



U.S. Department of the Treasury Compliance Plan for OMB Memorandum M-25-21 September 2025

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1. Driving AI Innovation

Removing Barriers to the Use of AI

Treasury is advancing an enterprise-wide effort to scale AI effectively by providing access to approved tools, embedding clear policies and training, strengthening workforce development, and expanding access to funding through the AI Governance Board. Barriers related to data, infrastructure, and organizational readiness are being addressed through improved governance, investment in enterprise capabilities, and targeted training. Resources are aligned to ensure bureaus and departmental offices have the support needed. These initiatives ensure that AI enables innovation, supports the ability to scale, and maintains strong safeguards.

Sharing and Reuse

The AI Transformation Office coordinates across bureaus and departmental offices to eliminate silos and promote reuse of models, data, and code. A centralized portal provides access to AI use cases and leading practices. Engagement with these Treasury components ensures visibility, while an internal collaboration platform fosters professional networks. Treasury also documents institutional insights, participates in CAIOC and interagency forums, and creates incentives for reuse to reinforce transparency and accelerate adoption.

AI Talent

Treasury is strengthening the AI workforce through a dual approach: upskilling current employees and recruiting external experts. Training programs range from introductory courses to advanced technical sessions, developed with partners in government, academia, and industry. The AI Transformation Office coordinates this talent strategy, curates training offerings, and aligns workforce development with Treasury's broader governance framework. Training is role-

based—tailored for leaders, acquisition professionals, engineers, and analysts—to ensure relevance across the workforce. Recruitment efforts are targeting professionals with expertise in infrastructure, model development, and risk management—areas critical to scaling AI effectively. Collectively, these initiatives ensure that innovation, workforce capability, and resources move forward together, positioning Treasury to accelerate AI adoption at scale.

2. Improving AI Governance

AI Governance Board

Treasury’s AI Governance Board brings together senior leaders from across the Department to provide oversight and strategic direction for AI adoption and governance. The Board benchmarks against leading practices across government and industry and provides overarching guidance for compliance. Supporting the Board is an AI Council composed of component-level AI and Technical Leads, which serves as the operational arm of governance. The Council meets monthly to review use cases, exchange leading practices, and surface issues from bureaus and departmental offices, ensuring alignment and accountability. It also provides a direct channel for components to engage with the AI Transformation Office, which supports both the Board and the Council by coordinating training, aligning workforce initiatives, shaping policy development, and overseeing risk management practices. Identification of AI use cases and risk assessments occur at the bureau and departmental office level, with Council representatives responsible for carrying them out. The AI Transformation Office oversees overall governance and houses the enterprise-wide inventory, ensuring consistency across the Department. Together, the AI Governance Board, the AI Transformation Office, and the AI Council form a federated governance structure that ensures transparency and accountability. These three governance bodies also consult with external experts—including interagency partners, academia, and industry leaders—to ensure that leading practices inform Treasury’s AI strategy, operations, and governance at large. This federated structure ensures that governance is coordinated at every level, operational insights inform enterprise strategy, and Treasury maintains both accountability and agility in adopting AI.

Agency Policies

To meet M-25-21 requirements, Treasury has introduced updated policies and safeguards. These include an Acceptable Use Policy and User Guide for AI tools, mandatory training for users, and clear performance expectations for IT staff. Records retention standards have been set with the Privacy and Records Office. Generative AI is governed through a certified FISMA-moderate pilot environment, user agreements, and structured oversight. Treasury continues to align with NIST frameworks and integrate leading practices from peer agencies.

AI Use Case Inventory

Treasury maintains a comprehensive and regularly audited inventory of AI use cases. Identification and risk assessments are conducted at the bureau and departmental office level, with AI Council representatives from each component responsible for this work. The AI

Transformation Office oversees Treasury-wide governance and ensures consistency across the Department, and it houses the Department's official inventory. This federated governance structure—anchored by the AI Governance Board, the AI Transformation Office, and the AI Council—ensures transparency and accountability. High impact use cases are documented with risk management and mitigation plans, overseen jointly by component officials and the AI Governance Board. Treasury will make inventories and compliance updates publicly available in alignment with OMB guidance to reinforce accountability.

3. Fostering Public Trust in Federal Use of AI

Determinations of Presumed High-Impact AI

AI use cases are reviewed against OMB's criteria to determine high-impact status. Bureau- and departmental office-level structures conduct initial assessments, while the AI Governance Board reviews, validates, and—when necessary—reclassifies cases. Waiver processes—covering requests to deviate from one or more of the minimum AI risk management practices required by OMB—are defined and overseen by the Board with direct involvement from legal and risk officials, ensuring accountability. Treasury does not anticipate the need for such waivers. This framework is included to meet OMB's requirement and would only be applied in exceptional circumstances, subject to rigorous review and full transparency.

Implementation of Risk Management Practices and Termination of Non-Compliant AI

Treasury applies layered safeguards in line with NIST and OMB guidance. These include risk assessments, controlled testing environments, strict access controls, continuous monitoring for bias and security threats, and independent compliance reviews. If a system is deemed non-compliant, Treasury follows a defined process: suspend access, halt operations, secure data, and initiate remediation. Oversight by compliance, legal, IT, and risk leaders ensures transparency and accountability.

4. Conclusion

Treasury is advancing the adoption of AI to strengthen mission delivery, protect the public interest, and align with federal priorities. This compliance plan sets forth the governance framework, safeguards, and innovation pathways required by OMB Memorandum M-25-21. It establishes the structures necessary for the effective, transparent, and accountable use of AI across Treasury.