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NOMINATION OF JANICE B. GARDNER TO BE ASSISTANT SECRETARY OF THE TREASURY FOR INTELLIGENCE AND ANALYSIS

HEARING

BEFORE THE

SELECT COMMITTEE ON INTELLIGENCE UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

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NOMINATION OF JANICE B. GARDNER TO BE ASSISTANT SECRETARY OF THE TREASURY FOR INTELLIGENCE AND ANALYSIS

THURSDAY, JUNE 16, 2005

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

The Select Committee met, pursuant to notice, at 3:22 p.m., in room SDG–50, Dirksen Senate Office Building, the Honorable Pat Roberts (Chairman of the Committee) presiding.

Present: Senators Roberts and Rockefeller.

OPENING STATEMENT OF SENATOR PAT ROBERTS, CHAIRMAN

Chairman ROBERTS. The Committee will come to order.

The Committee meets today to consider the nomination of Janice Bradley Gardner to serve as Assistant Secretary of the Treasury for Intelligence and Analysis. Ms. Gardner, the Committee welcomes you here today and we thank you for your commitment and for your contributions up to this point on behalf of our country.

If confirmed, Ms. Gardner will be the first person to serve in this position since it was created by Congress in the Intelligence Authorization Act for Fiscal Year 2004. That legislation also established the new Office of Intelligence and Analysis—OIA—to replace the Treasury Department's Office of Intelligence Support—OIS. So, I guess you're leading off with the alphabet instead of down toward the end.

In creating this new office and position, the House and Senate conferees sought to ensure full, appropriate and timely sharing of information and analysis with regard to financial networks associated with international terrorism. Thus, the OIA is intended to streamline and to centralize the U.S. Government's capabilities to track terrorist financing networks all across the globe.

In fulfilling this goal, the Office of Intelligence and Analysis has two primary functions—first, the creation and maintenance of a robust analytical capability to provide the OIA with in-depth analysis to target and attack the financial infrastructure of terrorist groups; and, second, to provide an enhanced intelligence liaison for Treasury's senior leadership with respect to the full range of international economic and political issues.

Now, given these functions, we fully expect the OIA to be treated as a full partner—a full partner—in the intelligence community, receiving all intelligence, law enforcement and other information nec-

essary for it to fulfill its mission. The Vice Chairman and I call that information access.

While the funding and personnel levels of the Office of Intelligence and Analysis are classified, the fiscal year 2006 budget request for OIA reflects, I think, the significant expansion of Treasury's role within the intelligence community. If confirmed, Ms. Gardner will be responsible for managing these resources in such a way as to ensure the fulfillment of the intent of Congress in creating the OIA. I hope that she will work closely with us as we exercise oversight of the OIA and its work as part of the intelligence community.

Ms. Gardner comes to this task with an impressive background of public service in the intelligence community. She is an analyst by training. She has served in a variety of positions within the community, including the Office of the Director of Central Intelligence, the National Security Council, the Office of the Vice President and, most recently, the Treasury Department.

Ms. Gardner, the Committee looks forward to hearing your views about the issues, tasks and challenges that will confront the OIA as well as your plans to address them.

Before hearing from the nominee, I'm happy to recognize the distinguished Vice Chairman for any remarks that he might wish to make.

Senator Rockefeller.

OPENING STATEMENT OF SENATOR JOHN D. ROCKEFELLER IV, VICE CHAIRMAN

Vice Chairman ROCKEFELLER. Thank you, Mr. Chairman.

We meet today to consider the nomination of you, Ms. Janice Gardner, to serve as the first Assistant Secretary of the Treasury for Intelligence and Analysis, and it is a historic occasion. I rarely come to this room. This is only the second hearing I've ever been to in this room. It's the first time that an intelligence official from the Treasury Department has come before this Committee for a confirmation hearing. And, interestingly, it's also the hearing room that accommodated the Church Committee, which I did not know, and then in turn became the original committee space for the Intelligence Committee before our current offices were constructed in the Hart Building.

I am pleased that the new Treasury Department Office of Intelligence and Analysis, to be headed by the Assistant Secretary, will not only expand Treasury's role in the intelligence community, but will play an important role in enhancing the intelligence community's ability to address terrorist finance issues, which our former Chairman, Bob Graham, keeps calling me about and wondering why we're not making more progress.

In the post-9/11 security environment, there are few more important intelligence priorities than being able to successfully collect against and analyze how terrorist organizations such as al-Qa'ida fund their operations. The intelligence community must be able to gain a thorough understanding of terrorist financing from the banking and mainstream financial sector. In addition, we must be able to understand and monitor alternative terrorist financing

mechanisms—for example, the trade in commodities such as gold or diamonds.

The Treasury Department's expertise in this area should significantly improve the intelligence community's ability to understand and ultimately disrupt the financial lifeline that supports terrorist groups around the world.

The nominee seems well qualified for this important position. Ms. Gardner, I join the Chairman in welcoming you to the Committee today and am anxious to listen to what you have to say.

Thank you, Mr. Chairman.

[The prepared statement of Senator Bond follows:]

PREPARED STATEMENT OF HON. CHRISTOPHER S. BOND, U.S. SENATOR FROM MISSOURI

Ms. Gardner, it was a pleasure meeting you last week and having the opportunity to hear about the several successful programs that Treasury is pursuing in support of the Global War on Terrorism. As we discussed, it is imperative that the Intelligence Community and the Treasury Department, as our lead organization in this part of the fight, continue to stay hot on the trails of money used by those who would do us harm by striking the homeland and attacking U.S. soldiers, citizens and our interests abroad. I commend both you and your colleagues at Treasury for the work you've done, and that you do, every day.

I intend to support fully your confirmation as Assistant Secretary for Intelligence and Analysis at Treasury. You are impressively qualified for this position. Your experience as a manager and analyst at the Central Intelligence Agency, a forward-deployed analyst with the State Department, as well as service at the National Security Council and in the Vice-President's Office make you an ideal nominee. While you understand the craft of intelligence, because you've practiced it, *and in the field*, you also have a very solid policy background which an Assistant Secretary for Intelligence and Analysis will undoubtedly need.

Further, you have a proven track record at Treasury. As the Deputy Assistant Secretary for Intelligence and Analysis, you have been a key player in standing up the Office of Intelligence and Analysis (OIA). You drafted OIA's strategic plan, created new intelligence products and most importantly, have helped translate that intelligence into action by the Treasury Department. Treasury will face challenges, as do all members of the Intelligence Community, in fighting and working against existing enemies whose tactics invariably change and new ones looming over the horizon. Meeting these challenges and defeating our enemies requires solid leadership and vision along with a commitment to action—-qualities you have demonstrated to possess.

And so, I look forward to your continued efforts to enhance Treasury's intelligence capabilities and to produce more and more authoritative intelligence products in support of the Department's and United States government's counter-terrorism and law enforcement efforts. Thank you for your continued service to our country. I wish you success during the confirmation process.

Chairman ROBERTS. I thank the Vice Chairman for his comments.

Ms. Gardner, you may begin. Welcome to the Committee.

[The prepared statement of Ms. Gardner follows:]

PREPARED STATEMENT OF JANICE B. GARDNER, NOMINEE TO BE ASSISTANT SECRETARY FOR INTELLIGENCE AND ANALYSIS, U.S. DEPARTMENT OF THE TREASURY

Chairman Roberts, Ranking Member Rockefeller and distinguished Members of this committee, it is an honor for me to appear before you today. It is a privilege to have been nominated by President Bush to be the first Assistant Secretary of the Treasury for Intelligence and Analysis. I thank him, Secretary John Snow and DNI Negroponte for their confidence in recommending me for this important position. If confirmed, I look forward to working closely with this Committee, the U.S. Senate and your colleagues in the House of Representatives to disrupt financing for terrorism and other national security threats.

I'd also like to thank my friends and colleagues who are here with me today. This work is truly a team effort, and I greatly appreciate their support. Although my par-

ents are not here today, I'd also like to thank them for all their encouragement and support over the years.

I am a career intelligence professional with over 20 years of experience. I first came to the Department of the Treasury in November 2002 as the Secretary's intelligence briefer and senior liaison officer. When the Office of Terrorism and Financial Intelligence (TFI) was created last year, I became the Deputy Assistant Secretary for the new Office of Intelligence and Analysis (01A). Over the past year, I have helped Under Secretary Levey lead the effort to set up the new office.

I've been fortunate to have a variety of challenging analytical and managerial assignments throughout my career. I started as an intelligence analyst working on East Asia, primarily Japan and Korea. I served on a rotation to the State Department as an economic officer in the U.S. Embassy in Tokyo. My first management assignment came in 1993 as chief of the Persian Gulf Branch in the Office of Near East and South Asian Analysis. I have also served in some key staff positions, including the executive assistant in the Office of the Director of Central Intelligence, the DCI representative to the National Security Council and staff officer in the Vice President's office. Prior to being assigned to the Treasury Department, I served as Deputy Director of the Foreign Broadcast Information Service, where I oversaw roughly 1,000 U.S. and foreign national staff and independent contractors.

Mr. Chairman, if confirmed, I would focus on five key strategic areas:

• For the first time, the Department's intelligence office is *producing all-source intelligence analysis* on terrorist financing and other national security threats. Prior to the creation of OIA, the intelligence office served primarily as a liaison office for senior policymakers in the Department. The new office is now working to provide insightful intelligence analysis that is focused on supporting the full range of Treasury's authorities to cutoff illicit financing. While the office has already developed a current intelligence process, if confirmed, I would build a capability to produce strategic intelligence analysis that supports long-term policy development directed at national security threats to the financial system.

• The Office is also working to *enhance intelligence support to the Department on the full range of political and economic issues.* As a member of the National Security Council, Treasury needs timely intelligence on fast-breaking events, as well as in-depth analysis from experts from the intelligence community. Thus, if confirmed, I would work to better integrate intelligence into the policy process and improve support to all aspects of the Department's mission.

• As a member of the Intelligence Community, the Department needs to *reinvigorate its relationship with the rest of the community.* The Secretary has already met with the new Director of National Intelligence, and, if confirmed, I plan to devote much of my focus and energy to re-engage Treasury in IC forums. As you know, our office is the smallest component in the IC, but I believe that it can make a significant contribution to the community on both collection and production issues.

• Under the Treasury Order that created the Office of Terrorism and Financial Intelligence, the Office of Intelligence and Analysis was designated *to coordinate and oversee all intelligence analysis within the Department.* The Department houses the bulk of the financial information in the U.S. Government, as well as expertise on the global financial system. OIA will serve as the focal point that fuses financial data from the Office of Foreign Assets Control (OFAC) and Financial Crimes Enforcement Network (FinCEN), as well as the Intelligence Community.

• As a new office, OIA must make a *significant investment in its future*, particularly in its human resources and information technology infrastructure. I've been spending a large portion of my time as the Deputy Assistant Secretary trying to ensure that we have the capability to produce the kind of sophisticated analytical products that OIA is uniquely positioned to provide. If confirmed, I will work closely with Under Secretary Levey, the Assistant Secretary for Management and the Chief Information Officer to ensure that the office has the tools necessary to get the job done.

Mr. Chairman, Senator Rockefeller, I am grateful for this opportunity to appear before you today. I would be pleased to answer any questions you and the other Members of the Committee may have.

STATEMENT OF JANICE B. GARDNER, ASSISTANT SECRETARY OF THE TREASURY FOR INTELLIGENCE AND ANALYSIS-DESIGNATE

Ms. GARDNER. Thank you very much. Chairman Roberts, Ranking Member Rockefeller, it is really an honor for me to appear before you today. It's a privilege to be nominated by President Bush

to be the first, as you mentioned, Assistant Secretary of the Treasury for Intelligence and Analysis. And I also thank Secretary Snow for his confidence in recommending me to this important position. I met with Ambassador Negroponte and General Hayden yesterday, and I also greatly appreciate their support for me in this position.

If confirmed, I look forward to working closely with this Committee, the Senate, as well as your colleagues in the House of Representatives to disrupt financing for terrorism and other national security threats.

As you noted, I'm a career intelligence professional with over 20 years of experience. I first came to Treasury as the Secretary's intelligence briefer in 2002 and the senior liaison officer. When the Office of Terrorism and Financial Intelligence was created last year, I became the Deputy Assistant Secretary for the new Office of Intelligence and Analysis, and over the past year I've been helping Under Secretary Levey stand up this new office.

I've been fortunate to have a variety of challenging analytical and managerial positions throughout my career. I started as an intelligence analyst working on East Asia, primarily Japan and the Koreas. I've served in some key staff positions, as you noted, including executive assistant in the Office of the DCI, served as the DCI rep at the National Security Council, and also worked in the Vice President's office. So I've been very lucky to have these good opportunities.

Mr. Chairman, if I'm confirmed, I would focus on five strategic areas. First, as you noted, for the first time the Department's intelligence office will be producing all-source intelligence. Before this office was created, we were primarily a liaison shop, which was passing both raw and finished intelligence to the senior policymakers in the building. While the office has already developed some processes for the current intelligence process, if confirmed I would build a capacity to produce strategic intelligence analysis that supports long-term policy development directed at national security threats to the financial system.

Second, the office is also working to enhance the existing function that we had in terms of the full range of political and economic support for the Department. As you know, the Treasury Department is also a member of the National Security Council, and the senior policymakers need just-in-time intelligence for fast-breaking items, as well as in-depth analysis from the intelligence community. So, if confirmed, I would work to better integrate intelligence into the policy process and improve all aspects of support to the Department's mission.

Third, as a member of the intelligence community, the department really needs to reinvigorate its relationship with the rest of the intelligence community. The Secretary has already met with DNI Negroponte and, if confirmed, I would plan to devote a lot of my time and energy to re-engage Treasury in IC forums. As you know, our office is the smallest of the intelligence components, but I believe that it can make a significant contribution in terms of both collection and production issues.

Fourth, the Office of Intelligence and Analysis has been designated as the office that will coordinate and oversee all intel-

ligence analysis throughout the Department. The Department houses the bulk of financial information across the board in the U.S. Government, as well as expertise in the global financial system. If confirmed, I will work closely with the Directors of the Office of Foreign Asset Control, OFAC, as well as the Financial Crimes Enforcement Network, called FinCEN, to build a broad analytical capacity within the Department.

And finally, as a new office, OIA must make significant investments in its future and as a new office that's primarily human resources as well as information technology infrastructure. I've been spending a major part of my time as the Deputy Assistant Secretary trying to ensure that we have the capability to produce the kind of sophisticated analytical products that I believe OIA is uniquely positioned to provide. If confirmed, I would work closely with Under Secretary Levey, the chief information office, as well as the Assistant Secretary for Management, to ensure that the office has the tools necessary to get the job done.

So, Mr. Chairman and Senator Rockefeller, I am grateful for this opportunity to appear before you today, and I'd be pleased to answer any questions that you may have.

Chairman ROBERTS. I have some questions for you that are routine but, nevertheless, are very important and I will proceed with those at this time.

Does the nominee agree to appear before the Committee here or in other venues when invited?

Ms. GARDNER. Yes, I do.

Chairman ROBERTS. Ms. Gardner, do you agree to send Treasury intelligence officials to appear before the Committee and designated staff, when invited?

Ms. GARDNER. Yes.

Chairman ROBERTS. Do you agree to provide documents or any materials requested by the Committee so that it can carry out its oversight and legislative responsibilities?

Ms. GARDNER. Yes.

Chairman ROBERTS. Will you ensure that all Treasury Department entities provide such material to the Committee, when requested?

Ms. GARDNER. Yes, I do.

Chairman ROBERTS. Do you agree to provide such other information that the Committee may require so that it can carry out its oversight and legislative responsibilities?

Ms. GARDNER. Yes, I do.

Chairman ROBERTS. I thank you for your responses.

My first question is in regard to the focus of your enhanced analysis capability. Before the creation of the OIA, the Department's intelligence office did not produce any analytical products. The former Office of Intelligence Support served primarily in a liaison function, ensuring that the products of other intelligence community components were disseminated to the principals in the Department. Explain in brief how you plan to expand the range of analytical products that the Office of Intelligence and Analysis will produce.

Ms. GARDNER. The vision for the office is to create a center of expertise for terrorist financing as well as the financial underpin-

nings of other national security threats. Like INR, our office is largely a departmental intelligence shop, basically taking intelligence from throughout the intelligence community and making it actionable intelligence. I know that's somewhat of an overused phrase, but what we're doing is trying to take the intelligence that comes into the building and apply the full range of Treasury authorities that we could use against them.

So the current intelligence process is just making sure that when we get the information that we're able to give it to the policymakers, who can then assign an action and we can ensure follow-up.

We're also trying to build a strategic intelligence capacity, looking at systemic issues. I think that other organizations are very good at being experts on the terrorist group itself, but I think we are very well positioned to provide unique information in the Treasury Department because, as I mentioned, it houses the bulk of the financial information from throughout the world.

For example, the private sector. We have an excellent relationship with the banking community, the financial sector, and we do get suspicious activity reporting through the FinCEN, which is the Financial Crimes Enforcement Network.

We also have access within the department to a wide range of expertise on the global financial network. We also have relationships with finance ministries across the world, which is very unique and provides information that I think we couldn't get elsewhere. We also have access to information from financial intelligence units, about 100 of them, throughout the world, also through FinCEN.

So what we'd like to do is fuse all of the open source information that we're getting from FinCEN, which is a major open source collector on financial data, as well as the intelligence information and being able to provide that to look at targets for action short-term by the Department and looking at longer-term systemic trends such as how are bad guys moving money. Based on the information that we are seeing every day, we would look at trends and patterns of how money is being moved across, whether it's the formal financial sector or the informal sector.

Chairman ROBERTS. Well, I thank you for that comprehensive answer. This is going to be, I suppose, some could say an unfair question, but what would you say would be your highest analytical priority? You mentioned the bad guys. I'm assuming that you would probably say that.

Ms. GARDNER. I think that our key priorities are in this order—al-Qa'ida and its affiliates and their financial networks. What we're trying to get is not just the key nodes, individuals or groups, but looking at the entire network, because, as you know, you shut down one node and another node pops up. And also the way that al-Qa'ida is becoming kind of more decentralized, looking at not just al-Qa'ida but all its affiliate groups. So that would be our No. 1 priority.

But also, following closely behind that is financing for the Iraqi insurgency. We spend a lot of our analytical capacity on that.

And more broadly, as I mentioned before, the financial underpinnings of broader national security threats. You can think

about some of the countries, the rogue countries that I'm referring to, but if a National Security Council question is how do we deal with country X, Treasury can come to the table with unique tools and authorities—sanctions, a broad range of instruments. So we're looking at broader national security threats.

We're also looking at financial networks of proliferators. That's a new area for us. And then down lower on the list would be issues such as keptocrats.

Chairman ROBERTS. To what extent, if any—I'm going to switch subjects on you now—has the Office of Intelligence and Analysis provided any input into the developing regulations as Congress goes through the re-authorization of the USA PATRIOT Act?

Ms. GARDNER. As the Office of Intelligence, we have not been directly involved in the framing of the regulations. Our umbrella office, the Office of Terrorism and Financial Intelligence, and FinCEN and others are taking the lead on that.

Chairman ROBERTS. So if I ask how has the PATRIOT Act helped the Treasury Department's Office of Terrorism and Financial Intelligence address the terrorist finance issue, that's a little premature or can you answer that?

Ms. GARDNER. Well, more broadly speaking, we are a beneficiary of information from the PATRIOT Act. For example, the Bank Secrecy Act, which was amended within the PATRIOT Act, that relates to FinCEN and they are the large collector of that information—the suspicious activity reporting, the currency trade, the CTRs. We are a beneficiary of that information, but we're not the actual collector. We're primarily the analytical arm of the Treasury Department.

Chairman ROBERTS. You've talked a lot about being an equal partner in the interagency discussions in regard to terror financing. In your experience as Acting Assistant Secretary, has the OIA received the quality and quantity of intelligence it needs from other agencies to execute its mission?

Ms. GARDNER. We actually have an excellent relationship with the rest of the intelligence community on terrorist financing. We have a very well-established policy coordinating committee that meets almost weekly. We just met yesterday. And what we try to do is systematically look at the threats, look at the whole range of what can CIA bring to the table, FBI, DHS, NSA and others. And I think that we actually have a very productive interagency process for terrorist financing.

Chairman ROBERTS. I'm probably unintentionally taking away a question that the Vice Chairman will ask you, but what steps do you plan to take to improve information access—that's our latest buzzword and interest—for and by the Department of the Treasury?

Ms. GARDNER. Information access from other organizations?

Chairman ROBERTS. Yes, ma'am. Not information-sharing. Information-sharing does connote somebody owns it and they'll push it to you when they decide, as opposed to you having a seat at the table and having the same mission and thereby having information access.

Ms. GARDNER. Well, as I mentioned, I think that we have a variety of forums where we can have the information access, as you

suggested. There are a number of ways, both personally, one-on-one. We have lots of very good bilateral relationships with the rest of the intelligence community, but also multilateral, through the interagency process.

And one area where we do probably need to do some more work is in the information technology side, to make sure that we have information access.

Chairman ROBERTS. Have you had any discussions with our new Director of National Intelligence with regard to the relationship between your shop and the intelligence community?

Ms. GARDNER. Yes. As I mentioned, I met with Ambassador Negroponte and General Hayden yesterday, and they were very supportive and offered anything that they could do to help, especially in the area of things like information technology, where I think they can have input. And Ambassador Negroponte has also met with Secretary Snow and they have a very good relationship.

Chairman ROBERTS. Was there any discussion with the DNI's office regarding the new procedures and priorities for developing your budget?

Ms. GARDNER. Not directly, yet. We have had discussions with their staff in terms of the former Community Management Staff. We're starting discussions right now.

Chairman ROBERTS. So that's a priority consideration.

Ms. GARDNER. Yes.

Chairman ROBERTS. How do you envision the process for formulating your fiscal year 2007 budget?

Ms. GARDNER. Well, within the Department we've already launched our fiscal year 2007 budget process, and we will coordinate that very closely with the DNI's office. As you know, as a departmental office, we go through two chains. We have the Treasury appropriations chain, but then we have the intelligence oversight chain. So we actually are going through two channels for that.

Chairman ROBERTS. We had hoped you could go through one, but that was not the case.

It's been 18 months since the position for which you have been nominated was established in law, and I'm told that in order to have a core staff upon which to build, the Department of Treasury basically detailed the Foreign Terrorist Division from the Office of Foreign Assets Control to the Office of Intelligence and Analysis.

First, is that correct? If so, do you have any thoughts on the detailing of the whole Foreign Terrorism Division to your shop?

Ms. GARDNER. After 9/11, there was a great need for intelligence analysis on terrorist financing, and at the time, the former Office of Intelligence Support, OIS, really didn't have the wherewithal to build that analytical capability. And OFAC, to its credit, stepped up and filled the void. The work that they do is basically building evidentiary packages for designation of terrorist groups. So primarily it is an intelligence analysis function. About 90 percent of their work is based on intelligence sources.

So when OIA was created, it made sense to move that function over to OIA, and we had many discussions with the Director of OFAC, who I have an excellent relationship with, of how do we split this function. If OIA did the targeting and then OFAC did the analysis, how do we break up that line in the process?

And it really didn't make sense to break it at any point where you would have two centers of expertise on the same groups that we were trying to designate. So I believe, and the Secretary has stated, that the decision was not driven by resources, although we did look at overlap. So I think that we started on April 1 with the transfer of the detail of OFAC analysts, and I believe that we've made excellent progress, even in this short time.

I think OFAC actually has benefited from this move. They are better able now to leverage IC resources. They were doing work that was 90 percent intelligence sources. For example, they weren't reading the current intelligence every day. And if they were preparing the packages, they weren't updating and making sure that new targets were being considered. And now that we have a better line into the intelligence community, they have a better opportunity to work with them in terms of downgrading information that's usable at the U.N. or with foreign governments. We also now have hired a full-time requirements officer, so now these OFAC analysts have access to feeding requirements into the intelligence community. And even things like intelligence community training they now have access to.

So I believe they are better integrated into the intelligence process as well as the policy process. So I think it's a win-win situation where OFAC has benefited and the Department has benefited.

Chairman ROBERTS. Well, you've just taken away about four of my questions and done it very well. One was, can you assure the Committee that OIA will be supportive of OFAC at the level necessary to ensure the latter can achieve its mission? You've answered that.

Does the Administration's budget request for fiscal year 2006 provide for the hiring of personnel and the procurement of your requisite equipment that you deem essential to do the job?

Ms. GARDNER. Yes. If we are able to get our 2006 request, that would take us a long way to fulfilling our mission.

Chairman ROBERTS. Has the Office of Intelligence and Analysis met its hiring objectives?

Ms. GARDNER. For fiscal year 2005 we have met all our objectives except for the Assistant Secretary and that person's special assistant.

Chairman ROBERTS. What about 2006? How confident are you?

Ms. GARDNER. I'm very confident. We had 800 applicants for the positions that we were advertising in fiscal year 2005, so we've been able to attract some very good candidates.

Chairman ROBERTS. Eight hundred applicants for how many positions?

Ms. GARDNER. For this fiscal year, seven.

Chairman ROBERTS. Seven? That's very impressive.

What additional resources or authorities do you need for OIA to effectively and efficiently meet its duties and responsibilities? Here's your chance.

Ms. GARDNER. Well, as I said, if we are able to get our full request for fiscal year 2006, I think we will be able to fulfill our mission.

Chairman ROBERTS. Without objection, a statement by Senator Bond will appear at the appropriate place in the record following

the statement by the distinguished Vice Chairman, who I recognize at this point.

Vice Chairman ROCKEFELLER. Thank you, Mr. Chairman.

This is not exactly on point, but it just occurred to me that I think it was right here that Senator Frank Church revealed for the very first time to me that the President and his people had been reading my mail for the previous 20 years. I was on Nixon's enemies list. I don't quite know why—probably my personality. But I'm just trying to think of all the letters that he must have read. I think I was dating my wife at the time. I thought I was all sort of interesting historically.

Chairman ROBERTS. If you're looking to me, No. 1, I have not had any access to that, other than what you've told me, which has been very interesting.

Vice Chairman ROCKEFELLER. Thank you.

Chairman ROBERTS. It's not often you get me speechless, Jay, but on that one I think you did.

[Laughter.]

Vice Chairman ROCKEFELLER. I know. I know. Candor is a marvelous thing.

In its monograph, so to speak, on terrorist financing, on page 4 of the 9/11 Commission, they stated that prior to September 11, those attacks, that "terrorist financing was not a priority for either domestic or foreign intelligence collection. As a result, intelligence reporting on the issue was episodic, insufficient and often inaccurate." Do you concur with that?

Ms. GARDNER. Before 9/11, I was not working on terrorist financing, but I can speak to the past several years that I've been working on the issue. It has become a priority, and I think that the various INTs do a wide range of collection. I don't want to get into too much detail. But I think that it is very robust at this point in terms of collection.

Vice Chairman ROCKEFELLER. You earlier mentioned analysis as opposed to collection. You made a differentiation between the two. So do you believe that collection and analysis on terrorist financing has improved since 9/11?

Ms. GARDNER. Yes. As I mentioned, the collection I think is fairly robust. And on the analytical side I think that we could probably do a little more on the strategic intelligence, and that's what we're trying to do, on the systemic problems—how do we deal with it—rather than just individual targets.

But yes, I think it has improved.

Vice Chairman ROCKEFELLER. I didn't know about FinCEN. I should have. And you indicated that there were approximately 100 other countries that you work with. Is it on these kinds of matters?

There has been not necessarily agreement between various governments in the general collection of intelligence or the analysis from the collection of intelligence. But in your area it's been more agreed upon.

Ms. GARDNER. Well, the financial intelligence units around the world are members of what's called the Egmont Group, and FinCEN is the United States' FIU, the financial intelligence unit. And intelligence is a bit of a misnomer. It's not like clandestine collection. But it's an informational unit where they have exchanges.

Some of the units are in the finance ministries. Some of them are in the ministries of interior. Some of them are in central banks. There's a wide variety.

But FinCEN manages that program, and we have access to the counterterrorism-related information from that program.

Vice Chairman ROCKEFELLER. All right. Has intelligence reporting since 9/11 led the Treasury Department to make changes? To be honest with you, I know under both Democratic and Republican administration's the Treasury has tended to focus on certain issues, and it's been my opinion—not particularly on this one. So do you think that the Treasury Department, since 9/11, has made changes in its general approach to tracking and disrupting terror financing, or has it confirmed the validity of the Department's current strategy?

Ms. GARDNER. Yes. I'm actually very glad you asked that question, because that's the very purpose of the new Office of Terrorism and Financial Intelligence, led by an Under Secretary. We only have three Under Secretaries at Treasury—one of them for international affairs, one for domestic affairs, and now we have one specifically for terrorism and financial intelligence. I think that's critical.

And the new approach that we're trying to take is a very holistic, integrated approach. In the past, Treasury didn't have an umbrella organization, so if a problem went to OFAC, the outcome would be a designation, because that's what they do. If the issue was directed at FinCEN, it would probably be a PATRIOT Act 311 designation.

Now what we're doing is we have a targeting meeting every week where the Office of Intelligence and Analysis tees up the target—whether it's an individual, a group, trend, rogue nation—and we say what are the range of Treasury authorities that we can put toward this target. It can be anything from going to the financial task force—financial action task force—which is a multilateral organization where we can basically tell country X you can't be a member of this international club because your standards aren't high enough. Or it could be a designation. It could be a range of actions.

So I think that the new strategy that Treasury has, you are right. Before TFI existed, the Office of Terrorism and Financial Intelligence, we didn't have the wherewithal to look at the full range of Treasury authorities. We didn't have an intelligence arm that could provide the analysis to support these authorities.

Now we have that kind of integrated approach and that's exactly what TFI is about.

Vice Chairman ROCKEFELLER. OK. I have this feeling, not necessarily correctly, that Treasury—well, for example, Rubin sort of told Clinton what to do on free trade, occasionally the word "fair" was mentioned, but not very often. I think John Snow, who ran a railroad that I fought for 20 years or 30 years in West Virginia, has his attributes, but I'm not sure that the focus on what we're talking about here would fall within either his level of interest or whatever. I don't know how to put that delicately, so I just didn't do it very delicately.

Treasury has had a problem asserting itself at the table on nonspecifically Treasury issues, if you know what I mean. Now you've indicated that you've got a new leader and you've got you, who we're going to confirm, and seven others. And you've had a good conversation with Negroponte.

But actually this question of following the money trail is so hugely important. We in our work tend not to get into that as much because we're not as good at that. So that means you have to be really, really good. And I want to know why I should look at you and feel good about the future, not with relation to you, but with relation to your place at the table, Negroponte, the traditional position of the Treasury Department.

Ms. GARDNER. I believe the Department has demonstrated a tremendous amount of commitment to this new office, both in terms of resources. As you know, we created both the Office of Terrorism and Financial Intelligence as well as OIA out of the budget cycle. So in 2004 and 2005 the Secretary took resources from international affairs, domestic finance, other parts of the Department in order to stand up TFI. I think that demonstrates a large amount of commitment of the senior leadership.

In terms of budget priorities for the next fiscal year, the Secretary has indicated, both publicly and within the Department, that TFI is a priority. So I believe we've been the beneficiary of that. And he has devoted a significant amount of his time and attention with us. Of course we have weekly intelligence briefings, but more regularly we brief him for the National Security Council meetings, and in many cases not just terrorist finance specifically, but the underpinnings, financial underpinnings of national security threats is an area in which Treasury has a unique niche and a contribution it can make at the National Security Council table.

So I believe that we are making a contribution. We do have a seat at the table. As well as on the area of terrorist financing, the policy coordination committee that I referred to earlier, we have a full seat at the table. We help drive the agenda. We share equally, the information access that you mentioned, from the intelligence community.

I believe that we are making good progress with our new office. We've been around for a year, so I'm sure there's more progress that we can make, but I think, in terms of commitment, you have that from the Department.

Vice Chairman ROCKEFELLER. I'm glad to hear that.

Just on a general basis, as you look at the importance of following the money trail—and that is a path and a skill which is absolutely essential for anything else that anybody does in the intelligence world, the policymaking world or whatever—could you go over again the structure you have or will have and defend it in its capacity, size, intricacy?

Ms. GARDNER. The Office of Intelligence and Analysis will have I think a robust analytical capability. Without going into numbers and dollars, we are divided up organizationally in terms of both the al-Qa'ida and its affiliates, Iraq, Syria, Iran. We have transnational threats. We have East Asia and Central Eurasia. I think we're organized in a way where we can get, both functionally and geographically, the full range of targets.

We also have the intelligence support side, where we're still going to be supporting the rest of the Department on the full range of political and economic issues.

So I believe we do have the capability to fulfill the full mission that we've articulated, as well as the resources.

Vice Chairman ROCKEFELLER. OK. I'm going to ask two more questions. It has been suggested that the intelligence community is neglecting the important role played by offshore banks, shell companies and business fronts in funding terrorism. Do you share this view? If so, why is this critical area not receiving more attention—if you believe that is the case? Is it because of the possible negative impact on economies in the Caribbean and elsewhere?

Ms. GARDNER. As I mentioned earlier in my statement, we are a work in progress and we've started on the current intelligence process. One of the areas that I mentioned that we need to work more on are these kind of systemic issues or functional issues, not in terms of this is the target, this is the threat, but how are people moving money. This is one of the areas, I think, that we do need to look into. I think it is currently a gap. We don't currently have people working on this.

But I think that that's what this office could offer—looking over the horizon at these kinds of strategic issues. We have not to date.

Vice Chairman ROCKEFELLER. So there's a lot of work to be done.

Ms. GARDNER. There's more work to be done, definitely.

Vice Chairman ROCKEFELLER. Finally, there is Hawala. The transfer of funds through so-called informal value transfer systems, often referred to by the term "hawala," present a difficult challenge to all of us in the intelligence community. Studies have shown that Hawala can serve a vital role in helping immigrant workers send funds to their families, especially for countries that lack developed financial systems.

However, that same system has proven itself highly susceptible to abuse by terrorist financiers. What policies has Treasury drawn up regarding the regulation of Hawala, and how has Treasury worked with foreign jurisdictions to improve the oversight of same?

Ms. GARDNER. That is an area where the Treasury Department has focused a lot of its energies. As you know, as the multinational pressure comes down on the terrorist organizations and there's more pressure on them in terms of how do we move and raise funds, they are looking more at non-traditional areas such as Hawala, couriers and, as you mentioned earlier Senator, diamonds, gold. That's an area that we are looking at.

But our sister organization on the policy side within the Office of Terrorism and Financial Intelligence has spent a lot of time in the FATF—the Financial Action Task Force, where I think there are 33 member countries, or 35—where they have talked with foreign governments on setting better standards on Hawala regulations. Areas in South Asia, even I think, have come a long way in terms of giving greater scrutiny to Hawala and making sure that they are better regulated.

So on the policy side I think we've done a significant amount of work, but they continue to work on that area as well.

Vice Chairman ROCKEFELLER. Thank you.

Chairman ROBERTS. Ms. Gardner, I know this question doesn't fall squarely within your area of responsibility, but I would appreciate your response and I think you can simply take it for the record and get back to me with a written response. I would actually prefer a written response, and it doesn't have to be done yesterday.

I have heard from a number of small banks in many of my rural communities in my home State of Kansas—and I'm sure the Vice Chairman has heard the same thing. It's in regard to the filing of something called SARs—and we're not talking about the disease, unless paperwork and regulations are a disease, which in Washington a good case could be made for that—but the filing of suspicious activity reports. And these banks, almost to a person, believe current regulations require them to file more suspicious activity reports than are warranted. They even think there are quotas. We're talking about banks with less than $100 million in terms of their total assets—$60 million, $40 million—very small communities.

And I think this is in response in large part—we very typically do this in Washington—to the Riggs Bank case in which the bank was fined a considerable amount for systemic failure to report. And I understand that. As a matter of fact, I think, Mr. Vice Chairman, we have in our PATRIOT Act and perhaps you have in your standard operating procedure that you are fined $1 million or twice the amount.

For a small bank like that, that really poses a hardship, and they get into defensive filings. And we don't have people out there that really have the expertise to do that, to become what I call sort of a bad news bear to go around and form all the rest of the limited people in the bank to be of help to their local community. In most cases, there's one bank. So consequently everybody knows everybody else.

So I guess my question is—or I know my question is—what's the Department doing to address the concerns that cause the defensive filings? And on the intel side, will these defensive filings cause more difficulty for you in gathering actual intelligence from the SARs reports?

You can respond now very briefly, but if you could respond in a written response for the record, I would certainly appreciate it.

Ms. GARDNER. On the first part of the question, I think you are right, that that's a question for my counterpart who heads FinCEN. Director Fox has been spending a lot of time on this issue, talking to the private sector. And I would take that back to the Department to answer on that one.

In terms of the intelligence community and our ability to sift through volumes of data, the volume problem is definitely real. The more information you have—how do you get the needle in the haystack? That's why I believe, first, we do have access to all the counterterrorism SARs, so we get those as well as hotline tips. And we integrate that in with the rest of the classified information.

But I think that's where our information technology system comes in. We do need to have better tools to be able to mine through that volume of data, and that's something that we're working on as well.

Chairman ROBERTS. We need information out to these small community banks. We have the story of Aunt Harriet, who lived in the community for 80 years and came in and had to show her driver's license to the local teller or whoever it was that she was doing business with, and couldn't figure out why on earth, since she'd been Aunt Harriet for 80 years, why in the Lord's name she should have to show her driver's license. But the person thought that that's what she had to do to comply with the SARs regulation. I think you can get where we're headed.

Without objection, the record will remain open until the close of business tomorrow for Members to submit statements or questions for the record. We do appreciate your appearance before the Committee and your forthrightness in responding to the Committee. And I am very hopeful that you will be confirmed soon.

Is there any other comment the distinguished Vice Chairman would like to make?

Vice Chairman ROCKEFELLER. Just one, and that is you raised a very interesting point when you talked about the network for the proliferators. It caught my attention because that's incredibly subtle, dangerous and where accuracy is needed. Can you just tell me what you meant by that?

Ms. GARDNER. Sure. The WMD Commission made a recommendation that we take our regime to deal with terrorist financing and apply that toward the financial network of proliferators, and we're working on trying to establish that process now. We work very closely with the intelligence community. They really have the expertise in terms of proliferators, but we're trying to buildup that expertise as well and have a similar robust program as we do for terrorist financing.

Vice Chairman ROCKEFELLER. Thank you.

Chairman ROBERTS. Very good. We thank you very much.

[Whereupon, at 4:12 p.m., the Committee adjourned.]

SSCI# 2005 2478

SELECT COMMITTEE ON INTELLIGENCE

UNITED STATES SENATE

QUESTIONNAIRE FOR COMPLETION BY PRESIDENTIAL NOMINEES

Effective January 1998

SELECT COMMITTEE ON INTELLIGENCE
UNITED STATES SENATE

QUESTIONNAIRE FOR COMPLETION BY PRESIDENTIAL NOMINEES

PART A - BIOGRAPHICAL INFORMATION

1. NAME: Janice Bradley Gardner
2. DATE AND PLACE OF BIRTH: March 4, 1960; Sakata, Japan
3. MARITAL STATUS: Divorced
4. SPOUSE'S NAME:
5. SPOUSE'S MAIDEN NAME IF APPLICABLE:
6. NAMES AND AGES OF CHILDREN: none

NAME	AGE

7. **EDUCATION SINCE HIGH SCHOOL:**

INSTITUTION	DATES ATTENDED	DEGREE RECEIVED	DATE OF DEGREE
Wake Forest University	9/77-5/81	Bachelor of Arts	May 1981
The American University	9/81-5/83	Master of Arts	May 1983

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.)**

EMPLOYER	POSITION/TITLE	LOCATION	DATES
Central Intelligence Agency	(see attached CV)		October 1983- present

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):

Please see 8. above.

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

East Asia/Middle East analysis; management of open source program; terrorist finance issues.

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):

Wake Forest University—graduated with honors (cum laude)
American University—full graduate fellow scholarship
Central Intelligence Agency—Exceptional Performance Award 1985, 1988, 1989, 1993, 1995, 1997, 2001, 2002
Department of the Treasury—Performance Award 2004

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, AND PUBLICATION DATES OF ANY BOOKS, ARTICLES, REPORTS OR OTHER PUBLISHED MATERIALS YOU HAVE AUTHORED. ALSO LIST ANY PUBLIC SPEECHES YOU HAVE MADE WITHIN THE LAST TEN YEARS FOR WHICH THERE IS A TEXT OR TRANSCRIPT. TO THE EXTENT POSSIBLE, PLEASE PROVIDE A COPY OF EACH SUCH PUBLICATION, TEXT OR TRANSCRIPT):

None

PART B - QUALIFICATIONS

14. QUALIFICATIONS (DESCRIBE WHY YOU BELIEVE YOU ARE QUALIFIED TO SERVE IN THE POSITION FOR WHICH YOU HAVE BEEN NOMINATED):

I am a professional intelligence officer with over 20 years of experience. I have served in a variety of capacities, including analytical and managerial positions at the Central Intelligence Agency. I have also served abroad in the Analyst Overseas Program with the State Department, as DCI Representative at the National Security Council, and in a policy position in the Vice President's Office. For the past two years, I have served as an intelligence briefer for the Secretary and Deputy Secretary of the Treasury and helped prepare them for NSC Principals and Deputies Committee meetings.

Most recently, I have served in the Department of the Treasury as the Deputy Assistant Secretary in the Office of Intelligence and Analysis (OIA). I have played an instrumental role in standing up the new office and have begun to transform the former Office of Intelligence Support—which solely served liaison functions—into a better integrated intelligence office that helps translate intelligence into action by the Treasury Department. I have drafted OIA's strategic plan, created new products, developed the budget, and led the requirements definition process for the Top Secret/Sensitive Compartmented Information (SCI) IT system.

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.

No

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.

None

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.

I plan to resign from the CIA but will request reemployment rights.

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.

I will continue to pay into the civil service retirement system and thrift savings program.

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.

I am seeking reemployment rights with the CIA.

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.

N/A

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.

NAME OF ENTITY	POSITION	DATES HELD	SELF OR SPOUSE

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.)

DESCRIPTION OF PROPERTY	VALUE	METHOD OF VALUATION

See attached

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.)

NATURE OF OBLIGATION	NAME OF OBLIGEE	AMOUNT

None

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.)

	2000	2001	2002	2003	2004
SALARIES*	119,520	128,673	136,769	129,179	140,618
FEES					
ROYALTIES					
DIVIDENDS**	3223	4299	2764	1583	2770
INTEREST***	3153	2012	1388	3527	3587
GIFTS					
RENTS					
OTHER	2098	1611	176	419	364
TOTAL	127,994	136,595	141,097	134,708	147,339

*federal employment
**mutual funds
***bank accounts

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.

Fairfax County, Virginia

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.

N/A

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

37. IF APPLICABLE, ATTACH THE LAST THREE YEARS OF ANNUAL FINANCIAL DISCLOSURE FORMS YOU HAVE BEEN REQUIRED TO FILE WITH YOUR AGENCY, DEPARTMENT, OR BRANCH OF GOVERNMENT.

See attached

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, PROVIDE DETAILS.

I was in the chain of command of an EEO suit filed by a male employee who claimed he was not promoted due to sexual discrimination in 1998, although he was not eligible for promotion. I have not heard anything further on the complaint since that time.

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, 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, PROVIDE DETAILS.

No

41. RE 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, 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, 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

PART F - SECURITY INFORMATION

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

No

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

Yes. A polygraph is required for employment at the CIA, as well as periodic updates.

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

No

PART G - ADDITIONAL INFORMATION

47. DESCRIBE IN YOUR OWN WORDS THE CONCEPT OF CONGRESSIONAL OVERSIGHT OF U.S. INTELLIGENCE ACTIVITIES.

I believe that Congressional oversight is extremely important during this critical and challenging period in the Intelligence Community (IC). With the passage of the Intelligence Reform and Terrorism Prevention Act, the IC needs to collaborate more closely than ever before and ensure all agencies share information as appropriate. One of the key goals in OIA's strategic plan is to reinvigorate its role in the Intelligence Community, and I have seen first hand the closer cooperation between Treasury and the IC. We are committed to supporting the new Director of National Intelligence in his role overseeing the IC. Congressional oversight will also be vital to ensure the DNI's strong role and information sharing in the Community.

AFFIRMATION

I, Janice Bradley Gardner, DO SWEAR THAT THE ANSWERS I HAVE PROVIDED TO THIS QUESTIONNAIRE ARE ACCURATE AND COMPLETE.

(Date) (Name)

(Notary)

Washington District of Columbia
Subscribed and sworn to before me, in my presence,
this 9th day of June 2005
by JANICE BRADLEY GARDNER
Notary Public
Ronald S. Levy
My commission expires November 14, 2005

TO THE CHAIRMAN, SELECT COMMITTEE ON INTELLIGENCE:

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

Signature _____

Date: 6-9-05

SELECT COMMITTEE ON INTELLIGENCE

UNITED STATES SENATE

Additional Pre-Hearing Questions
for
Ms. Janice B. Gardner
upon her nomination
to be
Assistant Secretary for Intelligence and Analysis,
Department of the Treasury

Additional Pre-Hearing Questions

1. If confirmed as the first Assistant Secretary of the Treasury for Intelligence and Analysis, you will serve as head of one of the newest elements of the Intelligence Community.

    a. Please describe how the Office of Intelligence and Analysis will be responsive to the Director of National Intelligence (DNI) and the Secretary of the Treasury.

The Office of Intelligence and Analysis (OIA) will serve both the Director of National Intelligence and the Secretary of the Treasury. The strategic priorities of OIA are ultimately driven by the goals and objectives determined by the National Security Council's Principals Committee. The Office is directly responsive to the Secretary's needs by staffing the Department for the NSC meetings and providing regular intelligence briefings. OIA has also already been responsive to the DNI by contributing input for the President's Daily Brief on issues related to terrorist financing. The Office has also coordinated on a number of Intelligence Community products.

    b. If conflicts arise between the priorities of the Director of National Intelligence and the Secretary of the Treasury, how will you act to resolve them?

As noted above, the priorities are agreed upon among the National Security Council members, so it is unlikely that there would be conflict among the principals. However, in the rare case that goals of the two principals differ, if confirmed, I would ensure that both sides fully understand the position of the other and facilitate open communication. Day to day priorities would be balanced between current and long-term intelligence needs.

2. Section 105 of the Intelligence Authorization Act for Fiscal Year 2004 (Pub. L. 108-177 (Dec. 18, 2003)) replaced the Department of the Treasury Office of Intelligence Support with the Office of Intelligence and Analysis which you will head, if confirmed.

    a. One of the chief concerns driving the creation of the Office of Intelligence and Analysis (OIA) was Treasury's need to more effectively coordinate and disseminate its analytical products throughout the Intelligence Community. Please provide your assessment of the progress that has been made to date in addressing these concerns, the impediments and challenges that remains, and your plan to address those impediments and challenges, if confirmed.

Before the creation of OIA, the Department's intelligence office did not produce any analytical products. The former Office of Intelligence Support served primarily in a liaison function, ensuring that the products of other IC components were disseminated to the principals in the Department. One of OIA's key strategic goals is to build a robust

analytical capability to produce actionable intelligence on terrorist financing and other national security threats. For the first time, the Department is now producing both reporting cables (nearly 50 disseminated to the IC) and analytical products on terrorist financing. To date, the analytical products have been targeted toward internal Departmental customers, but we have disseminated several products to the IC.

The two primary challenges remaining include: 1) hiring and training new analysts who can serve as the community's experts in financial intelligence; and 2) building a reliable Top Secret/Special Compartmented Information (TS/SCI) network with adequate analytical tools to provide analysts with the capability to conduct analysis of terrorist financial networks and their key nodes. This IT system is critical to the Department's ability to communicate effectively and securely with the rest of the IC. The Treasury Department has demonstrated its support for both of these initiatives by transferring resources from other parts of the Department and devoting them to the new office. These needs are also addressed in the FY06 budget request.

b. Please explain how the Office of Intelligence and Analysis enhances the Treasury Department's ability to contribute to the Intelligence Community's and the U.S. Government's capabilities to address the means by which terrorist finance their operations.

OIA is uniquely positioned to contribute to the U.S. Government's ability to disrupt terrorist financing. The Department houses the bulk of the financial information in the U.S. Government, such as suspicious activity reporting pursuant to the Bank Secrecy Act, and OIA has access to this financial information as appropriate. Another important resource is Treasury Department staff, who have broad and deep expertise on the global financial system and close relationships with the private sector, particularly in financial services. The Department also maintains extensive contacts with foreign finance ministries and law enforcement agencies and leads a network of nearly 100 financial intelligence units around the world, which we can query for specific information on terrorist and illicit finance. OIA will coordinate this information and combine it with all-source intelligence to produce actionable intelligence, particularly to support Treasury's authorities and policy directives.

c. How will the Office of Intelligence and Analysis contribute to the work of the Treasury Department and the Intelligence Community on issues other than terrorist financing?

Another key strategic goal for OIA is to enhance its intelligence support (previously provided by the former intelligence office) on the full range of economic and political issues, particularly to the senior leadership within the Department and the Office of International Affairs. We have begun to better integrate intelligence support into the policy process by engaging more interactively with key customers and tailoring support for NSC meetings, international travel, and meetings with foreign leaders. We have also hired a full-time requirements officer to ensure that the Department's collection needs are represented in the full range of IC forums. Moreover, we have begun to facilitate IC

engagement with senior Treasury officials following trips overseas, so analysts and collectors can gain first-hand information on policy discussions, foreign leadership personalities, and dynamics of important national security issues.

d. To what extent, if any, is the Office of Intelligence and Analysis changing the way it interacts with other components of the Treasury Department and the other elements of the Intelligence Community?

Yet another strategic goal for OIA is to reinvigorate its relationship with the rest of the Intelligence Community. We are currently positioning ourselves to provide input to IC assessments and plans, particularly on collection and production boards. Within the Department, as noted above, the office is taking a much more proactive approach toward supporting senior policymakers' intelligence needs. Members of the office are attending senior staff meetings and facilitating exchanges with the Intelligence Community.

3. On March 4, 2004, the Department of the Treasury announced the creation of the Office of Terrorism and Financial Intelligence (TFI), a realignment of the Executive Office for Terrorist Financing and Financial Crimes. TFI was designed to integrate the Office of Terrorist Financing and Financial Crime (TFFC), the Office of Foreign Assets Control (OFAC), the Financial Crimes Enforcement Network (FinCEN), the Office of Intelligence and Analysis (OIA), and the Treasury Executive Office for Asset Forfeiture (TEOAF). Following this announcement, the organizations modifications were codified as part of the Consolidated Appropriations Act, 2005, Division H, Title II. Section 222 (Pub. L. 108-447 (Dec. 8, 2004)).

a. Please explain how the Office of Intelligence and Analysis coordinates and supports the work of these other Treasury Department offices.

The statute and Treasury Order that created the Office of Intelligence and Analysis designated OIA as coordinating and overseeing all intelligence analysis within the Department. OIA helps coordinate the focus of Treasury intelligence analysis as well as the development of intelligence products, and reviews all finished intelligence products drafted by individual TFI components for senior Treasury policymakers and the Intelligence Community. OIA has also initiated a weekly targeting meeting, which includes representatives of all TFI offices, to present potential targets, assess the full range of potential Treasury actions, and then assign follow up action to the appropriate component. OIA will also serve as the central coordinating point for the intelligence requirements process and other common function such as the downgrade process. Moreover, the Treasury Order that created TFI stipulated that OIA would ensure the intelligence needs of OFAC and FinCEN were met.

b. What effect, if any, did this reorganization have on the mission, practices, or day-to-day responsibilities of the Office of Intelligence and Analysis? In particular, please describe what effect, if any, categorization as a "law

enforcement" organization has on the activities of the Office of Intelligence and Analysis.

Prior to the creation of TFI, the Office of Intelligence and Analysis was placed under the Assistant Secretary for Management, which serves primarily in a support function. As a result of the reorganization, OIA is now better positioned to directly support the policy process because it is integrated with many of the policy and law enforcement components that it supports, such as TFFC, OFAC, and FinCEN. OIA's designation as a law enforcement organization facilitates TFI's work with U.S. and foreign law enforcement organizations in the war on terrorist finance, money laundering, and other national security threats. It also makes the office eligible to receive funds from the Treasury Executive Office for Asset Forfeiture.

4. The creation of the Department of the Treasury's Office of Intelligence and Analysis has resulted in an expansion of the number of individuals working on intelligence issues within the Department.

    a. Has the Office of Intelligence and Analysis met its hiring objectives?

OIA has met all its hiring goals for FY04 and FY05, with the exception of two positions related to presidential appointments. If confirmed, both the Assistant Secretary and special assistant positions will be filled by the end of the fiscal year.

    b. If not, why, and when do you anticipate that the Office will meet its staffing requirements?

See above.

    c. What additional resources or authorities are needed for the Office to effectively and efficiently meet its duties and responsibilities?

As noted above, two key resource challenges include adequate investment in people and information technology. The Department's FY06 budget submission includes a request for additional intelligence analysts to add depth and breadth to our analytical efforts. These analysts will be used to conduct more strategic analysis of trends, patterns, and scope of threat to and abuse of the financial system, which will support longer range policy development by TFI and contribute a unique perspective to IC assessments. Additional analysts will also contribute the current intelligence process of the Intelligence Community. The Department has also requested funding for a major modernization of the TS/SCI network, which will provide basic analytical capabilities resident in other IC agencies and reliable, effective, and secure communications connectivity to the rest of the IC.

Janice Bradley Gardner
1202 Woodbrook Court
Reston, Virginia 20194
703-435-7174 (h)
202-622-1835 (w)

2004- **Deputy Assistant Secretary for Intelligence and Analysis, Department of the Treasury**

Leading effort to stand up new office responsible for providing actionable intelligence on terrorist finance and other financial crime. Drafted strategic plan and budget requirements for new office. Represents Department in various Intelligence Community forums.

2002-2004 **Senior Intelligence Liaison Officer, Department of the Treasury**

Provided intelligence support to the Secretary and Deputy Secretary, preparing weekly briefings, drafting background papers for Deputies and Principals Committee meetings, and supporting other senior officials.

1999-2002 **Deputy Director, Foreign Broadcast Information Service**

Managed global network of open source collection, led analytical production process, and developed human resource strategy. Represented agency in Foreign Language Executive Committee, Diversity Senior Advisory Group, Collaboration Steering Group.

1996-1999 **Chief of East Asia Group, Foreign Broadcast Information Service**

Led major reengineering effort that resulted in increased cost effectiveness and customer satisfaction. Managed headquarters component and four overseas bureaus. Received FBIS Values Award and promoted to Senior Intelligence Service.

1996 **Special Advisor to the Vice President for Foreign Affairs**

Served as action officer for terrorism, narcotics, intelligence programs, organized crime, and Latin America. Served on Assistant Secretary-level policy committees and Counterterrorism Security Group.

1995-1996 **DCI Representative to National Security Council**

Served as liaison officer to White House and executive assistant to DCI in downtown office. Member of interagency working groups, providing support to NSC Senior Director for Intelligence Programs.

1995 **Executive Assistant to DCI Chief of Staff**

Worked on variety of assignments, including managing DCI tasking and correspondence, organizing VIP visits, and leading special projects.

1993-1995 **Chief of Persian Gulf Branch, Office of Near East/South Asian Analysis**

Managed two analytical teams (concurrently served as Chief of Arab-Israeli Branch for eight months). Received quality step increase for support to senior policymakers. Received award for managing business process reengineering study on production process.

1984-1993 **East Asia Analyst**

Specialized in Japanese and Korean political and economic issues. Served as State Department Economic Officer in US Embassy in Tokyo; worked as trade negotiator and wrote speeches for Ambassador. Received Exceptional Performance Award for intelligence research paper on Japanese trade ministry.

1983 **Entered on Duty** at Central Intelligence Agency as Career Trainee (one year training program) and served interim assignments as reports officer and in other operational components.

1981-1983 **Graduated from American University** with Master's Degree in International Relations. Awarded full scholarship in graduate fellowship program.

1981 **Graduated Cum Laude from Wake Forest University** with Bachelor's Degree in History.

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

June 9, 2005

The Honorable Pat Roberts
Chairman
Senate Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The President has nominated Janice B. Gardner to serve as Assistant Secretary for Intelligence and Analysis of the Department of the Treasury. In connection with Ms. Gardner's nomination, I have reviewed the information she has provided in response to your Committee's questionnaire. I have also reviewed the financial disclosure report (SF-278) filed by the nominee. As the Designated Agency Ethics Official of the Department of the Treasury, it is my opinion that Ms. Gardner's responses to your Committee's questionnaire and the information disclosed on her SF-278 reveal no conflict with the duties she is expected to perform as Assistant Secretary for Management.

I am enclosing the information provided by the nominee to your Committee and a copy of my letter to the Acting Director of the Office of Government Ethics clearing Ms. Gardner's SF-278.

Sincerely,

Kenneth R. Schmalzbach

Kenneth R. Schmalzbach
Assistant General Counsel (General Law & Ethics)
and
Designated Agency Ethics Official

Enclosures

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

May 25, 2005

Marilyn L. Glynn
Acting Director
United States Office of Government Ethics
1201 New York Avenue, N.W.
Suite 500
Washington, D.C. 20005-3917

Dear Ms. Glynn:

The President has nominated Janice B. Gardner to be Assistant Secretary for Intelligence and Analysis of the Department of the Treasury. As the Designated Agency Ethics Official of the Department of the Treasury, I have reviewed the information contained in the enclosed financial disclosure report (SF-278) filed by Ms. Gardner. Based on my review of the information contained in the report, and the commitments which she has made to me as the Designated Agency Ethics Official (enclosed), it is my opinion that there will be no conflict between her financial interests and the duties which she will be expected to perform as Assistant Secretary for Intelligence and Analysis.

Sincerely,

Kenneth R. Schmalzbach
Assistant General Counsel
(General Law & Ethics) and
Designated Agency Ethics Official

Enclosures

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

SSCI# 2005 2351

May 31, 2005

The Honorable Pat Roberts
Chairman
Select Committee on Intelligence
United States Senate
Washington, DC 20510-6475

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Janice B. Gardner, who has been nominated by President Bush to be the Assistant Secretary for Intelligence and Analysis, Department of the Treasury.

We have reviewed the report and have also obtained advice from the Department of the Treasury concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated May 4, 2005, from Ms. Gardner to the Department's ethics official, outlining the steps which she will take to avoid conflicts of interest.

Based thereon, we believe that Ms. Gardner is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Marilyn L. Glynn
Acting Director

Enclosures

SF 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved
OMB No. 3209-0001

Date of Appointment, Candidacy, Election, or Nomination (*Month, Day, Year*)	Reporting Status (*Check appropriate boxes*)	☐ Incumbent	Calendar Year Covered by Report	☒ New Entrant, Nominee, or Candidate	☐ Termination Filer; Termination Date (*If Applicable*) (*Month, Day, Year*)
Reporting Individual's Name	Last Name: GARDNER			First Name and Middle Initial: JANICE B.	
Position for Which Filing	Title of Position: ASST SEC FOR INTELLIGENCE AND ANALYSIS			Department or Agency (*If Applicable*): DEPARTMENT OF THE TREASURY	
Location of Present Office (or forwarding address)	Address (*Number, Street, City, State, and ZIP Code*): 1500 PENNSYLVANIA AVENUE, NW, WASHINGTON, DC 20220			Telephone No. (*Include Area Code*): 202-622-1835	
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: DEPUTY ASSISTANT SECRETARY FOR INTELLIGENCE AND ANALYSIS; 4/04-PRESENT				
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Committee on Intelligence			Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No	
Certification: I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Signature of Reporting Individual: [signature]			Date (*Month, Day, Year*): 3-30-05	
Other Review (If desired by agency)	Signature of Other Reviewer: [signature]			Date (*Month, Day, Year*): 5/18/05	
Agency Ethics Official's Opinion: On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below).	Signature of Designated Agency Ethics Official/Reviewing Official: Kenneth R. Schmalzbach			Date (*Month, Day, Year*): 5/25/05	
Office of Government Ethics Use Only	Signature: [signature]			Date (*Month, Day, Year*): 5/31/05	

Comments of Reviewing Officials (*If additional space is required, use the reverse side of this sheet*)

(*Check box if filing extension granted & indicate number of days*) ☐

(*Check box if comments are continued on the reverse side*) ☐

Fee for Late Filing

Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a $200 fee.

Reporting Periods

Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

Nominees, New Entrants and Candidates for President and Vice President:

Schedule A--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

Schedule B--Not applicable.

Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

Schedule C, Part II (Agreements or Arrangements)--Show any agreements or arrangements as of the date of filing.

Schedule D--The reporting period is the preceding **two** calendar years and the current calendar year up to the date of filing.

Agency Use Only

OGE Use Only

JUN 26 2005

278 (Rev. 03/2001)
U.S.C. app. 2634
S. Office of Government Ethics

Reporting Individual's Name: Janice Bradley Gardner

SCHEDULE A

Page Number: 2

Assets and Income — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual acount of any honoraria over $200 of your spouse).

None ☐

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
Examples	Central Airlines Common				X												X						X										
	Doe Jones & Smith, Hometown, State			X																												Law Partnership Income $130,000	
	Kempstone Equity Fund					X								X										X									
	IRA: Heartland 500 Index Fund							X						X											X								
1	Vanguard Asset Allocation Fund			X										X								X											
2	Vanguard Growth Index Fund			X										X								X											
3	Vanguard Tax-Managed Fund			X										X								X											
4	Vanguard Total Stock Market Index Fund (IRA)		X											X							X												
5	Vanguard 500 Index Fund (IRA)		X											X							X												
6	Vanguard Total Stock Market Index fund		X											X							X												

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot be Used

SF278 (Rev. 03/2000)
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Reporting Individual's Name: Janice Bradley Gardner

SCHEDULE A continued

(Use only if needed)

Page Number: 3

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (None ☐)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains*	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Northwest Federal Credit Union Checking Account		X																X			X											
2	Northwest Federal Credit Union Savings Accoung				X														X			X											
3	Northwest Federal Credit Union Savings Accoung				X														X			X											
4																																	
5																																	
6																																	
7																																	
8																																	
9																																	

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

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Do not Complete Schedule B if you are a new entrant, nominee, Vice Presidential or Presidential Candidate

Reporting Individual's Name: Janice Bradley Gardner

SCHEDULE B

Page Number: 4

Part I: Transactions

None ☐

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Certificate of divestiture
Example:	Central Airlines Common	x			2/1/99			x									
1																	
2																	
3																	
4																	
5																	

* This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling more than $260; and (2) travel-related cash reimbursements received from one source totaling more than $260. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include travel itinerary, dates, and the nature of expenses provided. **Exclude** anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth $114 or less. See instructions for other exclusions.

None ☐

	Source (Name and Address)	Brief Description	Value
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/99 (personal activity unrelated to duty)	$500
	Frank Jones, San Francisco, CA	Leather briefcase (personal friend)	$300
1			
2			
3			
4			
5			

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Reporting Individual's Name: Janice Bradley Gardner

SCHEDULE C

Page Number: 5

Part I: Liabilities

Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None [X]

	Creditors (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (x): $10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Examples:	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1991	8%	25 yrs.			x								
	John Jones, 123 J St., Washington, DC	Promissory note	1999	10 %	on demand					x						
1																
2																
3																
4																
5																

* This category applies only if the liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer with the spouse or dependent children, mark the other higher categories, as appropriate.

Part II: Agreements or Arrangements

Report your agreements or arrangements for: continuing participation in an employee benefit plan (e.g. 401k, deferred compensation; (2) continuation payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits

None [X]

	Status and Terms of any Agreement or Arrangement	Parties	Date
Example:	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00.	Doe Jones & Smith, Hometown, State	7/85
1			
2			
3			
4			
5			
6			

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SF 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name	SCHEDULE D	Page Number
Janice Bradley Gardner		6

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None [X]

	Organization (*Name and Address*)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/92	Present
	Doe Jones & Smith, Hometown, State	Law firm	Partner	7/85	1/00
1					
2					
3					
4					
5					
6					

Part II: Compensation In Excess Of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate

None [X]

	Source (*Name and Address*)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, State	Legal services
	Metro University (client of Doe Jones & Smith), Moneytown, State	Legal services in connection with university construction
1		
2		
3		
4		
5		
6		

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May 4, 2005

Kenneth R. Schmalzbach
Assistant General Counsel
(General Law and Ethics) and
Designated Agency Ethics Official
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Mr. Schmalzbach:

This is to inform you of the steps I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Assistant Secretary for Intelligence and Analysis of the Department of the Treasury.

As required by 18 U.S.C. 208(a), I will not participate personally and substantially in an official capacity in any particular matter that would have a direct and predictable effect on my financial interests, or those attributable to me, of which I have knowledge, unless I qualify for a regulatory exemption pursuant to 18 U.S.C. 208(b)(2) or I receive an individual waiver in accordance with 18 U.S.C. 208(b)(1). I have been counseled concerning the provisions of the Federal financial conflict of interest statute, 18 U.S.C. 208, in relation to my financial interests. I understand that for purposes of 18 U.S.C. 208, the financial interests of a spouse; minor child; general partner; an organization in which I am serving as an officer, director, trustee, general partner, or employee; or a person or organization with whom I am negotiating or have an arrangement concerning prospective employment are attributable to me.

I am also familiar with the Executive Branch impartiality regulations in Subpart E of 5 C.F.R. Part 2635. I will disqualify myself from participating in a particular matter involving specific parties when required by Subpart E unless my participation is authorized by an agency designee.

Sincerely,

Janice B. Gardner

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