



## **U.S. Department of the Treasury's AI Strategy for OMB Memorandum M-25-21 September 2025**

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### **Executive Summary:**

Artificial Intelligence (AI) presents a transformative opportunity to enhance mission delivery of the U.S. Department of the Treasury (Treasury). Treasury's AI strategy reflects an innovation-oriented approach to AI adoption rooted in strong governance, security, and risk management.

### **1. Treasury's AI Use Cases**

Treasury is applying AI across its bureaus and departmental offices to strengthen mission delivery and improve operational performance. AI is enhancing the ability of Treasury's capable and professional workforce to detect financial crimes, forecast economic trends, improve taxpayer services, and oversee federal spending. It supports faster analysis of complex data, streamlines internal workflows, and accelerates document processing.

Across all use cases, Treasury remains focused on deploying AI in a secure and transparent manner, while delivering results for the American people. Below are current and planned AI use cases that are most impactful to Treasury's mission:

**Financial Detection and Risk Analysis:** AI models help identify suspicious patterns in large volumes of financial transaction data, strengthening Treasury's ability to detect money laundering, sanctions evasion, and other illicit activities.

**Economic Forecasting and Market Monitoring:** Machine learning tools enhance Treasury's capacity to forecast economic trends, analyze fiscal impacts, and assess macroeconomic risk with greater speed and precision.

**Taxpayer Assistance and Customer Experience:** Natural language processing powers virtual agents and knowledge tools that improves response times, accuracy, and accessibility for taxpayer inquiries and self-service platforms that reduce taxpayer burden.

**Procurement and Spending Oversight:** AI systems analyze procurement data to detect anomalies,

flag potential risks, and provide early insights into spending patterns, supporting more accountable and transparent resources management.

**Document Processing and Regulatory Intake:** AI accelerates the classification, extraction, and review of high volume regulatory and financial documents, reducing manual workload and enabling faster policy or compliance action.

**Internal Operations and Workflow Optimization:** AI can streamline administrative processes and optimize HR and finance functions.

**Accelerating Legacy System Modernization:** AI translates legacy code to modern languages, allowing for faster upgrades from decades old systems to more efficient modern systems.

## **2. Treasury AI Maturity Goals**

Treasury is building the enterprise foundations required for the secure and scalable use of AI. With varied missions and technical environments across its bureaus and departmental offices (aka components), Treasury is aligning efforts through a unified approach guided by the Treasury AI Governance Board and AI Council. The AI Governance Board establishes and promotes consistent standards, coordinates investments, evaluates AI opportunities utilizing a consistent set of technical, risk and organizational lenses, and supports the responsible deployment of AI across the organization. The Treasury AI Council has cross-agency representation from Treasury's bureaus and departmental offices and will be accountable for managing Treasury's AI use case inventory. The AI Council will also serve as a centralized hub to promote information sharing and collaboration across Treasury's components, allowing for a more efficient sharing of resources and capabilities. While AI maturity varies across components, Treasury is focused on advancing shared capabilities that enable innovation, strengthen oversight, and deliver results for the American people. Treasury has recently received congressional approval to establish the Treasury Common Services Center (TCSC). The establishment of the TCSC will help accelerate access to a common set of AI tools, training and resources across the Department.

### AI-enabling Infrastructure

Treasury is taking a deliberate, multi-pronged approach to building the infrastructure needed to support the responsible use of AI at scale. Treasury is prioritizing secure testing and safe implementation, with a focus on learning and risk management as these technologies evolve.

As part of this approach, Treasury has launched a limited pilot of a secure AI-based chat solution, now in use by employees across IT, operations, legal, procurement, and policy functions. This pilot is helping Treasury understand the practical implication of AI tools across diverse functions, while maintaining strong governance and oversight. All employees are required to complete training to ensure compliance with Treasury's AI acceptable use policy.

For more advanced workloads, Treasury's AI Sandbox enables experimentation in a higher security environment (FISMA High versus Moderate). The platform supports data-intensive projects with built-in safeguards like continuous network monitoring. It allows bureaus and offices to test and refine AI systems within guardrails that are aligned with federal security and compliance standards.

Treasury is also working towards establishing an enterprise acquisition vehicle for AI-assisted code development tools. This planned multi-vendor award will be available to all software development organizations across Treasury and will help accelerate the safe adoption of AI in software engineering workflows.

Treasury will ensure a common set of AI tooling and services is available through the TCSC as it is established.

Together, these efforts reflect Treasury's commitment to enabling innovation through secure and flexible infrastructure.

### Data

High quality, well governed data are essential to scaling AI. Treasury is enhancing its data foundations by expanding internal data catalogs, improving meta data and traceability, and promoting responsible data sharing. These efforts ensure that AI systems are built on explainable and secure data aligned with Treasury's broader data governance and transparency commitments.

Treasury is working with all bureaus and departmental offices to better understand the data in use across the Department. This includes the structure of the data, any data handling caveats, and data protection requirements. By working with each component, Treasury can best ensure that data approved for use in any AI system is appropriately handled, marked, and safeguarded. Additionally, Treasury is working with the Office of the Chief Data Officer, Office of General Counsel, and the Office of Privacy, Transparency, and Records, to ensure that data restricted from use in an AI system are appropriately marked and remains separate from the AI systems.

### AI Ready-Workforce

Treasury is building a workforce that can develop, use, and oversee AI technologies. This includes increasing AI fluency across roles and creating opportunities for hands-on learning and collaboration.

Treasury will continue to enhance AI training across the organization and will offer content at all levels – from introductory to advanced courses – for engineers and developers. Training will be tailored to meet the needs of different roles and skills level. To support this, Treasury will develop internal training material, as well as partner with the [General Services Administration](#) and other industry vendors to deliver AI training content.

To support experimentation and practical learning, Treasury plans to launch an AI Innovation Center – a dedicated physical space where employees can test emerging tools and evaluate their relevance to mission needs. Building on virtual tools available through our AI service providers and capabilities available through our secure TCloud, the AI Innovation Center will provide a secure physical space for individuals to collaborate, explore ideas, share expertise and rapidly develop prototypes.

In addition to upskilling existing employees, Treasury will expand its technical workforce by recruiting top tier AI talent. This includes expertise in model development, AI infrastructure, engineering, governance, and strategy. Treasury is deepening engagement with the private sector and academic institutions to build talent pipelines and ensure it has access to the skills needed to achieve its AI strategy.

These efforts are closely aligned with Treasury’s broader digital modernization and customer experience goals and will help integrate AI more effectively into how Treasury operates and delivers on its mission.

### Research and Development

Treasury is fostering a culture of responsible experimentation to help bureaus and offices explore the potential of AI in support of their missions. While Treasury is not a primary research agency for AI technologies, it is investing in infrastructure, tools, and coordination mechanisms to support applied innovation and internal R&D.

The forthcoming Treasury AI Innovation Center will serve as a dedicated environment for employees to explore emerging tools, test new use cases, and evaluate their applicability to Treasury’s work. The AI Innovation Center will offer secure, pre-configured systems for experimentation and will provide space for power users to conduct research in a controlled setting, separate from operational networks.

To support the development of AI use cases, Treasury’s AI Governance Board will manage a centralized funding mechanism. While most implementation funding will remain with individual bureaus and departmental offices, high-priority or cross-cutting use cases may be eligible for targeted support. These proposals will be evaluated against pre-established criteria to ensure resources are directed to projects with clear mission value and strong safeguards.

In parallel, Treasury is deploying a range of AI tools through pilot programs designed to build experience, refine internal controls, and inform broader implementation. These efforts are helping Treasury better understand how AI can be used safely, effectively, and in ways that are aligned with its operational responsibilities and public trust.

### Governance and Risk Management

Treasury is applying the same foundational principles to AI systems that it uses for all information technology—ensuring that privacy, security, auditability, and incident response protocols are in place. At the same time, Treasury recognizes that AI requires additional oversight and testing, particularly as capabilities evolve and are integrated into mission operations.

To address this, Treasury is maturing its AI governance and risk management practices through a coordinated, enterprise-wide approach. The Treasury AI Governance Board plays a central role in overseeing high-impact AI use cases and ensuring appropriate safeguards are in place. This includes coordination with the Chief Information Security Officer and Chief Risk Officer to assess security and compliance posture, and with the Chief Data Officer, Privacy Office, and Office of General Counsel to review data handling and legal considerations.

While high impact use cases receive direct oversight from the AI Governance Board, Treasury empowers individual bureaus and departmental offices to manage moderate to low use cases while also ensuring they adhere to agency wide security and data standards, and utilize approved tools. This federated approach ensures that AI adoption remains agile, minimizes unnecessary barriers, and encourages responsible innovation.

Treasury components will utilize the AI Council as a forum to provide updates on the moderate to low use cases their organizations adopt or plan to adopt. This allows for Treasury AI leadership to have insight into use cases not directly overseen by the AI Governance Board. Treasury's AI leadership will then be able to determine if these use cases are using approved and vetted tools, adhering to acceptable safety standards, and following data security and privacy requirements.

As Treasury gains operational experience through pilots and early deployments, it will continue to refine its testing, monitoring, and risk management capabilities. These efforts are essential to maintaining public trust and ensuring that AI systems support Treasury's mission in a secure, transparent, and accountable manner. Additional technical delivery teams and decision-making boards may be centrally established to reduce barriers to AI, offering 'fast track' approvals to AI tooling and infrastructure across bureaus while also tracking AI costs and guardrails for security.

### Resource Tracking and Planning

Treasury is strengthening its ability to track, plan, and coordinate AI activity across the organization. This effort is being led by the Treasury AI Transformation Office, the Office of the Chief Information Officer, the AI Governance Board, and the AI Council.

The AI Transformation Office serves as the central coordination point for Treasury and all its components, supporting Treasury's goal of achieving enterprise-wide AI maturity. The office works closely with Treasury leadership, AI power users, and AI developers to provide visibility into ongoing projects, identify resource needs, and guide strategic planning. In conjunction with Treasury's Office of the Chief Information Officer, and the newly formed Treasury Common Services Center (TCSC), it also helps drive Treasury's broader AI advancement efforts, including infrastructure development, workforce training, and engagement with public and private sector partners.

Together, these entities provide Treasury with a unified approach to resource planning—ensuring that AI investments are coordinated, cost efficient, mission-driven, and grounded in responsible innovation.