



# Department of Defense

## DIRECTIVE

NUMBER 5205.14

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*Incorporating Change 3, May 4, 2017*

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USD(P)

SUBJECT: DoD Counter Threat Finance (CTF) Policy

References: See Enclosure 1

1. PURPOSE. This Directive:

a. In accordance with section 113 of title 10, United States Code (Reference (a)) and consistent with Presidential Policy Directive No. 1 (Reference (b)), establishes DoD policy and assigns DoD responsibilities for countering financing used to engage in terrorism, illicit trafficking networks, and related activities that support an adversary's ability to negatively affect U.S. interests.

b. Incorporates and cancels Directive-Type Memorandum 08-034 (Reference (c)).

2. APPLICABILITY. This Directive applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands (CCMDs), 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").

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that:

a. The Department of Defense shall work with other U.S. Government (USG) departments and agencies and with partner nations to deny, disrupt, or defeat and degrade adversaries' ability to use global licit and illicit financial networks to negatively affect U.S. interests.

b. The Department of Defense shall:

(1) Conduct strategic planning through the Joint Staff and CCMDs, including lines of operations to exploit and counter adversaries' finance networks in coordination with the Under Secretary of Defense for Policy (USD(P)) via the Chairman of the Joint Chiefs of Staff.

(2) Develop and include integrated capabilities in force planning constructs to exploit and counter financial networks that negatively affect U.S. interests.

(3) Support other Government agencies' CTF activities in accordance with applicable laws, regulations, policy, and memorandums of agreement and understanding.

(4) Establish early integration of CTF interagency representatives into the DoD planning process, when appropriate.

(5) Coordinate, through the Under Secretary of Defense for Intelligence (USD(I)), on intelligence issues related to DoD CTF and enhance and extend Defense Intelligence Enterprise capabilities to support DoD CTF activities and CCMD operations, policy, and acquisition.

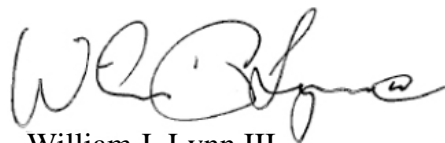
(6) Establish appropriate management oversight of DoD CTF activities.

(7) Conduct all DoD threat finance intelligence (TFI) activities in accordance with DoDD 5240.01 (Reference (d)) and DoD 5240.1-R (Reference (e)).

5. RESPONSIBILITIES. See Enclosure 2.

6. RELEASABILITY. **Cleared for public release.** This Directive is available on the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

7. EFFECTIVE DATE. This Directive is effective August 19, 2010.



William J. Lynn III  
Deputy Secretary of Defense

Enclosures

1. References

2. Responsibilities

Glossary

ENCLOSURE 1

REFERENCES

- (a) Section 113 of title 10, United States Code
- (b) Presidential Policy Directive No. 1, "Organization of the National Security Council System," February 13, 2009
- (c) Directive-Type Memorandum 08-034, "DoD Counterthreat Finance (CTF) Policy," December 2, 2008 (hereby cancelled)
- (d) DoD Directive 5240.01, "DoD Intelligence Activities," August 27, 2007, as amended
- (e) DoD 5240.1-R, "Procedures Governing the Activities of DoD Intelligence Components That Affect United States Persons," December 7, 1982, *as amended*
- (f) Deputy Secretary of Defense Memorandum, "Counter Threat Finance (CTF) Efficiencies Recommendation," October 21, 2011
- (g) Under Secretary of Defense for Intelligence Memorandum, "Establishment of Joint Threat Finance Intelligence Office," November 28, 2011<sup>1</sup>
- (h) DoD Directive 3000.07, "Irregular Warfare (IW)," August 28, 2014
- (i) DoD Directive 1322.18, "Military Training," January 13, 2009
- (j) ~~Joint Publication 1-02, "Department of Defense Dictionary of Military and Associated Terms," current edition~~ Office of the Chairman of the Joint Chiefs of Staff, "DoD Dictionary of Military and Associated Terms," current edition

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<sup>1</sup> Memorandum available upon request from the Office of the Deputy Assistant Secretary of Defense for Counternarcotics & Global Threats.

ENCLOSURE 2

RESPONSIBILITIES

1. USD(P). The USD(P) shall develop, coordinate, and oversee the implementation of policy and plans for DoD CTF activities and capabilities that include planning, coordination, implementation, support, and compilation of lessons learned, to include interagency deconfliction and adherence to all existing authorities and regulations.

2. ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW INTENSITY CONFLICT (ASD(SO/LIC)). The ASD(SO/LIC), under the authority, direction, and control of the USD(P), shall:

a. Serve as the principal civilian advisor to the Secretary of Defense and the USD(P) on DoD CTF activities, capabilities, and employment of special operations forces, and conventional forces to engage in CTF activities.

b. On behalf of the USD(P), develop and coordinate policy guidance, make recommendations on CTF activity goals and 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 DoD TFI and intelligence-related matters.

d. Evaluate the policies, processes, and resources that affect DoD ability to execute DoD CTF activities, recommend actions as necessary to enhance DoD CTF capabilities, and oversee the DoD CTF activity programs.

e. Oversee policy and resources involving DoD CTF activities for warfighting capabilities including counterterrorism; irregular warfare; unconventional warfare; direct action; special reconnaissance; civil affairs; psychological operations; and terrorist proliferation of weapons of mass destruction (WMD).

f. On behalf of the USD(P), formulate, coordinate, and recommend special operations policies in support of DoD CTF activities.

g. Represent the Department of Defense and serve as the advocate, in coordination with the Chairman of the Joint Chiefs of Staff, for DoD CTF activities at related interagency forums including: National Security Council Terrorist Finance meetings; U.S. State Department Terrorism Finance Working Group meetings; U.S. Treasury Department's Office of Foreign Assets Control Foreign Narcotics Kingpin Designation Act meetings; USG Trafficking in Persons Sanction meetings; and any similar meetings addressing activities facilitated by illicit trafficking. When required, in coordination with the Chairman of the Joint Chiefs of Staff, facilitate CCMD access to interagency forums.

h. Ensure DoD CTF activity policies are coordinated and disseminated within the applicable USG departments and agencies.

3. USD(I). The USD(I), as the principal staff advisor to the Secretary and Deputy Secretary of Defense as the lead for DoD CTF intelligence-related matters, shall:

a. Develop DoD TFI policy and provide oversight of TFI to ensure the Defense Intelligence Enterprise is organized, trained, equipped, and structured to support the DoD TFI missions and requirements of OSD, the Joint Staff, the CCMDs, and the Military Departments.

b. Enhance and extend DoD TFI capabilities to support policy, acquisition, DoD CTF activities, military operations, the Office of the Director of National Intelligence (ODNI), and other Government agencies.

c. Oversee Defense 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 in accordance with Director of National Intelligence (DNI) guidance. Establish priorities to ensure conformance with Secretary of Defense and DNI policy guidance associated with DoD TFI.

d. Represent DoD TFI policy issues in interagency and governmental forums with other USG entities, including but not limited to, National Security Council, Homeland Security Council, Department of Treasury, Department of State, Department of Justice, Department of Homeland Security, and the ODNI, as well as with foreign governments, international organizations, State agencies, the Intelligence Community, and Congress.

4. DIRECTOR, DEFENSE INTELLIGENCE AGENCY (DIA). The Director, DIA, under the authority, direction, and control of the USD(I), is responsible for providing the DoD TFI contribution to foreign intelligence and counterintelligence as part of the DIA mission. The Director, DIA, shall:

a. Establish and maintain a TFI capability to facilitate TFI integration and collaboration across the Defense Intelligence Enterprise and the Intelligence Community with the ODNI, in accordance with Deputy Secretary of Defense and USD(I) Memorandums (References (f) and (g)).

b. Advance DoD TFI sharing and partnerships with the other USG agencies and partner nations.

c. Plan, manage, and execute DoD TFI operations during peacetime, crisis, and war.

d. Serve as the intelligence conduit for the CCMDs within the other USG agencies and as the DoD lead for coordinating DoD TFI support to meet CCMD requirements; lead efforts to align

analysis, collection, and intelligence, surveillance, and reconnaissance activities with operations; and link and synchronize defense and national intelligence capabilities.

e. Periodically review TFI gaps, shortfalls, and capabilities and recommend improvements to the USD(I).

5. 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 DoD CTF.

b. In coordination with the Secretaries of the Military Departments, ensure policies and procedures are in place to identify and monitor military and civilian personnel who have been trained or are experienced in CTF.

c. In coordination with USD(P) and in conjunction with the Chairman of the Joint Chiefs of Staff and the Secretaries of the Military Departments, annually assess the sufficiency and readiness of civilian and uniformed personnel to meet DoD CTF-related requirements. The appropriate organizations shall address any deficiencies or readiness issues discovered.

6. UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS (USD(AT&L)). The USD(AT&L) shall:

a. Establish policies related to the capability of U.S. defense contractors to meet DoD CTF mission needs.

b. Coordinate with USD(I) on innovative uses of technology to address intelligence-related CTF issues.

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

a. Provide timely advice to the Secretary of Defense and support to DoD CTF activities including manpower, personnel, Reserve affairs, weapons systems and equipment acquisition, communications, and financial management.

b. Provide timely advice to the Secretary of Defense on DoD TFI, and to United States Special Operations Command (USSOCOM) on DoD CTF, in line with their responsibilities.

c. In coordination with USD(P&R), and as a part of the broader effort in DoD Directive (DoDD) 3000.07 (Reference (h)), ensure policies and procedures are in place to identify and monitor personnel who have been trained or are experienced in CTF. Commanders can request and receive personnel qualified to support DoD CTF activity requirements.

d. In conjunction with USD(P&R) and the Chairman of the Joint Chiefs of Staff, and as a component of the biennial irregular warfare assessments in accordance with Reference (h), biennially assess the sufficiency and readiness of civilian and uniformed personnel to meet DoD CTF-related requirements.

e. In conjunction with the USD(P), USD(P&R), and the Chairman of the Joint Chiefs of Staff, coordinate opportunities for DoD military and civilian personnel to contribute or develop knowledge, skills, and experience relevant to CTF by undertaking rotational assignments or exchange tours of duty with USG agencies, foreign security partners, and selected international organizations, and by participating in non-DoD education and training programs.

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

a. Serve as the principal military advisor to the Secretary of Defense for DoD CTF and, in conjunction with the ASD(SO/LIC), provide oversight to ensure that the Military Services maintain CTF capabilities and capacity.

b. Direct joint education and training, exercises, concept development, and experimentation to ensure the Military Services are prepared to plan, conduct, and sustain campaigns involving DoD CTF activities and operations.

c. Ensure that the Joint Requirements Oversight Council (JROC) reviews the annual requirements of DoD CTF activities.

d. Validate doctrine, organization, training, materiel, leadership and education, personnel, and facilities capability gaps with DoD CTF applications and coordinate with appropriate capability developers to mitigate shortfalls.

e. In coordination with USSOCOM:

(1) Annually assess the sufficiency and readiness of civilian and uniformed personnel to meet DoD CTF requirements as a component of the biennial irregular warfare assessments in accordance with Reference (h).

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

(3) Monitor joint and combined exercise and planning processes for integration of DoD CTF activity requirements, and as requested, assist CCMDs in developing, managing, and planning DoD CTF scenarios.

f. Assist in assessing, developing, and incorporating DoD CTF concepts into joint doctrine in coordination with the CCMDs and the Secretaries of the Military Departments.



- g. Establish and oversee DoD CTF joint force requirements for the CCMD theater operations through the request for forces and joint manning document process.
- h. Promote standardization of Service and USSOCOM DoD CTF capabilities by reviewing DoD CTF procedures, training, and equipment standards in accordance with DoD Directive 1322.18 (Reference (i)).
- i. Review and submit all annual DoD CTF activities and requirements to the USD(P).

9. COMBATANT COMMANDERS. The Combatant Commanders are responsible for planning, executing, and synchronizing DoD CTF day-to-day activities within their respective areas of responsibility or functional areas and shall:

a. Designate an office of primary responsibility for coordinating all DoD CTF activities to ensure proper emphasis is given to interagency processes and integrated operations, especially operational planning and implementation.

(1) Establish a dedicated DoD CTF capability approved by the JROC that integrates intelligence and operations, analyzes financial intelligence, and coordinates the execution of DoD CTF activities in accordance with existing authorities, regulations, and CCMD initiatives.

(2) Where appropriate, support interagency threat finance efforts to deny, disrupt, destroy, or defeat operations associated with funding and provision of value transfer items to and among terrorists, insurgents, and narcotics and criminal networks to diminish their operational capabilities.

(3) In coordination and collaboration with interagency partners, establish mechanisms with other nations to deny, disrupt, destroy, or defeat funding and value transfer items to adversaries.

- b. Establish DoD TFI as an area of critical intelligence focus where appropriate.
- c. Establish and maintain command procedures and resources for DoD CTF activities.
- d. Integrate DoD CTF activities into operational exercises and training.
- e. Submit all DoD CTF activities and requirements annually to the Chairman of the Joint Chiefs of Staff for consolidation and submission to USD(P).
- f. Coordinate with the Service Chiefs, USSOCOM, and USD(I) to develop standards for training DoD CTF personnel in accordance with Reference (i).
- g. Establish lines of communication among the CCMDs and deployed task forces through the Chairman of the Joint Chiefs of Staff to USD(P) to support expeditious coordination of DoD CTF activities with interagency partners.

h. Notify the appropriate entities within Headquarters USSOCOM upon commencement of all DoD CTF activities. Commander, USSOCOM (CDRUSSOCOM) must be informed of pending actions in accordance with the synchronization responsibilities outlined in section 10 of this enclosure; this responsibility in no way detracts from CCMD authorities for executing DoD CTF operations in their respective areas of responsibility.

i. In coordination with USD(P) and through the Chairman of the Joint Chiefs of Staff, focus interagency support on CCMD DoD CTF theater strategy.

j. Foster the development of active collaborative relationships with all CCMDs and interagency partners to ensure continuous real-time visibility on foreign financial activities that may negatively affect U.S. interests.

10. CDRUSSOCOM. The CDRUSSOCOM, as the DoD CTF lead component for synchronizing DoD CTF activities, or designee, in addition to the responsibilities in section 9 of this enclosure, shall:

a. Serve as a facilitator and proponent for the CCMDs, not an arbiter of command targets or priorities focusing on aligning transnational objectives, priorities and disruption efforts with interagency partners and respective CCMDs.

b. Lead and synchronize DoD CTF activities to ensure applicable integration, standardization, and effectiveness in DoD CTF efforts in coordination with the Chairman of the Joint Chiefs of Staff.

c. Establish a dedicated DoD CTF capability that integrates intelligence and operations, analyzes financial intelligence, coordinates the execution of DoD CTF activities in accordance with existing authorities, and coordinates with USD(I) through DIA, the lead for DoD TFI in support of CCMD theater strategy and operational priorities, as appropriate.

d. At the request of and in coordination with ASD(SO/LIC), facilitate and coordinate DoD CTF activities with the Heads of the DoD Components and other Government agencies.

e. In coordination with the Chairman of the Joint Chiefs of Staff, assist the Heads of the DoD Components as needed in implementing Secretary of Defense DoD CTF activity policies, planning, and operations.

f. In coordination with the other CCMDs:

(1) Recommend operational requirements to the Chairman of the Joint Chiefs of Staff.

(2) Advocate the annual requirements for DoD CTF activities in the JROC process and monitor their implementation.

g. Develop standards and training objectives for specialized DoD CTF activities training for special operations forces in accordance with Reference (i).

h. In coordination with the other CCMDs, and in coordination with USD(I) through DIA as appropriate, develop support requirements and associated programs, including activities in support of special mission units.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

|             |  |
|-------------|--|
| ASD(SO/LIC) | Assistant Secretary of Defense for Special Operations and Low Intensity Conflict |
| CDRUSSOCOM  | Commander, United States Special Operations Command                              |
| CCMD        | Combatant Command  |
| CTF         | counter threat finance   |
| DIA         | Defense Intelligence Agency  |
| DNI         | Director of National Intelligence  |
| JROC        | Joint Requirements Oversight Council   |
| ODNI        | Office of Director of National Intelligence                                      |
| TFI         | threat finance intelligence  |
| USD(AT&L)   | Under Secretary of Defense for Acquisition, Technology, and Logistics            |
| USD(I)      | Under Secretary of Defense for Intelligence                                      |
| USD(P)      | Under Secretary of Defense for Policy  |
| USD(P&R)    | Under Secretary of Defense for Personnel and Readiness                           |
| USG         | United States Government   |
| USSOCOM     | United States Special Operations Command   |
| WMD         | weapons of mass destruction  |

PART II. DEFINITIONS

These terms and their definitions are for the purpose of this Directive. All other terms used in this Directive are defined in ~~Joint Publication 1-02~~ *the DoD Dictionary of Military and Associated Terms* (Reference (j)).

DoD CTF activities and capabilities. DoD activities and capabilities, apart from those included under DoD TFI, to deny, disrupt, destroy, or defeat finance systems and networks that negatively affect U.S. interests in compliance with all existing authorities and procedures. This includes those activities and capabilities undertaken with other Government agencies and/or partner nations. DoD CTF counters financing used to engage in terrorist activities and illicit networks that traffic narcotics, WMD, Improvised Explosive Devices, other weapons, persons, precursor chemicals, and related activities that support an adversary's ability to negatively affect U.S. interests.

DoD TFI. DoD intelligence activities, including those undertaken with other USG agencies and/or coalition partners, that involve the collection, processing, integration, evaluation, analysis, interpretation, production, and dissemination of intelligence products in support of DoD CTF activities and capabilities.

DoD CTF lead component. The unit or organization designated as the DoD CTF lead for synchronizing DoD CTF activities across the CCMDs, Military Departments, Defense Agencies, DoD Field Activities, and as directed by ASD(SO/LIC), with appropriate Government agencies involved in CTF related activities.

interagency. USG elements of more than one agency engaged in a common effort to define, promote, and protect U.S. interests.

other Government agency. Within the context of interagency coordination, a non-DoD agency of the USG.

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