration did some good reforms there, but it's still pretty opaque to me.

At OIA, do you have the ability to garner data from FinCEN or how do you get this trove of information that FinCEN—or would you have to go through law enforcement? How would you access some of that information?

Ms. CORLESS. Senator, thank you for that question. I offer this without yet being confirmed for the position. As I understand it, there is a good working relationship between the two organizations and they are working through appropriate ways for how to share information between the two organizations. If confirmed, that's certainly something that I'd want to continue to work on—and resolve—and certainly work with your staff as appropriate.

Chairman WARNER. Well, I think, again, that would be something we found a not a very productive relationship from the committee to FinCEN and I sit on the Banking Committee and the Finance Committee, so I've followed this in a variety of ways and, again, I think some of the people—. But I think when we're thinking about—echoing a bit of Senator Wyden's concerns around the privacy issue—but still getting at—that data to be able to follow—.

I again, coming back to something I read today about the very aspect of everything this Committee's been trying to prevent in terms of China potentially, you know, not stealing through cyber, but through direct investment into a struggling American semiconductor facility that's at the cutting edge. I mean, it was a little bit of a—holy heck, I mean, how is this even still popping up? Where are the warning signals supposed to come from? And I'm not really sure that I'm still clear, even as much time as I've spent on this, whose responsibility is it inside the American government? It may even be pre-actual investment, which then might still go through FIRRMA. But, you know, if this is floating out there, whose responsibility is it to go, you know, tell the company beware? Is it FBI? Is it OIA?

Do you have a sense on that or any advice to give me?

Ms. CORLESS. Certainly, Senator. So I think it's a reflection of the complexity of the environment that we're in these days and the, I would say, sort of almost meteoric rise of the use of economic and financial tools as a way to counter these challenges. So there's a little bit of catch up that I think the intelligence community in general, and maybe to some extent, you could argue, the U.S. Government more broadly, is going through right now to contend with the use of these very powerful and effective tools when implemented correctly.

So I think while there is room for the IC to play a role in this conversation, certainly I think the FBI is a critical partner in engaging industry as well, with these challenges.

Chairman WARNER. Well, it's something, you know you clearly have a lot of support sitting around this committee and helping us think it through and helping us find these answers with the broad background that my friend Senator Burr talked about that you bring to this job, we hope to engage with you. And then, again, I guess final, final comment is: Declan, your mom did really good and, Linda, your daughter did really good.

So we will remind the staff that if you've got questions for the record, please get them in by 5 p.m. on Thursday. We look forward to trying to move this nomination as quickly as possible.

Any other questions?

[No response.]

This hearing is adjourned.

[Whereupon the hearing was adjourned at 3:47 p.m.]

Supplemental Material

SELECT COMMITTEE ON
INTELLIGENCE

UNITED STATES SENATE



QUESTIONNAIRE FOR COMPLETION BY
PRESIDENTIAL NOMINEES

**SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE**

**QUESTIONNAIRE FOR COMPLETION BY
PRESIDENTIAL NOMINEES**

PART A - BIOGRAPHICAL INFORMATION

1. FULL NAME: Shannon Horgan Ratliff Corless (legal)
OTHER NAMES USED: Shannon Ratliff Corless (professional), Shannon Horgan Ratliff (maiden)
2. DATE AND PLACE OF BIRTH: 16 May 1977, Detroit MI CITIZENSHIP: USA
3. MARITAL STATUS: Married
4. SPOUSE'S NAME: Joshua James Corless
5. SPOUSE'S MAIDEN NAME IF APPLICABLE: N/A
6. NAMES AND AGES OF CHILDREN:

NAME

AGE

REDACTED

7. EDUCATION SINCE HIGH SCHOOL:

<u>INSTITUTION</u>	<u>DATES ATTENDED</u>	<u>DEGREE RECEIVED</u>	<u>DATE OF DEGREE</u>
Florida State University	August 1995 – April 1999	Bachelor of Arts	April 1999
University of Tampa	August 1999 – August 2001	MBA	August 2001

8. EMPLOYMENT RECORD (LIST ALL POSITIONS HELD SINCE COLLEGE, INCLUDING MILITARY SERVICE. INDICATE NAME OF EMPLOYER, POSITION, TITLE OR DESCRIPTION, LOCATION, AND DATES OF EMPLOYMENT).

<u>EMPLOYER</u>	<u>POSITION/TITLE</u>	<u>LOCATION</u>	<u>DATES</u>
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Office of the Director of National Intelligence	Intelligence Community Economic Security and Financial Intelligence Executive	Washington, DC	April 2020 - Present
	Acting National Intelligence Manager, Economic Security and Threat Finance	Washington, DC	February 2020 – April 2020
	Director, Investment Security Group (National	Washington, DC	February 2017- February 2020

	Intelligence Council)		
	Deputy National Intelligence Officer for Economics and CFIUS Support (National Intelligence Council)	Washington, DC	April 2012 – February 2017
	Senior Analyst for CFIUS Support (National Intelligence Council)	Washington, DC	August 2007 – May 2012
	Analyst for CFIUS Support (National Intelligence Council, on detail from the Office of Naval Intelligence)	Washington, DC	October 2006 – August 2007
Office of Naval Intelligence	Team Leader	Washington, DC	October 2004 – October 2006
	Watch Officer	Washington, DC	June 2003 – October 2004
	Intelligence Analyst	Washington, DC	October 2001 – June 2003

9. GOVERNMENT EXPERIENCE (INDICATE EXPERIENCE IN OR ASSOCIATION WITH FEDERAL, STATE, OR LOCAL GOVERNMENTS, INCLUDING ADVISORY, CONSULTATIVE, HONORARY, OR OTHER PART-TIME SERVICE OR POSITION. DO NOT REPEAT INFORMATION ALREADY PROVIDED IN QUESTION 8).

Not applicable

10. INDICATE ANY SPECIALIZED INTELLIGENCE OR NATIONAL SECURITY EXPERTISE YOU HAVE ACQUIRED HAVING SERVED IN THE POSITIONS DESCRIBED IN QUESTIONS 8 AND/OR 9.

I am career intelligence professional with nearly 20 consecutive years of experience dating to October 2001. I started in the intelligence community (IC) as a summer intern at the Office of Naval Intelligence in 1997 and 1998. I officially entered on duty as a civilian intelligence officer at ONI in 2001 and served as an all source analyst until 2006. Since 2006, I have worked at the Office of the Director of National Intelligence (ODNI). I initially joined on a joint duty assignment with the National Intelligence Council, working on a new team created to support the Committee on Foreign Investment in the United States. I became a cadre ODNI officer in 2006 and have spent the vast majority of my career developing expertise on investment security reviews such as those led by the Committee on Foreign Investment in the United States. I started as ODNI as a senior analyst and progressively deepened my expertise on analyzing CFIUS transactions for national security threats. Eventually, I was selected to lead the team responsible for analyzing investment security reviews and expanded the team's efforts to include strategic analysis more akin to that published at the National Intelligence Council. I oversaw a significant expansion of both the type of analysis published by the team, as well as the expansion of the IC's capability to meet the requirements to support the updated CFIUS regime, the Foreign Investment Risk Review Modernization Act. After serving in that role, I was selected into my current position as the IC Executive and National Intelligence Manager for the Economic Security and Financial Intelligence (ESFI). I am now responsible for ensuring that IC has the requisite resources and capabilities in place to effectively execute activities related to IC support to policymaker requirements on issues related to: economics, trade, export control, supply chain, investment security, telecommunications, threat finance, sanctions, energy security, and virtual assets and payment systems.

11. HONORS AND AWARDS (PROVIDE INFORMATION ON SCHOLARSHIPS, FELLOWSHIPS, HONORARY DEGREES, MILITARY DECORATIONS, CIVILIAN SERVICE CITATIONS, OR ANY OTHER SPECIAL RECOGNITION FOR OUTSTANDING PERFORMANCE OR ACHIEVEMENT).

2020: Meritorious Presidential Rank Award
 2020: National Intelligence Professional Award (NIPA) - Mission Integration Unit Citation
 2016: NIPA - Intelligence Integration Unit Citation
 2012: National Intelligence Community Award: Meritorious Unit Citation
 Multiple Exceptional Performance Awards

12. ORGANIZATIONAL AFFILIATIONS (LIST MEMBERSHIPS IN AND OFFICES HELD WITHIN THE LAST TEN YEARS IN ANY PROFESSIONAL, CIVIC, FRATERNAL, BUSINESS, SCHOLARLY, CULTURAL, CHARITABLE, OR OTHER SIMILAR ORGANIZATIONS).

ORGANIZATION	OFFICE HELD	DATES
None		

13. PUBLISHED WRITINGS AND SPEECHES (LIST THE TITLES, PUBLISHERS, BLOGS AND PUBLICATION DATES OF ANY BOOKS, ARTICLES, REPORTS, OR OTHER PUBLISHED MATERIALS YOU HAVE AUTHORED. ALSO LIST ANY PUBLIC SPEECHES OR REMARKS YOU

HAVE MADE WITHIN THE LAST TEN YEARS FOR WHICH THERE IS A TEXT, TRANSCRIPT, OR VIDEO). IF ASKED, WILL YOU PROVIDE A COPY OF EACH REQUESTED PUBLICATION, TEXT, TRANSCRIPT, OR VIDEO?

I spoke at the University of California Berkeley School of Law's virtual Spring Forum in March 2021, on the topic of M&A and Governance. I was part of a panel that included former members of CFIUS, and spoke to the role of the ODNI in supporting CFIUS reviews as well as the broad nature of challenges posed by Chinese investment in the United States and allied countries. The video is available here: <https://www.theberkeleyforum.com/spring/>

PART B - QUALIFICATIONS

14. QUALIFICATIONS (DESCRIBE WHY YOU BELIEVE YOU ARE QUALIFIED TO SERVE AS THE ASSISTANT SECRETARY FOR INTELLIGENCE AND ANALYSIS AT THE DEPARTMENT OF THE TREASURY)?

I believe I am qualified for the role of Assistant Secretary for the Office of Intelligence and Analysis for three key reasons. First, I have spent a majority of my career leading IC analysis and related activities related to the office which I have been nominated to lead. I understand the requirements of the Department of the Treasury extremely well, as well as those of the broad policy community. Second, as a result of my years of focus on investment security, and expanding into broader issues of economic security and financial intelligence, I have developed strong interpersonal relationships with colleagues across both the intelligence community as well as our policy customers. As a result, I have an intimate understanding of the community from which I come, the mission I would be responsible for leading, and the requirements of the policy customers I would be serving. Finally, I am recognized for my leadership capabilities, my ability to conceive of a vision and execute it, and my ability to develop relationships across a variety of organizations internal and external to my own. These traits will serve me well in this role, should I be confirmed.

PART C - POLITICAL AND FOREIGN AFFILIATIONS

15. POLITICAL ACTIVITIES (LIST ANY MEMBERSHIPS OR OFFICES HELD IN OR FINANCIAL CONTRIBUTIONS OR SERVICES RENDERED TO, ANY POLITICAL PARTY, ELECTION COMMITTEE, POLITICAL ACTION COMMITTEE, OR INDIVIDUAL CANDIDATE DURING THE LAST TEN YEARS).

None.

16. CANDIDACY FOR PUBLIC OFFICE (FURNISH DETAILS OF ANY CANDIDACY FOR ELECTIVE PUBLIC OFFICE).

None.

17. FOREIGN AFFILIATIONS

(NOTE: QUESTIONS 17A AND B ARE NOT LIMITED TO RELATIONSHIPS REQUIRING REGISTRATION UNDER THE FOREIGN AGENTS REGISTRATION ACT. QUESTIONS 17A, B, AND C DO NOT CALL FOR A POSITIVE RESPONSE IF THE REPRESENTATION OR TRANSACTION WAS AUTHORIZED BY THE UNITED STATES GOVERNMENT IN CONNECTION WITH YOUR OR YOUR SPOUSE'S EMPLOYMENT IN GOVERNMENT SERVICE.)

- A. HAVE YOU OR YOUR SPOUSE EVER REPRESENTED IN ANY CAPACITY (E.G. EMPLOYEE, ATTORNEY, OR POLITICAL/BUSINESS CONSULTANT), WITH OR WITHOUT COMPENSATION, A FOREIGN GOVERNMENT OR AN ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE FULLY DESCRIBE SUCH RELATIONSHIP.

None.

- B. HAVE ANY OF YOUR OR YOUR SPOUSE'S ASSOCIATES REPRESENTED, IN ANY CAPACITY, WITH OR WITHOUT COMPENSATION, A FOREIGN GOVERNMENT OR AN ENTITY

CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE FULLY DESCRIBE SUCH
RELATIONSHIP.

No

C. DURING THE PAST TEN YEARS, HAVE YOU OR YOUR SPOUSE RECEIVED ANY COMPENSATION FROM, OR BEEN INVOLVED IN ANY FINANCIAL OR BUSINESS TRANSACTIONS WITH, A FOREIGN GOVERNMENT OR ANY ENTITY CONTROLLED BY A FOREIGN GOVERNMENT? IF SO, PLEASE PROVIDE DETAILS.

No.

D. HAVE YOU OR YOUR SPOUSE EVER REGISTERED UNDER THE FOREIGN AGENTS REGISTRATION ACT? IF SO, PLEASE PROVIDE DETAILS.

No.

18. DESCRIBE ANY LOBBYING ACTIVITY DURING THE PAST TEN YEARS, OTHER THAN IN AN OFFICIAL U.S. GOVERNMENT CAPACITY, IN WHICH YOU OR YOUR SPOUSE HAVE ENGAGED FOR THE PURPOSE OF DIRECTLY OR INDIRECTLY INFLUENCING THE PASSAGE, DEFEAT, OR MODIFICATION OF FEDERAL LEGISLATION, OR FOR THE PURPOSE OF AFFECTING THE ADMINISTRATION AND EXECUTION OF FEDERAL LAW OR PUBLIC POLICY.

Not applicable.

PART D - FINANCIAL DISCLOSURE AND CONFLICT OF INTEREST

19. DESCRIBE ANY EMPLOYMENT, BUSINESS RELATIONSHIP, FINANCIAL TRANSACTION, INVESTMENT, ASSOCIATION, OR ACTIVITY (INCLUDING, BUT NOT LIMITED TO, DEALINGS WITH THE FEDERAL GOVERNMENT ON YOUR OWN BEHALF OR ON BEHALF OF A CLIENT), WHICH COULD CREATE, OR APPEAR TO CREATE, A CONFLICT OF INTEREST IN THE POSITION TO WHICH YOU HAVE BEEN NOMINATED.

None.

20. DO YOU INTEND TO SEVER ALL BUSINESS CONNECTIONS WITH YOUR PRESENT EMPLOYERS, FIRMS, BUSINESS ASSOCIATES AND/OR PARTNERSHIPS, OR OTHER ORGANIZATIONS IN THE EVENT THAT YOU ARE CONFIRMED BY THE SENATE? IF NOT, PLEASE EXPLAIN.

If confirmed, I will resign from the ODNI so that I can accept the Treasury position.

21. DESCRIBE THE FINANCIAL ARRANGEMENTS YOU HAVE MADE OR PLAN TO MAKE, IF YOU ARE CONFIRMED, IN CONNECTION WITH SEVERANCE FROM YOUR CURRENT POSITION. PLEASE INCLUDE SEVERANCE PAY, PENSION RIGHTS, STOCK OPTIONS, DEFERRED INCOME ARRANGEMENTS, AND ANY AND ALL COMPENSATION THAT WILL OR MIGHT BE RECEIVED IN THE FUTURE AS A RESULT OF YOUR CURRENT BUSINESS OR PROFESSIONAL RELATIONSHIPS.

None.

22. DO YOU HAVE ANY PLANS, COMMITMENTS, OR AGREEMENTS TO PURSUE OUTSIDE EMPLOYMENT, WITH OR WITHOUT COMPENSATION, DURING YOUR SERVICE WITH THE GOVERNMENT? IF SO, PLEASE PROVIDE DETAILS.

No.

23. AS FAR AS CAN BE FORESEEN, STATE YOUR PLANS AFTER COMPLETING GOVERNMENT SERVICE. PLEASE SPECIFICALLY DESCRIBE ANY AGREEMENTS OR UNDERSTANDINGS, WRITTEN OR UNWRITTEN, CONCERNING EMPLOYMENT AFTER LEAVING GOVERNMENT SERVICE. IN PARTICULAR, DESCRIBE ANY AGREEMENTS, UNDERSTANDINGS, OR OPTIONS TO RETURN TO YOUR CURRENT POSITION.

ODNI will prepare a memo that allows me to return to the organization, if I so choose upon departing Treasury. I do not have further employment plans at this time.

24. IF YOU ARE PRESENTLY IN GOVERNMENT SERVICE, DURING THE PAST FIVE YEARS OF SUCH SERVICE, HAVE YOU RECEIVED FROM A PERSON OUTSIDE OF GOVERNMENT AN OFFER OR EXPRESSION OF INTEREST TO EMPLOY YOUR SERVICES AFTER YOU LEAVE GOVERNMENT SERVICE? IF YES, PLEASE PROVIDE DETAILS.

No.

25. IS YOUR SPOUSE EMPLOYED? IF YES AND THE NATURE OF THIS EMPLOYMENT IS RELATED IN ANY WAY TO THE POSITION FOR WHICH YOU ARE SEEKING CONFIRMATION, PLEASE INDICATE YOUR SPOUSE'S EMPLOYER, THE POSITION, AND THE LENGTH OF TIME THE POSITION HAS BEEN HELD. IF YOUR SPOUSE'S EMPLOYMENT IS NOT RELATED TO THE POSITION TO WHICH YOU HAVE BEEN NOMINATED, PLEASE SO STATE.

My husband is the Vice President for International Government Affairs and Political Risk at ConocoPhillips. He has been employed there since 2013 and has been in his role since 2015. In this capacity, he occasionally engages the Department of the Treasury's Office of Foreign Asset Control and other senior department officials on matters pertaining to economic sanctions and licensing activities. He does not have any contact with the Department of the Treasury's Intelligence and Analysis function.

26. LIST BELOW ALL CORPORATIONS, PARTNERSHIPS, FOUNDATIONS, TRUSTS, OR OTHER ENTITIES TOWARD WHICH YOU OR YOUR SPOUSE HAVE FIDUCIARY OBLIGATIONS OR IN WHICH YOU OR YOUR SPOUSE HAVE HELD DIRECTORSHIPS OR OTHER POSITIONS OF TRUST DURING THE PAST FIVE YEARS.

<u>NAME OF ENTITY</u>	<u>POSITION</u>	<u>DATES HELD</u>	<u>SELF OR SPOUSE</u>
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None.

27. LIST ALL GIFTS EXCEEDING \$100 IN VALUE RECEIVED DURING THE PAST FIVE YEARS BY YOU, YOUR SPOUSE, OR YOUR DEPENDENTS. (NOTE: GIFTS RECEIVED FROM RELATIVES AND GIFTS GIVEN TO YOUR SPOUSE OR DEPENDENT NEED NOT BE INCLUDED UNLESS THE GIFT WAS GIVEN WITH YOUR KNOWLEDGE AND ACQUIESCENCE AND YOU HAD REASON TO BELIEVE THE GIFT WAS GIVEN BECAUSE OF YOUR OFFICIAL POSITION.)

None.

28. LIST ALL SECURITIES, REAL PROPERTY, PARTNERSHIP INTERESTS, OR OTHER INVESTMENTS OR RECEIVABLES WITH A CURRENT MARKET VALUE (OR, IF MARKET VALUE IS NOT ASCERTAINABLE, ESTIMATED CURRENT FAIR VALUE) IN EXCESS OF \$1,000. (NOTE: THE INFORMATION PROVIDED IN RESPONSE TO SCHEDULE A OF THE DISCLOSURE FORMS OF THE OFFICE OF GOVERNMENT ETHICS MAY BE INCORPORATED BY REFERENCE, PROVIDED THAT CURRENT VALUATIONS ARE USED.)

<u>DESCRIPTION OF PROPERTY</u>	<u>VALUE</u>	<u>METHOD OF VALUATION</u>
Single Family Home, Washington DC Information as provided in Part 5 and Part 6 of the OGE-278 forms	\$1.8M	Comparable sales

29. LIST ALL LOANS OR OTHER INDEBTEDNESS (INCLUDING ANY CONTINGENT LIABILITIES) IN EXCESS OF \$10,000. EXCLUDE A MORTGAGE ON YOUR PERSONAL RESIDENCE UNLESS IT IS RENTED OUT, AND LOANS SECURED BY AUTOMOBILES, HOUSEHOLD FURNITURE, OR APPLIANCES. (NOTE: THE INFORMATION PROVIDED IN RESPONSE TO SCHEDULE C OF THE DISCLOSURE FORM OF THE OFFICE OF GOVERNMENT ETHICS MAY BE INCORPORATED BY REFERENCE, PROVIDED THAT CONTINGENT LIABILITIES ARE ALSO INCLUDED.)

<u>NATURE OF OBLIGATION</u>	<u>NAME OF OBLIGEE</u>	<u>AMOUNT</u>
Information as provided in Part 8 of the OGE-278 forms		

30. ARE YOU OR YOUR SPOUSE NOW IN DEFAULT ON ANY LOAN, DEBT, OR OTHER FINANCIAL OBLIGATION? HAVE YOU OR YOUR SPOUSE BEEN IN DEFAULT ON ANY LOAN, DEBT, OR OTHER FINANCIAL OBLIGATION IN THE PAST TEN YEARS? HAVE YOU OR YOUR SPOUSE EVER BEEN REFUSED CREDIT OR HAD A LOAN APPLICATION DENIED? IF THE ANSWER TO ANY OF THESE QUESTIONS IS YES, PLEASE PROVIDE DETAILS.

No.

31. LIST THE SPECIFIC SOURCES AND AMOUNTS OF ALL INCOME RECEIVED DURING THE LAST FIVE YEARS, INCLUDING ALL SALARIES, FEES, DIVIDENDS, INTEREST, GIFTS, RENTS, ROYALTIES, PATENTS, HONORARIA, AND OTHER ITEMS EXCEEDING \$200. (COPIES OF U.S. INCOME TAX RETURNS FOR THESE YEARS MAY BE SUBSTITUTED HERE, BUT THEIR SUBMISSION IS NOT REQUIRED.)

REDACTED

32. IF ASKED, WILL YOU PROVIDE THE COMMITTEE WITH COPIES OF YOUR AND YOUR SPOUSE'S FEDERAL INCOME TAX RETURNS FOR THE PAST THREE YEARS?

Yes.

33. LIST ALL JURISDICTIONS IN WHICH YOU AND YOUR SPOUSE FILE ANNUAL INCOME TAX RETURNS.

Washington, DC

34. HAVE YOUR FEDERAL OR STATE TAX RETURNS BEEN THE SUBJECT OF AN AUDIT, INVESTIGATION, OR INQUIRY AT ANY TIME? IF SO, PLEASE PROVIDE DETAILS, INCLUDING THE RESULT OF ANY SUCH PROCEEDING.

No.

35. IF YOU ARE AN ATTORNEY, ACCOUNTANT, OR OTHER PROFESSIONAL, PLEASE LIST ALL CLIENTS AND CUSTOMERS WHOM YOU BILLED MORE THAN \$200 WORTH OF SERVICES DURING THE PAST FIVE YEARS. ALSO, LIST ALL JURISDICTIONS IN WHICH YOU ARE LICENSED TO PRACTICE.

Not applicable.

36. DO YOU INTEND TO PLACE YOUR FINANCIAL HOLDINGS AND THOSE OF YOUR SPOUSE AND DEPENDENT MEMBERS OF YOUR IMMEDIATE HOUSEHOLD IN A BLIND TRUST? IF YES, PLEASE FURNISH DETAILS. IF NO, DESCRIBE OTHER ARRANGEMENTS FOR AVOIDING ANY POTENTIAL CONFLICTS OF INTEREST.

No. I have agreed to a Memorandum of Understanding with the Department of Treasury which documents my agreement and intention to recuse myself whenever a conflict of interest may arise given my investments or my husband's employment with ConocoPhillips.

37. IF APPLICABLE, LIST THE LAST THREE YEARS OF ANNUAL FINANCIAL DISCLOSURE REPORTS YOU HAVE BEEN REQUIRED TO FILE WITH YOUR AGENCY, DEPARTMENT, OR BRANCH OF GOVERNMENT. IF ASKED, WILL YOU PROVIDE A COPY OF THESE REPORTS?

If asked, I will provide a copy of the last three years of annual financial disclosure reports: 2020, 2019, and 2018.

PART E - ETHICAL MATTERS

38. HAVE YOU EVER BEEN THE SUBJECT OF A DISCIPLINARY PROCEEDING OR CITED FOR A BREACH OF ETHICS OR UNPROFESSIONAL CONDUCT BY, OR BEEN THE SUBJECT OF A COMPLAINT TO, ANY COURT, ADMINISTRATIVE AGENCY, PROFESSIONAL ASSOCIATION, DISCIPLINARY COMMITTEE, OR OTHER PROFESSIONAL GROUP? IF SO, PLEASE PROVIDE DETAILS.

No.

39. HAVE YOU EVER BEEN INVESTIGATED, HELD, ARRESTED, OR CHARGED BY ANY FEDERAL, STATE, OR OTHER LAW ENFORCEMENT AUTHORITY FOR VIOLATION OF ANY FEDERAL STATE COUNTY, OR MUNICIPAL LAW, REGULATION, OR ORDINANCE, OTHER THAN A MINOR TRAFFIC OFFENSE, OR NAMED AS A DEFENDANT OR OTHERWISE IN ANY INDICTMENT OR INFORMATION RELATING TO SUCH VIOLATION? IF SO, PLEASE PROVIDE DETAILS.

No.

40. HAVE YOU EVER BEEN CONVICTED OF OR ENTERED A PLEA OF GUILTY OR NOLO CONTENDERE TO ANY CRIMINAL VIOLATION OTHER THAN A MINOR TRAFFIC OFFENSE? IF SO, PLEASE PROVIDE DETAILS.

No.

41. ARE YOU PRESENTLY OR HAVE YOU EVER BEEN A PARTY IN INTEREST IN ANY ADMINISTRATIVE AGENCY PROCEEDING OR CIVIL LITIGATION? IF SO, PLEASE PROVIDE DETAILS.

No.

42. HAVE YOU BEEN INTERVIEWED OR ASKED TO SUPPLY ANY INFORMATION AS A WITNESS OR OTHERWISE IN CONNECTION WITH ANY CONGRESSIONAL INVESTIGATION, FEDERAL, OR STATE AGENCY PROCEEDING, GRAND JURY INVESTIGATION, OR CRIMINAL OR CIVIL LITIGATION IN THE PAST TEN YEARS? IF SO, PLEASE PROVIDE DETAILS.

No.

43. HAS ANY BUSINESS OF WHICH YOU ARE OR WERE AN OFFICER, DIRECTOR, OR PARTNER BEEN A PARTY TO ANY ADMINISTRATIVE AGENCY PROCEEDING OR CRIMINAL OR CIVIL LITIGATION RELEVANT TO THE POSITION TO WHICH YOU HAVE BEEN NOMINATED? IF SO, PLEASE PROVIDE DETAILS. (WITH RESPECT TO A BUSINESS OF WHICH YOU ARE OR WERE AN OFFICER, YOU NEED ONLY CONSIDER PROCEEDINGS AND LITIGATION THAT OCCURRED WHILE YOU WERE AN OFFICER OF THAT BUSINESS.)

No.

44. HAVE YOU EVER BEEN THE SUBJECT OF ANY INSPECTOR GENERAL INVESTIGATION? IF SO, PLEASE PROVIDE DETAILS.

No.

PART F - SECURITY INFORMATION

45. HAVE YOU EVER BEEN DENIED ANY SECURITY CLEARANCE OR ACCESS TO CLASSIFIED INFORMATION FOR ANY REASON? IF YES, PLEASE EXPLAIN IN DETAIL.

No.

46. HAVE YOU BEEN REQUIRED TO TAKE A POLYGRAPH EXAMINATION FOR ANY SECURITY CLEARANCE OR ACCESS TO CLASSIFIED INFORMATION? IF YES, PLEASE EXPLAIN.

Yes. I have had several polygraphs in my career in order to obtain and maintain a security clearance and access to classified information.

47. HAVE YOU EVER REFUSED TO SUBMIT TO A POLYGRAPH EXAMINATION? IF YES, PLEASE EXPLAIN.

No.

PART G - ADDITIONAL INFORMATION

48. DESCRIBE IN YOUR OWN WORDS THE CONCEPT OF CONGRESSIONAL OVERSIGHT OF U.S. INTELLIGENCE ACTIVITIES. IN PARTICULAR, CHARACTERIZE WHAT YOU BELIEVE TO BE THE OBLIGATIONS OF THE ASSISTANT SECRETARY OF INTELLIGENCE AND ANALYSIS OF THE TREASURY AND THE INTELLIGENCE COMMITTEES OF THE CONGRESS, RESPECTIVELY, IN THE OVERSIGHT PROCESS.

Congressional oversight is crucial to ensuring that U.S. government departments and agencies execute their responsibilities in accordance with U.S. laws and regulations, and that they are fiscally responsible in doing so. If confirmed to the role of Assistant Secretary for the Office of Intelligence and Analysis, I will keep our oversight committees informed and aware of the organization's activities.

49. EXPLAIN YOUR UNDERSTANDING OF THE RESPONSIBILITIES OF THE ASSISTANT SECRETARY FOR INTELLIGENCE AND ANALYSIS AT THE DEPARTMENT OF THE TREASURY.

The Assistant Secretary for Intelligence and Analysis plays a critical role in supporting Departmental efforts to protect and advance U.S. economic and financial integrity. OIA does so by ensuring Treasury leadership has access to timely and relevant intelligence analysis pertaining to issues such as sanctions, terrorism and financial crimes, and economic implications of Great Power Competition. OIA achieves this by working closely with other organizations within the Treasury Department and in close collaboration with other organizations within the U.S. Intelligence Community. OIA further serves Treasury by overseeing security for the Department and ensuring the Department has access to secure communications.

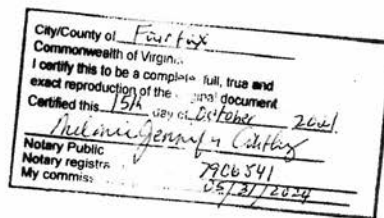
AFFIRMATION

I, SHANNON RATLIFF CORLESS, DO SWEAR THAT THE ANSWERS I HAVE PROVIDED TO THIS QUESTIONNAIRE ARE ACCURATE AND COMPLETE.

15 OCT 2021
(Date)

SHANNON CORLESS SIGNATURE

NOTARY SIGNATURE



TO THE CHAIRMAN, SELECT COMMITTEE ON INTELLIGENCE:

In connection with my nomination to be the U.S. Treasury Department Assistant Secretary of Intelligence & Analysis, I hereby express my willingness to respond to requests to appear and testify before any duly constituted committee of the Senate.

SHANNON CORLESS SIGNATURE

Date: 15 OCT 2021

**SELECT COMMITTEE ON
INTELLIGENCE**

UNITED STATES SENATE



**Additional Pre-Hearing Questions for
Ms. Shannon Corless 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.
 - If confirmed for this position, I will ensure that OIA continues to provide the most timely, accurate, and nuanced intelligence information possible to the Secretary. I will also ensure that OIA continues to effectively support DNI Haines and the broader intelligence community (IC) she leads.
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 unaware of any conflicts between the DNI's priorities and those of the Secretary. If confirmed, I will coordinate effectively with the Secretary and the DNI and work diligently to resolve any such conflicts consistent with Administration priorities.
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?
 - Treasury has a long history of enhancing U.S. national security, and OIA's mission is critical to Treasury's work. This role has evolved over time, along with Treasury's mission. OIA, as an intelligence community component within Treasury, works on the cutting edge of global financial intelligence. OIA was established in 2003 as part of the reorganization of our intelligence and defense agencies following the terrorist attacks of 9/11. I understand OIA frequently produces intelligence products for the President and Cabinet-level officials, as well as Treasury policymakers and fellow IC components. Over the years, economic sanctions and financial diplomacy have increasingly become tools of choice for policymakers. If confirmed, I will support OIA as it continues to build on its strong financial intelligence knowledge base and analytic expertise to provide critical support to the use of those important tools.

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?
 - In connection with the nomination process, I have consulted with the Office of Government Ethics and the Department of the Treasury's Designated Agency Ethics Official to identify potential conflicts of interest. Any such potential conflicts will be resolved in accordance with the terms of the ethics agreement that I have entered with the Department, which has been provided to this Committee.
 - I intend to comply with the President's Executive order on ethics. If there is a need for a waiver, I will make the Committee aware.
5. Please describe your current understanding of OIA's participation in the CFIUS process. Do you think OIA is well positioned 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 serving as the CFIUS chair is one of Treasury's most critical national security responsibilities. I have spent the majority of my career at ODNI leading the IC's support to the CFIUS process. If confirmed, I will work with OIA, TFI and the Office of the Undersecretary for International Affairs to look at OIA's contributions to the CFIUS process.
6. Please explain your understanding of how the oversight roles of the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence differ from the oversight roles of other congressional committees that have oversight jurisdiction for other offices within the Office of Terrorism and Financial Intelligence and the Treasury Department.
 - The Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence share oversight responsibility of executive branch intelligence activities. As OIA is an intelligence community component housed within the Department of the Treasury, a non-intelligence community agency, these important committees provide a critical intelligence oversight role for intelligence activities and authorities specific

to OIA. If confirmed, I will ensure OIA works effectively within TFI and Treasury to facilitate Congress' important oversight responsibilities.

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?
 - If confirmed, I will ensure that OIA continues to work closely with other Treasury offices and bureaus to ensure that only Treasury employees with the appropriate security clearances and assigned mission need have access to intelligence information, consistent with the need to protect intelligence sources, methods, and activities.
 - I recognize that Congress plays an important oversight role regarding executive branch activities, and I pledge to thoughtfully consider all congressional information requests, recognizing the importance of transparency in government. If confirmed, I pledge to work through the accommodations process to comply with Congressional requests for information to the fullest extent consistent with the constitutional and statutory obligations of the executive branch.
 - b. If confirmed, how will you ensure that OIA's intelligence information is protected from information requests directed to the Treasury Department writ large?
 - I understand that OIA has senior disclosure officers who are experienced in protecting national security and safeguarding classified information consistent with Treasury's disclosure obligations. If confirmed, I will exercise appropriate oversight of this critical responsibility, and ensure OIA continues to work closely with the Treasury Legal Division. If confirmed, I will ensure that careful consideration continues to be given to any request seeking downgrade

or disclosure of any intelligence information, including delisting actions, litigation, or OIA's intelligence information.

8. In 2020, the DNI established the role of Economic Security and Financial Intelligence Executive (EFX) and appointed you to that role. Given EFX's roles and responsibilities, what does Treasury OIA contribute to the financial intelligence and economic security mission? How has Treasury OIA's role changed in recent years, given the increasing importance of that mission?
 - The role of the EFX is to align and integrate the IC's collection and analytic capabilities against the nation's most important strategic issues related to economic security and financial intelligence. I understand OIA's contribution to the IC's financial intelligence and economic security mission, its alignment with IC priorities, and its emphasis on providing timely, relevant, and accurate intelligence and analysis to the Secretary.
 - As economic sanctions and financial diplomacy have increasingly become a tool of choice for policymakers, the need for timely, accurate, economic-focused intelligence makes OIA indispensable to the Department's mission and an asset to the IC. In addition to meeting the daily intelligence needs of the Office of Foreign Assets Control (OFAC), the Financial Crimes Enforcement Network (FinCEN), the Office of Terrorist Financing and Financial Crimes (TFFC), Treasury's Office of International Affairs, and Office of Cybersecurity and Critical Infrastructure Protection (OCCIP), OIA serves as a liaison between the IC and these Treasury policy offices, to ensure that Treasury policy offices are staffed with the timeliest intelligence and that the nation's economic policy considerations are factored into IC collection efforts.
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?
 - It is my understanding that OIA carries out its intelligence mission of identifying, tracking, and enabling the disruption of threats to the U.S. financial system -- whether from geopolitical actors, terrorist groups, or foreign-based criminals -- under authorities provided by Executive Order 12333 and sections 311 and 312 of title 31 of the U.S. Code.

- If confirmed, I will examine OIA's tools and authorities to combat terrorist financing and will work to ensure that OIA staff continue to be fully equipped to deal with this and other critical national security issues.

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?

- The United States currently faces dynamic and constantly evolving terrorist threats from groups that seek to target the homeland and U.S. diplomatic and financial interests abroad. While groups such as al-Qa'ida and ISIS continue to demonstrate both the aspirations and capacity to target U.S. interests, there are emerging groups – particularly religiously and ethnically motivated violent extremists (REMVE) – that also pose a threat to our financial system and values.
- If confirmed, I will work to ensure that OIA's unique expertise and tools continue to be an important part of TFI's critical work of safeguarding the U.S. financial system from abuse and bringing malign actors that threaten the national security of the United States to account for their activities. I will also work to ensure that OIA plays a leading role in the IC's efforts in these areas as well.

11. If confirmed, how would you proceed to identify, disrupt, and dismantle the charities that raise money for terrorist organizations?

- A critical component of OIA's mission is to identify not just threats to the U.S. financial sector but also vulnerabilities in the global financial system that terrorist groups exploit to raise and move funds. Despite significant progress over the last two decades, the charitable sector in some countries remains vulnerable to abuse.
- If confirmed, I will support and work closely with relevant senior officials to address this critical issue.

12. What issues related to strategic competition are of more concern to OIA? Please describe, if confirmed, how you would seek to ensure OIA is able to meet the financial intelligence mission in light of strategic competition.

- If confirmed, I will work with OIA, TFI and Treasury senior leadership more broadly to review issues and priorities related to strategic competition.
- I understand that OIA recently stood up a Cyber Directorate to leverage its cyber analytic, technical, and collection resources to enrich intelligence on state-supported cyber threats against the U.S. financial sector, as well as on the financial networks that enable malicious cyber activities.

13. What are the challenges that OIA faces regarding digital assets, such as digital and crypto currencies, mobile payment platforms, and other electronic payment forms? If confirmed, how would you address those challenges?

- Malign actors cannot be permitted to utilize cryptocurrency, digital assets, and other electronic payment forms as a means to evade sanctions, finance terrorism, or violate U.S. law. If confirmed, I will examine OIA's tools and authorities to gather information related to such illicit activity and ensure that OIA staff are fully equipped to provide timely, relevant, and accurate intelligence and analysis on the use of digital assets to evade sanctions, finance terrorism, or otherwise undermine the integrity of the U.S. financial system.

14. It is critical that OIA have a workforce that is positioned to address the challenges posed by digital currencies and associated infrastructure, financing on the dark web, and other, new threats. How should OIA work to train and recruit a workforce capable of carrying out OIA's financial intelligence mission?

- It is my understanding OIA is fortunate to have many talented and experienced technical experts on cyber and financial issues. If confirmed, I will ensure that OIA continues retention efforts that align with broader Treasury and IC retention efforts and continues to work with Treasury's human resources personnel to take the steps necessary to effectively recruit additional candidates who have those essential skills and qualifications.

- If confirmed, I will undertake a review of OIA's training to determine if modifications to the training program are warranted. In addition, I am aware that OIA provides an Illicit Finance Course to the larger Intelligence Community.
15. How does OIA confront and mitigate insider threat challenges? Do you have any plans to revisit and readdress those programs?
- I understand that Treasury's Insider Threat Program meets the national-level standards established by the National Insider Threat Task Force under Executive Order 13587. If confirmed, I will assess the maturity of the program, its framework, and its operations to ensure compliance, efficacy, and efficiency.
16. Unlike other elements of the Intelligence Community, Treasury's Office of Intelligence and Analysis has not finalized Attorney General approved EO 12333 procedures. DNI Haines, ODNI General Counsel Fonzone, and Assistant Attorney General nominee Olsen have all committed to prioritizing the completion and public dissemination of those procedures. Do you make the same commitment?
- Yes, I am committed to prioritizing the completion of Treasury's Executive Order 12333 procedures and their public release following the Attorney General's approval.
17. Do you believe that the People's Republic of China (PRC) is engaging in a zero-sum game of economic and technological competition against the United States?
- As Deputy Secretary Adeyemo has noted, competition with China and Chinese statecraft is one of the central challenges that the United States and its allies and partners face in the 21st century. According to the DNI's 2021 Annual Threat Assessment of the U.S. Intelligence Community, these challenges include China's whole-of-government efforts to spread China's influence, undercut that of the United States, drive wedges between Washington and its allies and partners, and foster new international norms that favor the authoritarian Chinese system.

18. If confirmed, please list and explain the top five priorities you will have as Assistant Secretary for Intelligence and Analysis.

- If confirmed, I anticipate my priorities will be:
 - Ensuring that OIA is effectively utilizing human resources (to include recruiting, training, and retaining a diverse staff) to enhance the financial intelligence expertise of OIA's workforce, particularly to support efforts countering China and Russia, as well as supporting Treasury's sanctions actions;
 - Ensuring that OIA continues to invest in modernizing data and information technology, and to leverage OIA's analytic expertise to maximize the benefits gained from such investments;
 - Implementing the priorities of the Secretary and the DNI, particularly with respect to countering China and ensuring the resiliency of the U.S. and allied economies;
 - Ensuring that OIA is developing and sustaining strong and productive partnerships with stakeholders across the Department, foreign partners, and, consistent with applicable authorities, the private sector; and,
 - Fostering an agile and innovative workforce.

19. If confirmed, do you commit to use your position and voice to press your Treasury counterparts to use OIA's analysis and assessments to advance the United States' economic competition with China? If so, how?

- If confirmed, I will commit to working to ensure that OIA's unique expertise and tools remain a critical element of Treasury's efforts maintaining the nation's economic leverage and leadership.

20. The PRC, its malign influence, and efforts to rewrite the international rules-based system is one of the greatest threats to U.S. national security. If confirmed, do you commit to prioritizing collection and analysis on PRC exploitation of the U.S. financial system to advance its political and economic goals?

- Yes, if confirmed, I will commit to working with the Office of the Director of National Intelligence to ensure that OIA and IC collection capabilities are arrayed against the nation's most important strategic issues related to economic security and financial intelligence, including challenges presented by China.

SELECT COMMITTEE ON INTELLIGENCE

UNITED STATES SENATE



Post-hearing Questions for

**Ms. Shannon Corless upon her nomination to be Assistant Secretary for
Intelligence and Analysis, Department of the Treasury**

U.S. Senator Tom Cotton
 Nomination of Shannon R Corless, to be Assistant Secretary of the Treasury for
 Intelligence and Analysis
 November 30, 2021

1. As you may know, the Treasury, Commerce, and Defense Departments each keep their own blacklists relating to Chinese military-civil fusion (MCF) entities, each with their own special countermeasures against listed entities.
 - a. Do you believe it is important that the United States harmonize its blacklists relating to Chinese military-civil fusion (MCF) entities across the U.S. government?
 - **Answer:** If confirmed, to lead Treasury's Office of Intelligence and Analysis, I would work to ensure OIA continues to collect, retain and disseminate the most up to date financial intelligence information. I understand the President has delegated authority to Treasury under Executive Order 13959, as amended, to list Chinese Military-Industrial Complex Companies (CMICs), and that Treasury's Office of Foreign Assets Control executes that authority. I further understand that the Department of Defense and the Department of Commerce have their own authorities and responsibilities related to Chinese military-civil fusion entities. If confirmed, I would seek to ensure that OIA continues to share and receive relevant information through a robust interagency process to support Treasury, Commerce, and Defense in their execution of their respective authorities.
 - b. If confirmed, what can you do in your new position to help harmonize these blacklists and more consistently enforce U.S. action against these Chinese entities?
 - **Answer:** If confirmed, I will continue to ensure OIA continues to collect, retain, and disseminate the most up to date financial information. I will also undertake a review of the analysis produced by OIA and coordinate closely with my counterparts both within Treasury and with the interagency. I will continue to focus on providing the best possible intelligence information and support to policy makers at the Departments of the Treasury, Commerce and Defense in the implementation of their respective authorities.
2. A recent report by Georgetown's Center for Security and Emerging Technology (CSET) revealed that U.S. capital funding was critical in getting off the ground Chinese startups that supply the Chinese military with AI equipment. In one case, U.S. venture capital firm, Sequoia Capital, was the angel investor in a Chinese company that now supplies the PLA Ground Forces with AI software to better command and operate autonomous systems. Sequoia still remains the largest outside shareholder in this firm.
 - a. Do you think the current U.S. government investment screening system has vulnerabilities regarding U.S. capital funding Chinese technology and military startups?

- b. If so, do you think it is time for an outbound CFIUS process, which could restrict the flow of U.S. investments into Chinese companies or industries that undermine the national interest of the United States?

- **Answer:** Addressing national security risks to the United States arising from investment flows into sensitive technology sectors is an important priority. The IC has long assessed that China has a whole-of-government approach to targeting US critical technologies and related know-how.
- The U.S. investment review process carried out by the Committee on Foreign Investment in the United States (CFIUS) is designed, by statute, to focus on the national security implications from foreign investment into U.S. businesses, including U.S. businesses that contribute into joint ventures regardless of location. While CFIUS does not have authority over U.S. capital flows abroad, it does effectively address threats to U.S. national security arising from the transactions within its purview.
- While the longstanding open investment policy of the United States has disfavored broad “capital control” policies, I understand that the Biden Administration is considering all appropriate means to protect national and economic security with respect to the international flow of capital, technology, and information. I further understand that the Biden Administration seeks to close any related gaps in existing authorities that threaten our national and economic security. As CFIUS focuses on inbound investment, an “outbound CFIUS process” is a topic I would need to further consider. If confirmed, I would be happy to follow up with you on the question you raised.

3. I’m disturbed by reporting that just yesterday the L.A. County Sheriff had to alert his county leadership that they had contracted “mandatory” COVID testing from a company with ties to several of Communist China’s genetic “national champions,” who might use DNA acquired through COVID testing to advance China’s national security efforts.
- a. As a long-time Intelligence Community leader on CFIUS as well as Economic and Financial Intelligence, how do you assess the private information of Americans, including their DNA, is at risk from the Chinese Communist Party’s commercial, scientific, and intelligence exploitation?
- b. In light of this, how should CFIUS be updated to prevent malign actors from acquiring private information about Americans through so-called joint partnerships and other arrangements?

- **Answer:** The private information of Americans is extremely important to protect. There are real threats from our foreign adversaries, and this is something I have been focused on and will continue to focus on. While protection of US persons privacy is an issue CFIUS regularly encounters, CFIUS is not the appropriate tool to address threats to the personal data of U.S. citizens that do not arise from foreign investment into the United States. It is important that lawmakers and policymakers begin considering holistic solutions to ensure that the sensitive data of U.S. citizens in the possession of businesses are protected from these threats such as a federal privacy regime.

The recent updates to CFIUS, through the Foreign Investment Risk Review Modernization Act of 2018, recognized the importance of protecting sensitive personal data of U.S. citizens and expanded CFIUS's jurisdiction over transactions that involve the acquisition of a non-controlling interest in certain U.S. businesses, including those that maintain or collect sensitive personal data. Today, CFIUS reviews a broad range of investment transactions involving U.S. businesses with data—including through joint venture transactions, mergers and acquisitions, and a range of other transaction types. If confirmed, I will ensure that OIA works closely with ODNI and other colleagues across the IC to produce strategic analysis that informs policymakers on how the threat from malign actors is evolving and the extent to which further updates and improvements to the CFIUS process are warranted.

4. Russia's Nord Stream 2 gas pipeline, the crown jewel of Putin's gambit to lock in Europe's dependency on Russia for its energy, is already at work as high natural gas prices coincide with his increasing belligerence across the region.
 - a. As the DNI's senior officer for Economic Security and Financial Intelligence, how do you assess that Putin is manipulating European energy markets to coerce final EU approval of Nord Stream 2?
 - b. Do you assess that Putin is using energy as a weapon to blunt criticism of his increasingly aggressive military posture against Ukraine, or his proxy-nation Belarus's weaponization of refugees against NATO members such as Poland and Lithuania?
- **Answer:** As the President has said, Nord Stream 2 is a bad deal — for Germany, for Ukraine, and for our Central and Eastern European allies and partners. As multiple U.S. administrations have made clear, this pipeline is a Russian geopolitical project intended to divide Europe and weaken European energy security.
5. Several weeks ago, I wrote about my concern of the risk that Putin's military posturing and bellicose rhetoric could be a prelude to further aggression against the sovereign

nation of Ukraine. If confirmed, how would you ensure that Vladimir Putin and the kleptocrat oligarchs upon whom he relies for power face debilitating consequences if they expand the invasion of Ukraine that they launched in 2014?

- **Answer: Russian oligarchs leverage their wealth, opaque international networks, and perceived status as legitimate businessmen to advance the Kremlin's agenda at home and abroad. Those who benefit from Putin's corrupt patronage system, and many of Putin's close friends and associates have amassed incredible wealth. If confirmed, I will work to ensure that OIA continues to collect, retain, and disseminate the most up to date financial intelligence information, and produces analysis to assist in assessing important priorities.**
6. The Central Bank of Iran (CBI) is subject to terrorism sanctions today under Executive Order 13224 for providing terror-related support to Iran's Islamic Revolutionary Guards Corps (IRGC), the IRGC Quds Force, and Lebanese Hezbollah.
 - a. Are you currently aware of any information indicating that the CBI is no longer engaged in any terrorism financing or in providing other terror-related support to the IRGC, IRGC Quds Force, or Lebanese Hezbollah?
 - b. Are you currently aware of any information indicating that the CBI has ceased terrorism-related activities that would justify removing its terrorism designation under Executive Order 13224?
 - c. In your view, should Iranian entities designated by the Treasury Department for terrorist activities under Executive Order 13224 remain sanctioned for continuing conduct that was the original basis of the entities' designation?
 - **Answer: If confirmed, I would lead Treasury's Office of Intelligence and Analysis, so I would not be in a position to weigh-in on the appropriateness of removing sanctions. I am aware that CBI continues to provide support to terrorist entities. If confirmed, I would commit to providing a classified briefing on this issue.**

**U.S. Senator Ben Sasse
Questions for the Record
Nomination of Shannon R Corless, to be Assistant Secretary of the Treasury for
Intelligence and Analysis
November 30, 2021**

1. Ms. Corless, in your response to the Committee's pre-hearing questions you suggest that "... religiously and ethnically motivated violent extremists (REMVE) ... pose a threat to our financial system and values." I share your concern about the broad threat these groups pose to our nation and to our values. However, what is less clear to me is the threat they pose to our financial system. Can you please provide to the Committee a further explanation, classified and unclassified, of this threat?
- **Answer: I understand that racially and ethnically motivated violent extremists (REMVEs) have used the global financial system to raise and move money, including through large U.S. and European bank accounts, payment providers and crowdfunding platforms. Any exploitation of the financial system by REMVEs undermines the integrity of the financial system and has the potential to diminish business and consumer confidence in the financial system.**

U.S. Senator Ron Wyden
Nomination of Shannon R Corless, to be Assistant Secretary of the Treasury for
Intelligence and Analysis
November 30, 2021

1. On November 19, 2020, the Privacy and Civil Liberties Oversight Board (PCLOB) announced the conclusion of its review of the Treasury Department's Terrorist Finance Tracking Program (TFTP). The PCLOB's press release included four recommendations related to privacy and civil liberties.
 - a. What is the status of the Treasury Department's implementation of the PCLOB's recommendations?
 - b. If confirmed, will you advocate for greater transparency about the TFTP, including with regard to the privacy and civil liberties issues identified by the PCLOB and the implementation of the PCLOB's recommendations?
- **Answer: While I am not in the position yet, it is my understanding that Treasury values the input of the PCLOB and is diligently addressing its four recommendations, with implementation actions in progress. It is my general understanding that progress is underway on implementing solutions related to PCLOB's first, second, and third recommendations, and I understand that Treasury is still considering the feasibility of the fourth recommendation. I can assure the Committee that, if confirmed, I will provide additional information once confirmed and fully briefed.**
2. Large private investment funds are a \$10 trillion global industry, yet are exempt from most due diligence and disclosure rules that apply to other investment vehicles. Private equity, hedge funds and venture capital funds are pooled investment vehicles that are excluded from the definition of "investment company" under the Investment Company Act of 1940. Because of this loophole, they are able to accept substantial amounts of offshore money while being exempt from legal requirements to implement anti-money laundering programs. Moreover, the funds are not required to disclose the beneficial owners of these investments, increasing the threat that they will be used to infiltrate illicit proceeds into the global financial system.
 - a. If confirmed, will you commit to reviewing whether private offshore investment funds like hedge funds and private equity firms are being used to launder money at scale and potentially evade sanctions or finance terrorism?
 - b. Will you report to Congress on the results of this review?

Answer: If confirmed, I commit to working to identify and review systemic weaknesses in the global financial system to inform efforts to make the financial

system more resistant to illicit finance. If confirmed, I also commit to share OIA's findings with Congress in the appropriate setting.

3. Correspondent banking services by major U.S. banks have facilitated sanctions evasion schemes, including the one committed by the Turkish state owned bank Halkbank. These services have long been considered a major vulnerability in the financial system, raising concerns about money laundering and other financial crimes.
 - a. If confirmed, will you commit to reviewing whether weaknesses in correspondent banking networks of U.S. banks are allowing for widespread money laundering as well as sanctions evasion or terrorist financing?
 - b. Will you report to Congress on the results of this review?

Answer: As stated above, if confirmed, I commit to working to identify and review systemic weaknesses in the global financial system to inform efforts to make the financial system more resistant to illicit finance. If confirmed, I commit to sharing OIA's findings with Congress in the appropriate setting.

U.S. Senator Marco Rubio
Nomination of Shannon R Corless, to be Assistant Secretary of the Treasury for
Intelligence and Analysis
November 30, 2021

1. I would like to follow up on our conversation during your confirmation hearing regarding the Chinese Communist Party's objectives. If confirmed as the Assistant Secretary of Treasury's Office of Intelligence and Analysis, it is critical in my view that you understand what drives the CCP and the nature of the tactics they employ to achieve their objectives. I am concerned that a failure to see the CCP's efforts for what they are – a zero-sum economic and technological competition against the United States with the intent to displace the United States as the prominent economic and technological power – will detrimentally and potentially catastrophically bias and undermine OIA's efforts and analysis on the China threat. This could have a cascading effect on the quality and effectiveness of our efforts against the greatest threat facing the United States, as determined by the Director of National Intelligence. A zero-sum game of economic and technological competition means there is one winner and one loser.
 - a. Do you believe that China, under control of the Chinese Communist Party, is engaging in a zero-sum game of economic and technological competition against the United States? Please respond with yes or no.
 - b. Do you believe that one of the primary goals of the CCP is to displace the United States and rewrite the international rules-based system? Please respond with yes or no.
- **Answer:** As I stated in the hearing, China is our greatest strategic competitor, and seeks to compete with the U.S. on both economic and technological fronts. As noted in the DNI's 2021 Annual Threat Assessment of the U.S. Intelligence Community, the Chinese Communist Party "will continue its whole-of-government efforts to spread China's influence, undercut that of the United States, drive wedges between Washington and its allies and partners, and foster new international norms that favor the authoritarian Chinese system." U.S. policy seeks to preserve our economic influence and support the economic health of our democratic allies. If confirmed, I will ensure OIA continues to collect, retain, and disseminate intelligence information in support of critical U.S. economic and national security objectives. If confirmed, I commit to meet with your team to discuss this important priority in the appropriate setting.