

Committee on Banking, Housing, and Urban Affairs
Nomination Hearing for Mr. Andrew Hughes, Mr. David Woll, The Honorable Michelle
Bowman, and Mr. John Hurley, Mr. David Fogel, Mr. Landon Heid
April 10, 2025

Questions for Mr. John Hurley, Under Secretary for Terrorism and Financial Crimes
Designate, Department of the Treasury, from Ranking Member Elizabeth Warren:

Sanctions

1. Treasury is responsible for implementing and enforcing a wide range of U.S. sanctions programs even as increasing demand for use of these tools has outpaced growth in resourcing for the mission. In its 2021 sanctions review, Treasury recommended modernization steps and principles that included identifying a clear policy objective, assessing whether sanctions are the right tool to advance it, calibrating sanctions to guard against unintended impacts, coordinating with partners, and ensuring the sanctions are enforceable and adaptable — premised on a willingness to lift sanctions in response to positive change in behavior. Do you agree with these recommendations from the review?

Answer: I have significant areas of agreement with Treasury’s October 2021 sanctions review, and as the Secretary noted, I believe in the need to ensure that new sanctions support a well-defined national security objective, have undergone an appropriately robust assessment informed by the best available intelligence and economic analysis, and are clear and enforceable.

If confirmed, I will direct a review of the new sanctions listings over the last decade to ensure that all continue to be necessary and warranted.

2. Are there particular areas in which sanctions prohibitions are too broad or otherwise overused, including in ways that could be driving migration? How serious is the risk that sanctions overuse could undermine use of the U.S. dollar in cross-border transactions globally?

Answer: Sanctions are powerful tools we can use to dismantle the financial networks of terrorists, proliferators, cartels, corrupt actors, and others who seek to perpetrate harm against the United States. Sanctions can advance the foreign policy and national security interests of the United States by encouraging changes in behavior by persons subject to sanctions or disrupting their activities by cutting off their financing and imposing greater costs. In order to be effective, sanctions must be used strategically, with clearly defined goals, and implemented as part of a broader integrated strategy.

In developing these integrated strategies, the U.S. government needs to consider efforts to maintain the dollar’s dominance in the global economy as part of the

strategic calculus. Where possible, sanctions should be executed in concert with likeminded partners and allies both to signal international resolve and solidarity and reduce opportunities for threat actors to evade them.

3. Will you continue Treasury's work to make sure that the costs for Russia continue to rise while it continues its war of choice against Ukraine, including but not limited to imposing sanctions on entities in China and other third countries that help Russia evade our measures?
 - a. Do you commit to briefing Congress ahead of any unwinding of Russia sanctions prohibitions or designations, and ahead of any decisions regarding Russian sovereign assets?

Answer: As President Trump, National Security Advisor Mike Waltz, Secretary of State Marco Rubio, and Secretary Bessent have made clear, this Administration's goal is a permanent end to the war in Ukraine in a way that is fair, enduring, sustainable, and acceptable to all parties involved. Existing U.S. sanctions and export controls on Russia remain in place and continue to be enforced, and I understand Treasury is monitoring compliance and potential violations closely.

If confirmed, I commit to working with Congress, including as required by law, to consider how sanctions can support our shared goal of peace in close coordination with our allies.

4. Do you agree with Secretary Rubio that the United States could miss a closing window to promote stability in Syria and resilience against ISIS, Iran, and Russia if we do not consider updating our sanctions?
 - a. Broad, comprehensive prohibitions still apply to the country's entire economy and banking system following the end of the Assad regime. Do you agree that we can update or unwind those broad measures while keeping more targeted measures, such as counterterrorism sanctions, in place?

Answer: I agree with Secretary Rubio that it's important to respond to this opportunity in Syria. I look forward to working with Congress and the interagency, if confirmed, to look to see how sanctions can be calibrated to appropriately respond to this moment in time.

5. What are broad sanctions on Venezuela, imposed during the first Trump Administration in an attempt to bring about regime change, now meant to accomplish?
 - a. Do you acknowledge that U.S. sanctions on Venezuela have increased migration flows, and that this unintended consequence should be factored into the Administration's policy deliberations?

- b. Do you agree that U.S. sanctions and tariffs should not drive mass deprivation in foreign countries, whether as an unintended consequence or as a strategy to bring about regime change?
- c. Do you agree that “secondary tariffs” covering all imports from third countries would, if enacted, impact a range of businesses and people abroad and at home, rather than being targeted at individuals or entities engaged in specific behavior?

Answer: As the President has made clear in his recent Executive Order, the actions and policies of the regime of Nicolás Maduro in Venezuela continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. United States sanctions protect U.S. national security and foreign policy interests against the Maduro regime’s systematic undermining of democratic institutions, endemic economic mismanagement, and public corruption. These actions and policies of the Maduro regime created humanitarian, public health, and economic crises in Venezuela long before the United States imposed blocking sanctions on PdVSA and the Government of Venezuela (GOV) in 2019. If confirmed, I will work to implement this administration’s foreign policy and national security goals, including by implementing sanctions that are calibrated to mitigate unintended consequences on the Venezuelan people.

President Trump is sending a clear message that access to our economy is a privilege, not a right, and countries importing Venezuelan oil will face consequences.

- 6. Will you advocate for the use of sanctions to advance U.S. policy objectives in a targeted way without impacting civilian populations broadly?
 - a. Licenses and exemptions for humanitarian, agricultural, and medical transactions serve an important lifesaving purpose. Do you agree that these exemptions alone cannot substitute for well-targeted sanctions when aiming to avoid large-scale civilian impact?

Answer: Sanctions alone cannot achieve our national security objectives. Sanctions are most effective — against powerful elites and rogue regimes — when combined with other tools of U.S. power and with our foreign partners.

However, as part of such integrated strategies, targeted sanctions against bad actors are a proven tool to discourage malicious activity, promote accountability, and compel changes of behavior. Treasury maintains a broad array of tools that it uses to calibrate U.S. sanctions to maximize the impact on the intended target while limiting potentially negative impacts on ordinary people and legitimate businesses.

To ensure that humanitarian goods can reach civilians while maintaining pressure on rogue regimes and other bad actors, U.S. sanctions programs include broad exemptions, exceptions, and authorizations that allow for the provision of humanitarian assistance and the commercial sale and export of agricultural

commodities, food, medicine, and medical devices to sanctioned jurisdictions or areas controlled by bad actors. If confirmed, I look forward to working with Treasury policy teams to appropriately target and tailor the use of sanctions.

7. If confirmed, will you commit to Treasury’s implementation of the Global Magnitsky Act to impose targeted sanctions on human rights abusers and corrupt actors, taking into consideration input from Congress and civil society organizations as required under the Act?

Answer: During his first term, President Trump issued the executive order that builds upon and implements the Global Magnitsky Act and used the program actively and impactfully, including building strong working relationships with civil society organizations. If confirmed, I commit to working with Congress and civil society to build on that legacy by imposing targeted sanctions where appropriate.

AML/CFT

8. If confirmed, will you fully implement and enforce the provisions of the *Corporate Transparency Act*, including those that require U.S.-registered entities to report beneficial ownership information?
- a. In 2023, the Department of Justice revealed that the Sinaloa Cartel had allegedly laundered at least \$16.5 million through a network that relied on shell companies incorporated in Wyoming. Network employees apparently picked up bulk cash in cities across the United States before using the shell companies to launder the funds and transfer them to foreign bank accounts. Do you agree that the Sinaloa Cartel uses U.S.-registered companies to commit crimes?
 - b. In 2021, the Department of Justice charged 10 Iranian nationals with running a nearly 20-year scheme to evade sanctions by allegedly disguising more than \$300 million in transactions, including the purchase of two oil tankers, through the use of front companies in California and other countries. They allegedly wired money on Iran’s behalf in U.S. dollars and sent it through U.S.-based banks. Do you agree that Iran uses U.S.-registered companies to evade sanctions?
 - c. In 2021, a court sentenced a California man to 63 months in prison for illegally exporting integrated circuits with military applications to China. He used a U.S. company he controlled to funnel funds provided by Chinese entities to finance the manufacturing of monolithic microwave integrated circuit technology. Do you agree that the PRC uses U.S.-registered companies to circumvent U.S. export controls?
 - d. Will you work with Congress to make sure that the office responsible for maintaining the beneficial ownership database, the Financial Crimes Enforcement Network (FinCEN), has sufficient staff, technology, and other necessary funding and resources to make the most out of this new tool?

Answer: As the Secretary has said, “Malicious use of multijurisdictional corporate structuring is a tool that malign actors have employed to obscure their illicit

activities.” Treasury’s narrowing of the application of the Corporate Transparency Act is in the interest of supporting American taxpayers and small businesses and ensuring that the rule is appropriately tailored to address illicit finance risks and advance the public interest. If confirmed, I look forward to working with Treasury staff to finalize this rule.

I also agree with the Secretary that FinCEN should have the resources needed to fulfill its statutory responsibilities.

9. Should AML/CFT and sanctions programs include risk-based provisions reasonably designed to prevent money laundering or terrorist financing involving digital assets?
 - a. The FATF warned in 2024 that many countries around the world “continue to struggle with the implementation of the fundamental requirements” of a key recommendation to combat terrorist and criminal use of virtual assets. Do you agree that our adversaries and illicit actors exploit exchanges and other service providers in vulnerable jurisdictions to launder funds and to “cash out?”
 - b. The FATF emphasizes “the importance of relevant FATF Standards being effectively implemented before the mass adoption of stablecoins, in order to manage and mitigate” money laundering, terrorist financing, and proliferation financing risks. Will you work to ensure that entities and services that facilitate stablecoin transactions are subject to clear AML/CFT and sanctions compliance obligations?
 - c. Treasury’s 2023 Illicit Finance Risk Assessment of Decentralized Finance (DeFi) stated that “a DeFi service that functions as a financial institution as defined by the BSA, regardless of whether the service is centralized or decentralized, will be required to comply with BSA obligations, including AML/CFT obligations.” It also warned that “many existing DeFi services covered by the BSA fail to comply with AML/CFT obligations, a vulnerability that illicit actors exploit.” Will you help increase common understanding among industry participants about how AML/CFT obligations may apply to DeFi services?
 - d. Should OFAC have enforcement jurisdiction over transactions in U.S. dollar-denominated stablecoins?

Answer: I understand that the Administration has been working to implement the President’s Executive Order on Strengthening American Leadership in Digital Financial Technology. I look forward to working on this effort, if confirmed.

If confirmed, I pledge that Treasury will continue to work to protect the digital asset ecosystem from malicious actors like Iran, drug traffickers, and cyber criminals. This includes continuing to work with Congress to establish a comprehensive framework for stablecoins. I support the ideas behind stablecoin legislation, including requiring stablecoin issuers to take steps to combat illicit finance and comply with U.S. sanctions.

If confirmed, I commit to ensuring that Treasury engages with industry and to working with the interagency to promote innovation, to develop a shared understanding of technological developments and illicit finance risks, and to ensure that our regulatory and supervisory frameworks are risk-based and effective.

10. Treasury identified in its 2024 National Money Laundering Risk Assessment that fraud remains the largest and most significant proceed-generating crime for which funds are laundered in or through the United States.
- a. Do you agree that addressing fraud should remain a priority for the Treasury Department?
 - b. What actions will you prioritize to combat the laundering of the proceeds of fraud?

Answer: I agree that addressing fraud should remain a priority for the Treasury Department. Fraud distorts financial markets, harms national security, deprives consumers of hard-earned savings, and can undermine public confidence in government programs and the financial system.

If confirmed, I will prioritize the use of TFI's authorities to disrupt the transnational criminal organizations and other sophisticated criminal actors that have stolen billions of dollars from U.S. citizens and companies. I will also review TFI's ongoing work in support of interagency efforts to combat fraud and determine if additional initiatives are warranted.

National Security Workforce

11. If confirmed, will you support TFI's workforce by making full use of mandatory and discretionary national security exemptions from the hiring freeze or other directives that could impact Treasury employees?

Answer: As I said in my confirmation hearing, I'm looking forward to leading the talented and dedicated TFI professionals and to working closely with them. I understand that Treasury has begun working through a process to utilize the national security exemption for employees in TFI, and other national security functions within the department, where appropriate. Additionally, where a clear exemption from the hiring freeze exists, Treasury has begun a deliberate process of assessing continued interest by candidates to pursue job opportunities within Treasury.

12. Do you commit to providing Congress an update on whether Treasury has continued to pause hiring for positions in TFI despite the overwhelming need for additional personnel to accomplish TFI's growing national security mission?

Answer: I commit to keeping Congress updated in accordance with the law.

Nomination

13. During or leading up to the selection of your nomination, did anyone on the Trump campaign, transition team, or other closely related entity approach you about your loyalty to President-elect Trump? Did you sign a loyalty pledge or other similar oath?

Answer: No.

14. During or leading up to the selection of your nomination, did you discuss Project 2025 with any officials directly or associated with the Trump campaign or the Trump transition team? If so, please explain.

Answer: No.

15. During or leading up to the selection of your nomination, did you discuss Project 2025 with any officials directly or associated with the Heritage Foundation? If so, please explain.

Answer: No.

16. Please provide a comprehensive list of the people who approached you about joining the administration.

Answer: It was President Trump's decision to nominate me, and my nomination was announced on February 11, 2025.

17. Did any person provide advice to you, oral or written, on your responses to these questions? If so, please provide a comprehensive list of the individuals or organizations that provided assistance.

Answer: These answers are my own.

Congressional Oversight and Whistleblower Protection

18. If confirmed, will you commit to making yourself and any other politically appointed employee of Treasury/TFI available to provide testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chair or Ranking Member?

19. If confirmed, will you commit to fully complying with all information requests from me and responding to those requests in a timely manner?

20. If confirmed, do you intend to respond to congressional information requests differently depending on who is making the request?

Answer (18-20): If confirmed, and as appropriate and consistent with Treasury practices and Committee rules, I will work to respond to requests for information and to make myself and other politically appointed employees of TFI available to the Committee.

21. If confirmed, will you commit to complying with any federal protections for whistleblowers?

Answer: I commit to following all relevant whistleblower protection laws.

Public Integrity

22. Will you commit to recuse yourself from any matters involving your former employers or clients for 4 years while serving as Under Secretary for Terrorism and Financial Intelligence?

Answer: I commit to following all relevant ethics laws.

23. For at least 4 years after leaving the Department of the Treasury, will you not seek employment or compensation from (1) any entity that you personally and substantially interacted with in your role as Under Secretary and (2) from any entity that lobbies the Department of the Treasury?

Answer: I commit to following all relevant ethics laws.
