

Statement of Secretary Steven T. Mnuchin Before the Senate Appropriations Subcommittee on Financial Services and General Government

May 22, 2018

Chairman Lankford, Ranking Member Coons, and members of the subcommittee, it is good to be here with you today to discuss the President's Budget and the priorities of the Treasury Department.

I would like to begin by thanking you for your support in the fiscal year (FY) 2018 omnibus for tax reform implementation and Treasury's Office of Terrorism and Financial Intelligence (TFI). The Tax Cuts & Jobs Act is the most significant tax reform legislation since 1986. The resources appropriated will allow the IRS to update its systems to implement the new law and provide much needed guidance to taxpayers and businesses. The continued support for TFI's initiatives is critical as we continue our maximum pressure campaign on North Korea and support efforts to denuclearize the Korean peninsula. Additionally, funds for TFI are helping to advance the work of the Terrorist Financing Targeting Center (TFTC). The TFTC is a collaborative, multilateral effort with Saudi Arabia and the Gulf Cooperation Council to fight terrorism, counter Iran's malign influence, and isolate the Assad regime.

Turning to the President's FY 2019 budget, the Administration's request reflects the priorities of protecting and strengthening America's financial system and national security. We have requested increased resources for TFI and the Financial Crimes Enforcement Network. Treasury is working aggressively to combat terrorist groups, transnational criminal enterprises, proliferators of weapons of mass destruction, human rights abusers, and other malign actors. Treasury will continue efforts to achieve a change in behavior by the North Korean regime and fully fund the TFTC in Saudi Arabia. These funds will also be used to implement the *Countering America's Adversaries Through Sanctions Act*, including funding for our Russia and Iran programs, and to target illicit financial networks.

This budget also provides for Treasury-wide cybersecurity protections. As I have previously noted, protecting both Treasury and the global financial system from cyber attacks is critical to our nation's financial stability. These attacks not only have the potential to affect financial

markets and the broader economy, they also implicate our national security. In particular, I want to highlight the Cybersecurity Enhancement Account. This initiative makes proactive and strategic investments in enterprise-wide cybersecurity capabilities. These capabilities will ensure that Treasury is better prepared to defend against cyber attacks and respond appropriately when they occur.

Finally, as Chair of the Committee on Foreign Investment in the United States (CFIUS), I would like to highlight the ongoing collaboration between the Administration and members of this body to modernize the CFIUS review process. We are working together to protect technological advantages that are critical to our national security, while continuing to promote investment and economic growth.

The policies articulated in the President's Budget will foster economic growth, set our country on a sound fiscal path in the long term, and carry out the Administration's commitment to protect the national security of the United States.

Thank you very much.

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