



DEPUTY SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1010

DEC 02 2008

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Directive-Type Memorandum (DTM) 08-034 – DoD Counterthreat Finance (CTF) Policy

References: (a) National Security Presidential Directive No. 1, "Organization of the National Security Council System," February 13, 2001
(b) Joint Publication 1-02, "Department of Defense Dictionary of Military and Associated Terms," as amended

Purpose. This DTM:

- Establishes DoD policy and assigns responsibilities for countering financing used by illicit trafficking networks to support an adversary's ability to negatively affect U.S. interests.
- Designates Commander, United States Special Operations Command (CDRUSSOCOM), as the DoD lead agent.
- Is effective immediately. It shall be converted to a new DoD Directive within 180 days, and the next review of the Unified Command Plan (UCP) should consider Counterthreat Finance as a UCP-specified mission responsibility under CDRUSSOCOM.

Definitions. See Glossary.

Applicability. This DTM applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the "DoD Components").

Policy. It is DoD policy that:

- The Department of Defense shall work with other U.S. Government departments and agencies, and with partner nations to disrupt and degrade adversaries' ability to negatively affect U.S. interests.



OSD 14563-08



- The Department of Defense shall:
 - Conduct strategic planning within the combatant command (CCMD) construct, including lines of operation to counter and exploit threat financial networks, which are coordinated with the Under Secretary of Defense for Policy (USD(P)) via the Joint Staff.
 - Develop and include integrated capabilities in force planning constructs to exploit and counter financial networks that negatively affect U.S. interests.
 - Support other government agencies' CTF activities, in accordance with respective CCMD operations, applicable laws, regulations, policy, and memorandums of agreement and understanding.
 - Solicit and encourage early integration of CTF interagency representatives into the DoD planning process, when appropriate.
 - Establish appropriate management oversight of its CTF activities.

Responsibilities. See Attachment.

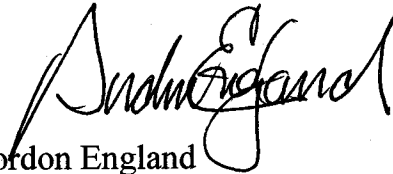
Procedures

- CCMD CTF representatives will coordinate with USSOCOM and the designated Joint Staff office responsible for CTF activities, through USD(P) and within an appropriate time frame, to develop and support interagency actions to implement the Combatant Commander's strategy.
 - These actions can be, but are not limited to, military operations, designations, demarches, capacity building for partner nations, or law enforcement.
 - All interagency CTF activities shall be coordinated with USSOCOM and the designated Joint Staff office responsible for counterthreat finance activities within an appropriate time frame, both of which will track the progress of interagency actions and assist with interagency coordination.
 - If a CCMD's CTF representative is unable to achieve the Commander's intent through an interagency action, the Assistant Secretary of Defense for Global Security Affairs (ASD(GSA)) and the designated Joint Staff office responsible for CTF activities will

engage interagency partners on behalf of the CCMD in accordance with National Security Presidential Directive 1 (Reference (a)).

- The Under Secretary of Defense for Intelligence (USD(I)) remains the principal advisor to the Secretary of Defense on intelligence issues related to CTF. Defense Intelligence components and intelligence elements at the CCMDs and Services will coordinate through the Office of the USD(I) on intelligence issues related to CTF.

Releasability. UNLIMITED. This DTM is approved for public release. Copies may be obtained through the Internet from the DoD Issuances Web Site at <http://www.dtic.mil/whs/directives>.



Gordon England
Deputy Secretary of Defense

Attachments:
As stated

DISTRIBUTION:

**SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DEPUTY CHIEF MANAGEMENT OFFICER
COMMANDERS OF THE COMBATANT COMMANDS
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT ORGANIZATION
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES**

ATTACHMENTRESPONSIBILITIES

1. USD(P). The USD(P) shall develop, coordinate, issue, and oversee the implementation of DoD policy and plans for CTF activities and capabilities that include planning, preparation, coordination, implementation, support, and lessons learned.
2. ASD(GSA). The ASD(GSA), under the authority, direction, and control of the USD(P), shall:
 - a. Serve as the principal advisor to the Secretary of Defense and the USD(P) on CTF activities and capabilities.
 - b. On behalf of the USD(P), formulate and coordinate policy guidance; establish and publish CTF activity goals and objectives; make recommendations on CTF activity requirements according to DoD policies and strategic guidance; and advise and make recommendations for policy on DoD support to other Government agencies.
 - c. Coordinate with the USD(I) regarding intelligence and intelligence-related matters.
 - d. Evaluate the policies, processes, and programs that affect DoD's ability to execute CTF activities; recommend actions as necessary to enhance CTF capabilities; and oversee the DoD CTF activity programs.
 - e. Represent the Department of Defense at interagency forums on CTF activities, including: National Security Council Terrorist Finance meetings; U.S. State Department Terrorism Finance Working Group meetings; interagency Terrorist/Insurgent Finance Working Group meetings; U.S. Treasury Department's Office of Foreign Assets Control Foreign Narcotics Kingpin Designation Act meetings; U.S. Government Trafficking in Persons Sanction meetings; and any meetings addressing activities facilitated by illicit trafficking.
 - f. Ensure DoD CTF activity policies are coordinated and disseminated within the applicable U.S. Government departments and agencies.
3. ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS/LOW INTENSITY CONFLICT AND INTERDEPENDENT CAPABILITIES (ASD(SO/LIC & IC)). The ASD(SO/LIC & IC), under the authority, direction, and control of the USD(P), shall:

- a. Serve as the principal advisor to the Secretary of Defense and the USD(P) on the capabilities and employment of special operations forces, strategic forces, and conventional forces to engage in CTF activities.
- b. Coordinate with the USD(I) regarding intelligence and intelligence-related matters.
- c. Oversee policy and resources involving CTF activities for warfighting capabilities including counterterrorism; unconventional warfare; direct action; special reconnaissance; civil affairs; psychological operations; and terrorist proliferation of weapons of mass destruction.
- d. On behalf of the USD(P), formulate, coordinate, and recommend special operations policies in support of CTF activities.

4. UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (USD(P&R)). The USD(P&R) shall:

- a. Provide guidance on personnel policy issues related to CTF.
- b. Ensure policies and procedures are in place to identify and track personnel who have been trained or are experienced in CTF activities. These policies shall ensure commanders can request and receive personnel qualified to support CTF activity requirements.

5. USD(I). The USD(I), as the principal staff advisor to the Secretary and Deputy Secretary of Defense regarding intelligence, counterintelligence, and security matters, shall:

- a. Exercise intelligence policy oversight of personnel in defense intelligence positions to ensure the Defense Intelligence enterprise is manned, trained, equipped, and structured to support the CTF intelligence missions of the Department of Defense and fully satisfy the needs of the CCMDs, the Military Departments, and the Office of the Director for National Intelligence.
- b. Coordinate with USD(P) regarding intelligence and intelligence-related matters that affect CTF activities.
- c. Develop CTF intelligence policy and provide oversight on CTF intelligence training, education, and career development of personnel within the Defense Intelligence enterprise. Engage with Secretaries of the Military Departments and Combatant Commanders (including USSOCOM) to ensure integration of Defense CTF intelligence into other DoD training.

d. Oversee Defense CTF intelligence enterprise policy, plans, programs, required capabilities, and resource allocations, to include exercising responsibility for DoD Components within the National Intelligence Program and the Military Intelligence Program, and establish priorities to ensure conformance with Secretary of Defense and DNI policy guidance as it relates to CTF intelligence.

e. Serve as the DoD focal point for all intelligence policy and oversight matters relating to CTF intelligence information sharing and interoperability of Defense CTF intelligence systems and processes. Develop, coordinate, and oversee DoD requirements and compliance with intelligence information sharing and interoperability requirements and policies issued by the DNI as they relate to CTF intelligence.

f. Coordinate, oversee, and assess the efforts of the DoD Components to plan, program, and develop capabilities that support CTF intelligence information operations.

g. Develop, coordinate, and oversee policy and policy implementation for all CTF sensitive intelligence, counterintelligence, security, and special technical programs within the Department of Defense.

h. Identify gaps and opportunities for technology insertion to enhance CTF intelligence, counterintelligence, and security capabilities of the Department of Defense and oversee research, development, test, and evaluation.

i. Advise and support the CCMDs on CTF intelligence collection and production to ensure they reflect and satisfy command requirements and interagency requests.

j. Designate a representative to attend meetings and represent defense CTF intelligence with other U.S. Government entities as they relate to intelligence, including the National Security Council, Homeland Security Council, Department of Treasury, Department of State, Department of Justice, and Department of Homeland Security as well as foreign governments, international organizations, state agencies, the Intelligence Community, and Congress.

6. SECRETARIES OF THE MILITARY DEPARTMENTS. The Secretaries of the Military Departments shall:

a. Provide timely advice to USD(P) and guidance to CTF activities including manpower, personnel, Reserve Affairs, weapons systems and equipment acquisition, communications, and financial management.

b. Provide timely advice to USD(I) on CTF intelligence and ensure that the CTF intelligence policies and guidance issued by USD(I) are implemented.

7. CHAIRMAN OF THE JOINT CHIEFS OF STAFF. The Chairman of the Joint Chiefs of Staff shall:

- a. Provide advice to the President and Secretary on military aspects of CTF activities and provide representation to interagency policy forums (identified in paragraph 2.e.) on CTF activities.
- b. Ensure coordination and maintenance of approved tactics, techniques, and procedures for CTF activity requirements.
- c. Ensure that the Joint Requirements Oversight Council (JROC) reviews CTF activities annual requirements.
- d. Establish an office of primary responsibility for coordinating all CTF activities.

8. COMMANDERS OF THE COMBATANT COMMANDS. The Commanders of the Combatant Commands, through the Chairman of the Joint Chiefs of Staff, are responsible for planning and executing CTF activities within their respective areas of responsibility and shall:

- a. Designate a command representative as the primary element for coordinating all CTF activities to ensure proper emphasis is given to interagency processes and integrated operations, especially operational planning and implementation.
- b. Establish a dedicated CTF capability that integrates intelligence and operations, analyzes financial intelligence and coordinates and executes CTF activities in accordance with existing authorities and in collaboration with CCMD initiatives.
- c. In coordination and collaboration with affected interagency partners, establish, as necessary, and support interagency threat finance cells in combat zones to deny, disrupt, destroy, or defeat funding and value transfer items to terrorists, insurgents, and narcotics and criminal networks to diminish their operational capabilities.
- d. Establish CTF intelligence as an area of critical intelligence focus and work with USD(I) for resources, programs, and policy to establish CCMD objectives.
- e. Establish and maintain command procedures and programs for CTF activities.
- f. Include CTF activities as an integral part of operational exercises and training.
- g. Identify all CTF activity requirements annually to the Chairman of the Joint Chiefs of Staff.

h. Coordinate with the Services, United States Joint Forces Command (USJFCOM), and OUSD(I) to develop standards for identifying personnel requiring CTF training.

i. Establish lines of communication among the CCMDs and through the Chairman of the Joint Chiefs of Staff to ASD(GSA) to support expeditious coordination of CTF activities with interagency partners.

j. Notify the appropriate entities within Headquarters, USSOCOM, of all CTF activities within a reasonable timeframe. This requirement is specifically intended to inform CDRUSSOCOM of pending actions in accordance with his synchronization responsibilities outlined in section 9 below and in no way detracts from CCMD authorities for executing CTF operations in their respective areas of responsibility.

9. COMMANDER, U.S. SPECIAL OPERATIONS COMMAND (CDRUSSOCOM).

CDRUSSOCOM is the DoD lead agent for synchronizing CTF activities.

CDRUSSOCOM has designated the Director, Center for Special Operations, as the DoD office of primary responsibility for managing synchronization of CTF activities. CDRUSSOCOM shall lead, synchronize, and integrate activities to improve CTF doctrine, organization, training, and equipment of the Department of Defense in coordination with CDRUSJFCOM. In addition to the responsibilities in section 8, CDRUSSOCOM shall:

a. Establish a dedicated CTF capability that integrates intelligence and operations, analyzes financial intelligence, coordinates and executes CTF activities in accordance with existing authorities, and coordinates with USD(I), the lead for CTF intelligence.

b. Report on CTF activities and operations annually to the Secretary of Defense, through ASD(GSA), in accordance with the established chain of command.

c. At the request of and in coordination with ASD(GSA), facilitate and coordinate CTF activities with the Heads of the DoD Components and other Government agencies.

d. Assist the Heads of the DoD Components as needed in implementing Secretary of Defense CTF activity policies, planning, and operations.

e. In coordination with the other CCMDs, recommend operational requirements to the Chairman of the Joint Chiefs of Staff.

f. Synchronize CTF activities to ensure applicable integration, standardization, and effectiveness in CTF activity training, security, planning, and operations in coordination with CDRUSJFCOM, as appropriate.

- g. In coordination with the other CCMDs, advocate CTF activity annual requirements in the JROC process and monitor implementation.
 - h. In coordination with the other CCMDs, validate budgetary and personnel requirements to support CTF activities.
 - i. Periodically review CTF activity capabilities and recommend improvements to the USD(P) and the Chairman of the Joint Chiefs of Staff.
 - j. Develop standards and training objectives for specialized CTF activities training for special operations forces.
 - k. In coordination with the other CCMDs, and in coordination with USD(I) as appropriate, develop support requirements and associated programs, including activities in support of special mission units.
10. COMMANDER, U.S. JOINT FORCES COMMAND (CDRUSJFCOM). In addition to the responsibilities in section 8, CDRUSJFCOM, in coordination with the Secretaries of the Military Departments, as appropriate, shall:
- a. Establish an office of primary responsibility for coordinating all CTF activities.
 - b. Establish and/or continue to support CTF activity joint manning requirements for the CCMDs.
 - c. Lead collaborative development of universal joint tasks for CTF activities training and education, in coordination with the Chairman of the Joint Chiefs of Staff and CDRUSSOCOM, for those forces supporting CCMD activities.
 - d. Conduct applicable area-specific pre-deployment CTF activities training of joint force headquarters participating in contingency operations. Support joint individual training through advanced distributed learning services.
 - e. Support USD(P&R) efforts to identify and track personnel who have been trained or are experienced in CTF activities.
 - f. Promote interoperability of Services and USSOCOM CTF capabilities by reviewing CTF activity procedures, training, and equipment standards.
 - g. Monitor joint and combined exercise and planning processes for integration of CTF activity requirements into each and, as requested, assist CCMDs in developing, managing, and planning CTF activity scenarios.

h. Assist in developing and integrating into joint doctrine the tactics, techniques, procedures, and equipment requirements for CTF activities.

i. Explore new concepts and capabilities for CTF as part of the Joint Concept Development and Experimentation Program.

11. COMMANDER, U.S. NORTHERN COMMAND (CDRUSNORTHCOM). In addition to the responsibilities in section 8, and as authorized and in coordination with OSD, the Joint Staff, USSOCOM, and supported interagency partners as appropriate, CDRUSNORTHCOM shall:

a. Provide support in accordance with U.S. law and consistent with unique USNORTHCOM domestic and foreign legal constraints.

b. Develop limits of domestic and foreign support.

c. Coordinate operational and supporting requirements.

d. Establish an office of primary responsibility for coordinating all CTF activities.

e. Coordinate joint manning requirements with USJFCOM.

12. DIRECTOR, DEFENSE INTELLIGENCE AGENCY (DIA). The Director, DIA, is responsible for providing the military CTF intelligence contribution to foreign intelligence and counterintelligence as part of the DIA mission. The Director, DIA, shall:

a. Satisfy the military and military-related CTF intelligence requirements of the Secretary and Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the DNI.

b. Provide the military CTF intelligence contribution to national foreign intelligence and counterintelligence.

c. Plan, manage, and execute CTF intelligence operations during peacetime, crisis, and war.

d. Serve as the DoD lead for coordinating CTF intelligence support to meet CCMD requirements; lead efforts to align analysis, collection, and intelligence, surveillance, and reconnaissance activities with all operations; and link and synchronize Military, Defense, and National Intelligence capabilities.

GLOSSARY

DEFINITIONS

Terms used in this DTM are defined in Joint Publication 1-02 (Reference (b)), except as noted below.

CTF activities and capabilities. DoD activities and capabilities, apart from those included under CTF intelligence, to deny, disrupt, destroy, or defeat financial systems and networks that negatively affect U.S. interests. This includes those activities and capabilities undertaken with other Government agencies and/or partner nations. CTF activities include, but are not limited to, countering: narcotics trafficking, proliferation activities, WMD networks, trafficking in persons, weapons trafficking, precursor chemical smuggling, terrorist revenue and logistics, and other such activities that generate revenue through illicit trafficking networks.

CTF intelligence. DoD intelligence actions, including those undertaken with other U.S. Government agencies and/or coalition partners, that involve the collection, processing, integration, evaluation, analysis, interpretation, production, and dissemination of intelligence products in support of CTF activities and capabilities. CTF intelligence includes, but is not limited to, counternarcotics, counterproliferation, counterterrorism, counterintelligence, and information operations.

partner nation. A nation state that is willing to participate in CTF activities with the United States.

value transfer item. An item other than cash used to provide the equivalent value payable to a third party in another geographic location, whether or not in the same form.