

U.S. DEPARTMENT OF THE TREASURY

Press Center



Remarks of Under Secretary Cohen at CSIS

6/2/2014

As prepared for delivery

WASHINGTON - Before closing this Symposium, I'd like to say just a few words.

First, I want to thank all of our participants – Secretary Jack Lew, White House Chief of Staff Denis McDonough, and my predecessor, Stuart Levey, for their remarks; each of our panelists – Tom Donilon and Steve Hadley; Michèle Flournoy, Jane Harman and Keith Alexander; and Neal Wolin and Reuben Jeffery; and also our moderators – Andrea Mitchell, David Sanger and Juan Zarate.

The conversation today has been not only highly entertaining and engaging, but also deeply informative.

And, of course, I'd like to thank the Center for Strategic and International Studies, its President and CEO John Hamre, and the entire CSIS team, for co-hosting this event here in their beautiful new facility.

We have had the opportunity today to trace the evolution of Treasury's Office of Terrorism and Financial Intelligence over the past decade, to reflect on – and even applaud – some of our accomplishments, to note where we have fallen short, and, most importantly, to think about where and how TFI can contribute in the years ahead.

Our speakers and panelists have helped us better understand how financial measures – the mix of targeted financial and economic sanctions programs, financial transparency at home and abroad, collaboration with the global private sector, all underpinned by financial intelligence – have become increasingly important tools in the President's foreign policy and national security toolbox.

Today's discussion has highlighted that Treasury is playing an increasingly central role in projecting U.S. power in a consequential, albeit non-kinetic fashion, in service of a broad variety of important national security objectives.

It is sometimes said that financial sanctions are a "new form of warfare." While that overstates the case – real war is decidedly different, and we should never forget that – there is no mistaking that the tools we have developed and deployed deliver real and meaningful impact. That is, after all, the point.

And now, after the past decade, Treasury's ability to deliver impact is now embedded in our national security discussions and strategy.

Importantly, today's conversation also has illuminated some of the key challenges that we will face in the future as we continue to employ – and increasingly rely upon – financial measures to help achieve our core foreign policy and national security goals.

I'd like to take a moment to note a few challenges that I see as I look out over the horizon of the next few months and years.

First is the challenge posed by the changing nature of the terrorist financing.

In part due to our success in squeezing terrorist financing out of the regulated financial sector, and in part due to the increasingly diffuse nature of the international terrorist enterprise, we have seen a decline in the traditional donor-model of terrorist financing and an increase in terrorist groups' reliance on kidnapping-for-ransom to raise funds.

Aside from state sponsorship of terrorism, ransom payments are the greatest source of terrorist funding today. Groups such as AQAP, AQIM, Boko Haram, and al-Shabaab have collected tens of millions of dollars in ransoms in the past several years. These ransom payments are used to fuel the whole cycle of terrorist activities, including inflicting indiscriminate harm. Improving the international effort against kidnapping-for-ransom is an urgent challenge.

Second is the challenge to the international community's ability to impose targeted, conduct-based financial sanctions.

We have never lost a case challenging the evidentiary sufficiency of a sanctions designation; this is because we take great care in building a record before we act, and because there are procedures in U.S. courts to protect against the unnecessary disclosure of classified information. In Europe, however, there have been a number of recent cases successfully challenging targeted sanctions, including sanctions that were first adopted by the UN Security Council. Our European colleagues are focused on these challenges. But if solutions are not found soon, Europe's ability to continue to work with us in combating illicit conduct through targeted sanctions will be imperiled.

Third, is the challenge to financial transparency posed by new technologies, including new payment methods, such as mobile banking, and new methods of payment, such as virtual currencies.

Without a doubt, expanded financial access provided by the inexorable march of new financial technologies is a great boon to millions of people around the world. We need to ensure that we remain abreast of these developments – neither stifling innovation nor allowing it to undermine the key principles of financial transparency, which serve as the foundation for much of our work.

Fourth, we will face the ongoing challenge of ensuring our access to timely, accurate, and specific financial intelligence while also respecting legitimate demands for privacy, both by American citizens and foreigners.

Make no mistake, financial intelligence is essential to what we do. We cannot map illicit financial networks or identify targets for actions without financial intelligence. And we could not have achieved any of our successes – from stemming the flow of funds to al Qaeda to imposing crippling pressure on Iran – without the information generated by our intelligence community.

Nonetheless, as President Obama recently emphasized, we must remain sensitive to the risk of government overreach and guard against the possibility of impairing our core liberties in pursuit of security.

And finally, there is the challenge of using financial measures strategically against an expanding range of threats to U.S. national security, from narcotics trafficking to transnational organized crime to malicious cyber actors. We have applied these tools over the past decade to attack and disrupt the financial networks of terrorist organizations and WMD proliferators. In the years ahead, we will be increasingly called on to employ our techniques to undermine the financial foundation of a whole host of illicit actors.

These are all complicated challenges, requiring deft skill and innovative thinking.

And I have no doubt that the great people of TFI, almost all of whom are career employees, are more than up to the task. At a time when public service is not valued nearly enough, and when federal employees hardly ever receive the recognition that they deserve, I would like to conclude today's event by acknowledging the men and women of TFI.

Over the past ten years, as TFI has grown from an interesting idea into a formidable reality, the people of TFI have shown time and again that they are nimble, creative, and tireless.

5/5/2020

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Working with outstanding colleagues within the Treasury Department and across the government, the people of TFI have developed new tools, new approaches, and whole new ways of thinking about confronting our adversaries, providing policymakers with options for action that did not previously exist.

Nothing that TFI has accomplished over the past ten years could have been done without their devotion, dedication, and skill, and everything that TFI is able to accomplish in the months and years ahead will be due to their continued outstanding service to our country.

So, as we wrap up today's Symposium, in addition to my heartfelt thanks to our participants and to CSIS, I would like to express my deepest appreciation to the TFI team: Thank you for all that you've done over the past decade, and all that you will do in the years ahead, to make our country safer and more secure.

Thank you.

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