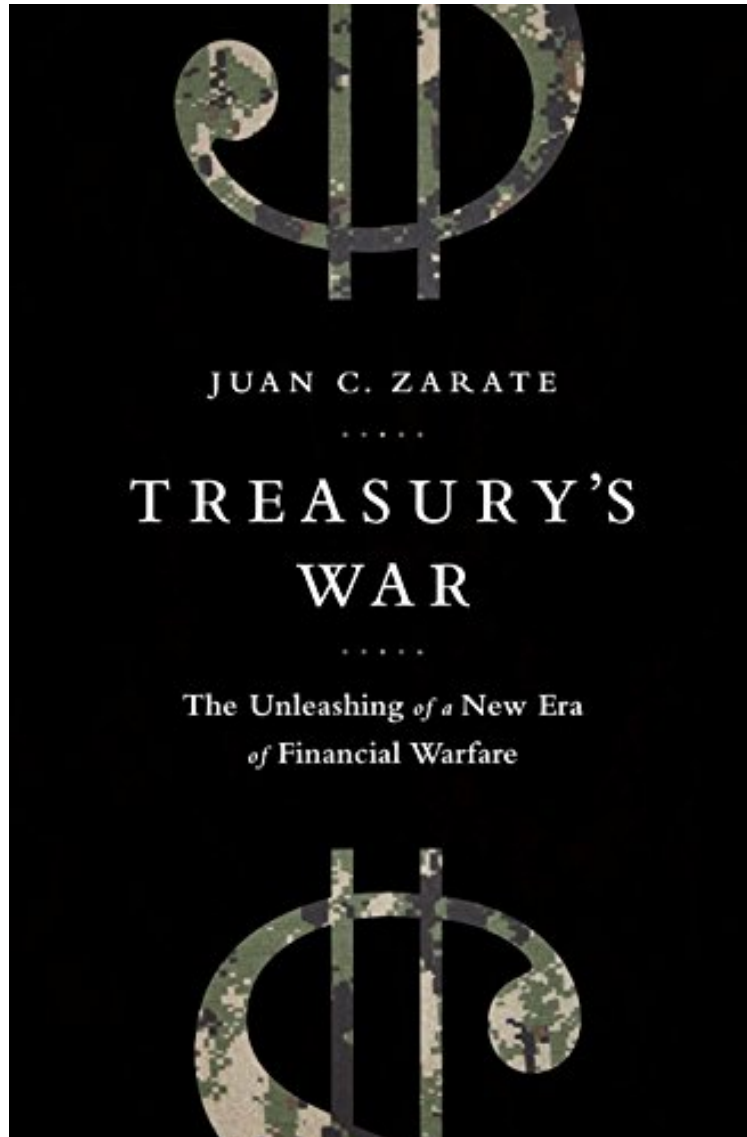


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Treasury's War: The Unleashing of a New Era of Financial Warfare

Juan Zarate

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Juan Zarate : Treasury's War: The Unleashing of a New Era of Financial Warfare before purchasing it in order to gauge whether or not it would be worth my time, and all praised Treasury's War: The Unleashing of a New Era of Financial Warfare:

19 of 19 people found the following review helpful. "Money is Their Enabler."By John A CassaraFor over ten years, the United States has been attempting to identify, penetrate, disrupt, and dismantle a myriad of financial networks of rogue regimes, proliferators, terrorist groups, state sponsors of terrorism, and criminal syndicates. Juan Zarate, one of the chief architects of this strategy, recently released his first book; Treasury's War; The Unleashing of a

New Era of Financial Warfare. The insiders' account both pulls back the curtain of this shadowy world and gives a sobering assessment of many of the new financial threats we will be facing in the coming years. Many readers know Juan Zarate as a national security commentator for CBS News. His perspective and insights originate from his former positions as Deputy Assistant to the President and Deputy National Security Advisor for Combating Terrorism and the First Assistant Secretary of the Treasury for Terrorist Financing and Financial Crimes. I know Juan as my well-respected former boss at the Department of Treasury. He is hard-working, a gentleman, and a patriot. In the book, Zarate argues convincingly that "money is a common denominator that connects disparate groups and interests—often generating networks of convenience aligned against the United States. Money is their enabler. It is also their Achilles' heel." Zarate describes how after September 11 a small cadre of dedicated professionals within Treasury used imagination and innovative tactics to unleash a new type of financial warfare that harnessed the use of the dollar as the world's primary currency, access to the American financial markets, globalization, new forms of financial data and intelligence, freezing orders, regulatory actions, and "smarter" new applications of sanctions and designations to undermine American foes including Saddam Hussein's Iraq, Iran, North Korea, Syria, narco-terrorists, kleptocrats and others. As a proud former Treasury Special Agent, I appreciated finally getting an insiders' account of how Treasury's enforcement arm (Customs, ATF, and the Secret Service) was amputated at the time of the creation of the Department of Homeland Security. Many of us are still bitter. The last ten years have demonstrated that our anti-money laundering and counter-terrorist finance efforts have suffered over this myopic and politically expedient decision. As I have argued for years, and Zarate makes clear, there is a need for a reinvigorated Treasury enforcement arm to focus on illicit financial flows. Another section of the book that I found very important is when Zarate masterfully lays out many of the threats we face in the "coming financial wars." It is sobering reading, particularly because we are simply not prepared. I applaud the book. However, it is important to understand that Zarate writes from a 30,000 foot policy maker's perspective. During much of the same time frame and particularly in the years immediately preceding September 11, my vantage point was that of a financial crimes investigator at the street level. As a result, our assessments—though not our objectives—are vastly different. In my first book, *Hide Seek: Intelligence, Law Enforcement, and the Stalled War on Terror Finance* (Potomac Books, 2006) I discuss from a ground level viewpoint the actual implementation of our anti-money laundering / counter-terrorist policies both in the United States and overseas. For example, over the years successive administrations, politicians from both parties, and apologists for Treasury have praised a series of "tough new sanctions" designed to squeeze our adversaries. While this is not the space to debate the efficacy of sanctions, my views have been shaped by investigations of "sanctions busters" in places like Dubai. I would also like to point out that in 2012 the Director of National Intelligence testified that sanctions have had "zero effect" in slowing Iran's nuclear program. Or to quote an anonymous retired diplomat, "Sanctions always accomplish their principal objective, which is to make those who impose them feel good." In addition, Zarate makes no mention of the U.S. 2007 National Anti-Money Laundering Strategy (see: [...]). This is an important policy document that overlapped Zarate's tenure. Most observers feel that the implementation of our strategy has been a colossal failure. Nor has there been any accountability for the various agencies and departments involved including Treasury. For example, in the book there was no mention of the long-term dysfunction of Treasury's Financial Crimes Enforcement Network (FinCEN) charged with implementing many of the Strategy's action-items. And despite Treasury's Wars upbeat pronouncements and pats-on-the-back, the fact remains that according to the United Nations Office of Drug Control (UNODC), less than one per cent of global illicit financial flows is currently being seized and frozen. It is probably about the same in the United States. In my opinion, a one percent success rate is nothing to boast about. Zarate does make clear that despite our myriad of new financial tools and countermeasures, our adversaries adapt. And they continue to use effective but simple techniques such as bulk cash smuggling. To put things in perspective, in the United States, our success rate in intercepting bulk cash along the southwest border is approximately .0025 percent! Indigenous, underground banking systems such as hawala are also almost impervious to the kinds of financial countermeasures described Treasury's War. To help bring this threat alive, I recently released my first novel, *Demons of Gadara*. The realistic story told from the vantage point of ground level demonstrates how our adversaries use value transfer and hawala in an act of terror. Zarate is right to say we are in a "new era" of financial warfare. To me the era is not reassuring. It is frightening.

15 of 15 people found the following review helpful. Important for US National Policy

By R. Axelrod

Treasury Wars does a fine job of introducing a whole new realm of political power - or at least new in its present incarnation. With the immediateness of an insider, the author demonstrates how financial pressures can work in the middle ground between diplomacy and warfare. The strength of the book is its clarity, especially in its exposition of how the Treasury Department leveraged the need of nearly all international banks to maintain their reputation. It does a great service in helping to put financial measures in the kit of tools available for pursuing national policy. I was impressed that its value wasn't just in inhibiting terrorist financing, but also in providing leverage for sanctions on states such as Iran and North Korea. It includes a fascinating account of the vast internal differences between the Chinese financial community and the Chinese foreign policy bureaucracy, and how the former prevailed. In summary, it's a terrific book - one of the few that can really make a

difference in promoting national policy short of armed conflict. 5 of 5 people found the following review helpful.
Disappointing (but I had high expectations) By Law student Its a very thick book, about a very important topic, written by an insider, that actually provides very little of the technical information I was looking for! I am not sure whether that is because the writer thinks the technical stuff is mundane -- perhaps -- or he just wanted to write a very personal book but its not exactly what both the Title and the subtitle promise. A better name would be "My Years in the Treasury: Juan Zarate's personal reflections on the Treasury's new sanction powers" because thats what it was. I would have loved to see him quote the relevant statute -- or at least refer to them! and explain how they interacted with the world of banking. I would have also loved it if his publisher could have hired a researcher for him to go out and interact with the bankers and businessmen these sanctions impacted on and see how THEY reacted to them. Alas, it was not to be, and thus inevitably a disappointing book. But perhaps it will be a jump off for a more scholarly approach to the subject by someone not directly involved.

For more than a decade, America has been waging a new kind of war against the financial networks of rogue regimes, proliferators, terrorist groups, and criminal syndicates. Juan Zarate, a chief architect of modern financial warfare and a former senior Treasury and White House official, pulls back the curtain on this shadowy world. In this gripping story, he explains in unprecedented detail how a small, dedicated group of officials redefined the Treasury's role and used its unique powers, relationships, and reputation to apply financial pressure against America's enemies. This group unleashed a new brand of financial power; one that leveraged the private sector and banks directly to isolate rogues from the international financial system. By harnessing the forces of globalization and the centrality of the American market and dollar, Treasury developed a new way of undermining America's foes. Treasury and its tools soon became, and remain, critical in the most vital geopolitical challenges facing the United States, including terrorism, nuclear proliferation, and the regimes in Iran, North Korea, and Syria. This book is the definitive account, by an unparalleled expert, of how financial warfare has taken pride of place in American foreign policy and how America's competitors and enemies are now learning to use this type of power themselves. This is the unique story of the United States' financial war campaigns and the contours and uses of financial power, and of the warfare to come.

From Publishers Weekly In this lengthy memoir, Zarate, a former U.S. Treasury and White House counterterrorism official, recounts how his team worked to uncover hidden or layered assets in Iraq and helped fight the Bush administration's War on Terror. He ably describes the sophisticated financial chicanery of enemy states, the ins and outs of money laundering, and the efforts of private banks and corporations to protect global trade and finance. However, readers should not expect to receive a complete picture of financial warfare, much less learn about the future. These windy recollections are crafted mainly for the purpose of finding a place for their author in recent history. Zarate's insider's account, which relies on diaries and personal experiences, offers no fresh insights into Middle East or global financial strategy, and the narrative contains more than its share of tedious I sat down with U.S. Central Command; type moments. Zarate squeezes important topics such as systemic vulnerability, currency manipulation, and cyberwarfare into a few pages at the end. No doubt, as the author makes clear, dirty money from Iraq, Iran, Syria, North Korea, and other nations threatens to poison the entire global economic landscape. In spite of the book's limitations, those intrigued by international money laundering and the U.S. government's efforts to prevent rogue states from financing terrorism will appreciate Zarate's account. Agent: Max Brockman, Brockman Inc. (Sept.) From Booklist Zarate, senior official in the Treasury in George W. Bush's White House, describes a new brand of financial war waged by the U.S. after 9/11 that has continued under President Obama's administration. This warfare is a set of financial strategies harnessing the international financial and commercial systems to ostracize rogue actors and cause great pain by constricting their funding flows. On October 8, 2012, Iranian president Ahmadinejad stated that a hidden war is under way . . . a kind of war through which the enemy assumes it can defeat Iran. He was right, but this warfare is no longer secret, and it's been used in the past decade for national security interests against al-Qaeda, North Korea, Iraq, and Syria. Zarate's lessons about financial power include carefully monitoring our techniques to ensure we retain that power, and his follow the money and financial-network analysis highlights emerging threats and enemy weaknesses that produce valuable insight into national security issues. This thought-provoking book will contribute to the ongoing discussion about leveraging twenty-first-century financial power. --Mary Whaley Arnaud de Borchgrave, UPI One of the world's most challenging assignments -- explained in vivid, dramatic detail by Juan C. Zarate, a former super sleuth in the U.S. government's long campaign to find and disrupt al-Qaida's terrorist funding in the Worldwide Web Zarate's "Treasury's War" is a gripping electronic whodunit in a constantly changing environment where inequalities are widening and where technology is destroying more jobs than it creates. This is the first book that lifts the veil of secrecy on the financial power [Zarate's team] marshaled against America's enemies. Kirkus SA bracing account by a knowledgeable authority. General Michael Hayden, former Director of CIA and NSA Juan Zarate's groundbreaking Treasury's War illuminates an underappreciated and undercommented revolution in international affairs. Beset by nontraditional enemies and threats, the United States in the Bush administration leveraged America's place in the global financial system to create

some important asymmetrical power' of its own. As advocate and architect of this new approach, Zarate is well placed to tell the tale of America's most unique precision-guided weapon and he does so with detail, candor, and perspective." Finalist for the William E. Colby Military History Award Bryan Burrough, New York Times Business section For those of us who start feeling drowsy at the very mention of the words 'Treasury Department,' this book is an eye-opener. Under Mr. Zarate, and his successors, Treasury quietly built new capabilities that owe less to junk bonds than to James Bond. Treasury's War' does a fine job of shedding light on a new and significant aspect of international relations that many of us may not be aware of, and that is likely to gain in importance in the years to come." Stewart Baker, Wall Street Journal Mr. Zarate brings verve and the joy of combat to this and other tales. In Mr. Zarate's hands, what could have been a dry series of think-tank papers becomes a lively narrative filled with heroes, villains and fools." Geoff Dyer, Financial Times "An entertaining insider's account of America's new breed of financial power'... full of interesting accounts of the way smart sanctions were applied... a valuable history of a hidden but essential part of America's response to 9/11."