



DEPARTMENT OF THE TREASURY OFFICE OF PUBLIC AFFAIRS

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**Statement of Stuart A. Levey
Nominee to be Under Secretary for Enforcement
U.S. Department of the Treasury
Before the Senate Committee on Banking, Housing and Urban Affairs**

Chairman Shelby, Ranking Member Sarbanes, and Members of the Committee, thank you for the opportunity to appear before you today. It is truly an honor to be the nominee to serve as Under Secretary for Enforcement and as the head of the new Office of Terrorism and Financial Intelligence at the Department of the Treasury. I want to thank the President and Secretary Snow for the confidence they have shown in me by selecting me for this position.

Above all, I want to thank my wife Annette, who is the best thing in my life, for the sacrifices she has made to allow me to pursue opportunities in public service. She is the perfect wife, my best friend, a fabulous mother to our two baby daughters, and, on top of all that, a dedicated public servant at the National Institutes of Health. I would also like to thank my parents for the opportunities and support they have given me throughout my life.

I am also grateful to Attorney General Ashcroft for the opportunity he has given me to serve at the Department of Justice. I came to the Justice Department to work for Deputy Attorney General Larry Thompson, and I have continued to serve there under Jim Comey. I have handled a variety of issues in the Deputy Attorney General's office, focusing most recently on national security and counterterrorism matters, including the Department's terrorist financing portfolio. In my current role as Principal Associate Deputy Attorney General, I serve as the Justice Department's representative to the Policy Coordinating Committee on Terrorist Financing and to the NSC's Counterterrorism Security Group. In these roles, I have established close working relationships with officials within the Department of Justice as well as in the FBI, the CIA, the State Department and elsewhere that will be beneficial to me in my new position if I am confirmed.

During my time at the Justice Department, I have been privileged to work with, and learn from, some of the government's foremost experts on terrorist financing and money laundering. The dedicated prosecutors in the Criminal Division's Counterterrorism Section (CTS) and Asset Forfeiture and Money Laundering Section (AFMLS) warrant special mention here. They have partnered with our U.S. Attorney's offices around the country in developing and bringing cutting-edge criminal cases against terrorist financiers and money launderers, achieving success after success in an arena that many observers considered to be beyond the effective reach of criminal law enforcement.

My experience at the Justice Department makes me very mindful of the enormous responsibility that will be before me if I am confirmed. I begin almost every morning by meeting with the Attorney General, the Deputy Attorney General, the FBI Director and other senior staff to go over the most important terrorist threats that we are facing that day, both within the United States and abroad. Even after so many months, it is still chilling to hear every morning about people who are scheming to kill as many innocent people as they possibly can. Chilling, but, in a sense, motivating too. I never question why I go to work in the morning. There is so much at stake.

The financial war on terror is critical to our overall mission to defeat terrorism. Terrorists need money to operate – to recruit, to train, to travel, to communicate, and, of course, to carry out attacks. Whenever we cut off their money supply, we reduce their present abilities and force them to adopt new funding methods that are more cumbersome or risky. On another level, the audit trail that money leaves is one of our best sources of intelligence to find and disrupt terrorists. There are times when watching where the money comes from and where it goes is more valuable than taking immediate public action to stop it. We must adapt our strategy in each circumstance to do whatever is best for the overall counterterrorism mission. That is one reason why a coordinated, interagency effort is vital to our success.

Within that coordinated effort, the Treasury Department has a unique leadership role to play in the financial war on terror. The Treasury Department, working with other agencies around the government, and with the support of the Congress, has made significant progress in the fight against terrorist financing since September 11. The people who have been doing that work in the Department, including Juan Zarate, are among the most dedicated and talented public servants you will find. If I am confirmed, I will be joining a fantastic team.

I think that team would agree that there is much more work that needs to be done. If I am confirmed, I hope to bring a heightened sense of urgency to the terrorist financing mission at the Treasury Department. We must re-energize our efforts because our enemies remain committed to killing innocent people and our work grows more difficult as terrorists move away from known funding channels and organizations.

The overarching mission for the new Office of Terrorism and Financial Intelligence will be to ensure that the Treasury Department is fully exploiting all of its authorities, capabilities and all of the government's information to combat terrorist financing and financial crime. Among other things, if I am confirmed, I would strive to make better use of the tools the Congress provided in the PATRIOT Act and of Treasury's other enforcement powers. I also would build a new Office of Intelligence and Analysis that will exploit Treasury's own information and integrate the

Department more fully into the intelligence community. And, I would press terrorist financing issues as a priority with other nations around the world whose cooperation we need if we are to succeed.

I am aware that there are substantial challenges before us. Still, I am optimistic because of the steadfast support that Secretary Snow and Deputy Secretary Bodman have already shown to the cause of fighting the financial war on terror. I am also heartened by the support for this mission demonstrated by the Congress, including this Committee. If I am confirmed, I look forward to working with you on these important issues. I am happy to answer any questions you may have.