

Department of the Treasury
Office of Terrorism and
Financial Intelligence

Congressional Budget
Justification and Annual
Performance Plan and Report

FY 2027

Table of Contents

Section I – Budget Request	3
A – Mission Statement.....	3
B – Summary of the Request	3
1.1 – Appropriations Detail Table	3
1.2 – Budget Adjustments Table.....	4
C – Budget Increases and Decreases Description.....	4
1.3 – Object Classification (Schedule O) Obligations Table.....	6
D – Appropriations Language and Explanation of Changes	7
E – Legislative Proposals.....	7
Section II – Annual Performance Plan and Report	8
A – Budget and Performance.....	8
2.1 – Budget Activities Table	9
2.2 – Performance Measures Table.....	9
2.3 – Performance Summary.....	10
B – Changes in Performance Measures	12
Section III – Additional Information	13
A – Summary of Capital Investments.....	13

Section I – Budget Request

A – Mission Statement

Enhance national security by applying Treasury’s unique policy, enforcement, intelligence, and regulatory tools to identify, disrupt, and disable terrorists, criminals, and other national security threats to the United States and to protect the U.S. and international financial systems from abuse by illicit actors.

B – Summary of the Request

The Office of Terrorism and Financial Intelligence (TFI) requests \$252.9 million for fiscal year (FY) 2027. Funding at this request level would enhance TFI’s ability to protect the United States and international financial systems from both foreign and domestic abuse. Resources would be utilized to increase transparency in the domestic and international financial systems and to facilitate the detection of illicit financial activity. These actions are essential to reaffirming Treasury’s global leadership in combating financial abuse. Resources would also be used to advance the Administration’s foreign policy and national security priorities through the application of targeted financial measures. TFI’s request prioritizes efforts to modernize the development, implementation, enforcement, and maintenance of U.S. sanctions to ensure that sanctions remain a streamlined and effective foreign policy and national security tool. Resources also will support further development of Treasury’s sanctions expertise and expand Treasury’s external engagement and outreach on sanctions with key interagency and international partners. Additionally, the FY 2027 request provides resources that are essential to the Department’s intelligence information systems, funds the Office of Foreign Assets Control’s (OFAC) IT modernization efforts to replace the OASIS system, and supports Treasury Security Operations.

1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2025 Operating Plan		FY 2026 Enacted		FY 2027 Request		FY 2026 to FY 2027 % Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
New Appropriated Resources								
Terrorism and Financial Intelligence	657	\$226,862	659	\$237,662	665	\$252,852	0.9%	6.4%
Terrorism and Financial Intelligence - P.L. 118-83	0	\$908	0	\$0	0	\$0	NA	NA
Subtotal New Appropriated Resources	662	\$227,770	659	\$237,662	665	\$252,852	0.9%	6.4%
Other Resources								
Transfer from Technology Modernization Fund (TMF)	0	\$437	0	\$0	0	\$0	NA	NA
Reimbursables	46	\$18,289	50	\$16,000	50	\$16,000	0.0%	0.0%
Subtotal Other Resources	46	\$18,726	50	\$16,000	50	\$16,000	0.0%	0.0%
Total Budgetary Resources	708	\$246,496	709	\$253,662	715	\$268,852	0.8%	6.0%

1) FY 2025 Other Resources and Full-time Equivalents (FTE) reflect actuals.

2) TFI will repay funds received for the TMF.

1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
FY 2026 Enacted	659	\$237,662
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$338
Pay Annualization (2026 1.0% average pay raise)	0	\$338
Subtotal Changes to Base	0	\$338
FY 2027 Current Services	659	\$238,000
Program Changes:		
Program Increases:	6	\$14,852
Intelligence Information Systems	4	\$10,569
OFAC IT modernization: OASIS replacement	0	\$3,719
Sustain Security Operations	2	\$564
Subtotal Program Changes	6	\$14,852
FY 2027 President's Budget Request	665	\$252,852

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs)+\$338,000/ +0 FTE

Pay Annualization (1.0% in 2026) +\$338,000 / +0 FTE

Funds are requested for annualization of the January 2026 1.0% average pay raise.

Program Increases+\$14,852,000 / +6 FTE

Intelligence Information Systems +\$10,569,000 / +4 FTE

This request is for the final planned investment needed to sustain critical operational improvements and cyber defense capabilities to the Department’s intelligence information systems (IIS). Lack of funding will limit TFI’s ability to invest in essential infrastructure and capabilities required to ensure the operational readiness and security of Treasury’s IIS, making the Department vulnerable to cyberattacks and unauthorized disclosures, while impeding Treasury’s ability to execute its national security mission.

OFAC IT modernization: OASIS replacement +\$3,719,000 / +0 FTE.

Economic sanctions are one of the United States’ most powerful foreign policy tools—and OFAC is responsible for executing them with speed, precision, and accountability. Yet the technology powering this mission is approaching end-of-life. As the annual rate of new sanctions has increased more than 1,000% since 9/11, OFAC’s legacy case management system (OASIS) can no longer keep pace with national security demands or the expectations of a digital-first public.

Today, the majority of OFAC’s IT budget is consumed by legacy maintenance and fixed enterprise services, leaving limited capacity for innovation. To meet growing mission demands and to reduce the maintenance costs of its IT systems and increase interoperability with other capabilities, OFAC seeks \$3.719 million in new annual funding. In April 2025, OFAC began development of a strategic IT modernization effort to replace OASIS with STARS, a low-code

sanctions management platform engineered for interoperability, automation, and rapid response. This investment will retire technical debt and enable OFAC to improve public-facing services, increase the productivity of OFAC's employees, and enhance collaboration across the U.S. government and financial sector.

Funds will accelerate the full build-out of STARS along a 3-year roadmap, support the transition away from legacy systems, and enable essential capabilities including classified and unclassified case management, data analytics integration, and AI-enabled workflows.

Modernization directly enhances mission delivery. STARS will reduce processing times through automation, improve the accuracy and speed of sanctions targeting, streamline licensing and enforcement workflows, and provide real-time metrics that strengthen decision-making and Congressional reporting. For the public, banks, and global stakeholders, modernization means faster responses, more reliable systems, and transparent electronic interactions.

Failing to invest now risks slowing U.S. foreign policy execution, degrading interoperability with interagency partners, and weakening public trust. Legacy systems require specialized support, limit innovation, and create requirement backlogs. This technology upgrade will create efficiencies in mission delivery while increasing OFAC's ability to attract, develop and retain top talent. Without this investment, funds will need to be diverted from other critical priorities across the office.

Sustain Security Operations, +\$564,000 / +2 FTE

TFI's Office of Intelligence Analysis (OIA), Office of Security Programs (OSP) is responsible for critical Department-wide security functions to include security intake/onboarding for Departmental Offices employees; adjudicative suitability for employment of Department hires; and assists bureaus in implementing national and Department personnel security policies. This request is for two security specialists to support timely personnel security processing. Without the additional resources, personnel security processing timelines will lengthen, increasing the risk of onboarding delays and mission disruptions.

1.3 – Object Classification (Schedule O) Obligations Table

Dollars in Thousands

Object Classification	FY 2025 Actual Obligations	FY 2026 Estimated Obligations	FY 2027 Estimated Obligations
11.1 - Full-time permanent	104,116	101,526	101,813
11.3 - Other than full-time permanent	319	462	462
11.5 - Other personnel compensation	4,216	6,318	6,314
11.9 - Personnel Compensation (Total)	108,651	108,306	108,589
12.0 - Personnel benefits	37,927	36,099	35,959
Total Personnel and Compensation Benefits	\$146,578	\$144,405	\$144,548
21.0 - Travel and transportation of persons	1,828	3,796	5,039
22.0 - Transportation of things	307	27	89
23.2 - Rental payments to others	80	13	19
23.3 - Communications, utilities, and miscellaneous charges	2	0	0
24.0 - Printing and reproduction	558	203	347
25.1 - Advisory and assistance services	23,991	21,657	26,831
25.2 - Other services from non-Federal sources	1,217	234	643
25.3 - Other goods and services from Federal sources	67,383	78,201	84,336
25.7 - Operation and maintenance of equipment	3,593	0	229
26.0 - Supplies and materials	3,532	1,280	2,129
31.0 - Equipment	8,401	3,848	4,410
32.0 - Land and structures	0	0	236
99.5 - Adjustment for rounding	0	(2)	(4)
Total Non-Personnel	\$110,892	\$109,257	\$124,304
Total Obligations	\$257,470	\$253,662	\$268,852
Full-time Equivalents (FTE)	708	709	715

Amounts reflect obligations of annually appropriated resources, carryover balances, reimbursables, and transfers.

D – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
<p style="text-align: center;">DEPARTMENT OF THE TREASURY OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE <i>Federal Funds</i> SALARIES AND EXPENSES</p> <p><i>For the necessary expenses of the Office of Terrorism and Financial Intelligence to safeguard the financial system against illicit use and to combat rogue nations, terrorist facilitators, weapons of mass destruction proliferators, human rights abusers, money launderers, drug kingpins, and other national security threats, \$252,852,000, of which not less than \$3,000,000 shall be available for addressing human rights violations and corruption, including activities authorized by the Global Magnitsky Human Rights Accountability Act (22 U.S.C. 2656 note): Provided, That of the amounts appropriated under this heading, up to \$16,000,000 shall remain available until September 30, 2028.</i></p>	

E – Legislative Proposals

TFI has no legislative proposals.

Section II – Annual Performance Plan and Report

A – Budget and Performance

Treasury carries a great responsibility for fostering prosperity and security for the American people. We play a critical role both in the U.S. economy and globally to meet the needs of the nation. The [Treasury Strategic Plan 2026–2030](#) charts a course to guide meeting the responsibilities to the public. As the Bureau Strategic Plans are finalized, more information on measures such as validation and verification of data and explanations of results will be developed.

To achieve its mission of enhancing national security, TFI utilizes a variety of pressure, diagnostic and preventative tools to protect the U.S. and international financial system from abuse (see Figure 1 below).

How TFI Uses Its Tools to Combat Risks



Figure 1

2.1 – Budget Activities Table

Dollars in Thousands

Resource Level	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Enacted	FY 2027 Request
Appropriated Resources	\$175,000	\$195,192	\$216,059	\$226,862	\$227,770	\$237,662	\$252,852
Other Resources							
Reimbursable	\$8,280	\$9,051	\$15,831	\$12,293	\$18,289	\$16,000	\$16,000
Transfer from Technology Modernization Fund	0	0	\$6,751	\$3,957	\$437	0	0
Budget Activity Total	\$183,280	\$204,243	\$238,641	\$243,112	\$246,496	\$253,662	\$268,852
Full-time Equivalents (FTE)	559	594	590	690	708	709	715

1) FY 2025 Other Resources and Full-time Equivalents (FTE) reflect actuals. Appropriated Resources reflect Operating Plan amounts.

2) Table excludes Ukraine Supplemental appropriation and FTEs.

2.2 – Performance Measures Table

Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2025 Target	FY 2026 Target	FY 2027 Target
Number of new or modified sanctions programs established by Executive Order or Congressional mandate during the fiscal year	8	11	2	3	4	I	I	I
Regulatory documents published in the Federal Register within four months of publication of an Executive Order or Congressional mandate during the fiscal year (%)	25	0	0	75	75	75	75	75
Designations and identifications released on time to the public without errors (%)	98	100	100	98	99	90	90	90
Conduct outreach events for the other US government agencies, the public, the business sector, and foreign government per calendar year	26	46	87	60	60	60	60	60
Participation in FATF international mutual evaluations and follow up reports	32	42	44	40	29	I	I	I
Number of roundtables with private sector on Anti-Money Laundering / Combating the Financing of Terrorism (AML/CFT) threats, vulnerabilities, and risk	13	16	22	40	19	I	I	I

# of overseas/domestic engagements with foreign officials by TFFC officials	500+	500+	500+	500+	500+	I	I	I
Respond to de-confliction requests received from law enforcement (%)	97	99	98	93	99	93	93	93
# of security clearances processed	450	283	3561	3527	4152	I	I	I
Number of analytic products published (includes number of IIRs published number of finished intelligence pieces published)	317 IIRs/321 FI	584 IIRs/727 FI	762 IIRs/738 FI	929 IIRs/740 FI	931 IIRs/911 FI	I	I	I

Key: DISC – Discontinued; B – Baseline; I – Indicator; N/A: Not Available

2.3 – Performance Summary

TFI continued to advance Treasury’s national security mission by deploying its policy, enforcement, intelligence, and regulatory tools and authorities against foreign and domestic adversaries. It has done this through strategic use of targeted financial measures, including financial sanctions to counter threats, while also strengthening the integrity of the financial system. TFI took several key actions in 2025, coordinated with our law enforcement partners, to stop threats like narcotics trafficking from crossing our borders. In addition, TFI has had a key role in addressing cyber threats, helping to ensure resilience of critical financial infrastructure while also ensuring that Treasury’s financial tools remain effective and adaptable to increasingly complex global risks.

Building on this performance, TFI’s FY 2027 request supports sustained pressure on U.S. adversaries, enhanced financial system integrity, and continued investment in the capabilities required to address emerging risks.

Using Targeted Financial Measures to Counter Threats

TFI applied sanctions and other targeted financial tools against transnational criminal organizations, including narcotics traffickers and terrorist networks while also targeting strategic competitors and key threat actors, including Iran and its proxies, Russia, and Chinese entities among others.

TFI worked with the Mexican government to develop a cohesive plan to detect and disrupt illicit finance generated by cartels operating within their borders. In addition, TFI completed several counternarcotics designations to deny foreign-based criminals access to the U.S. financial system and block their assets within U.S. jurisdiction worldwide. These designations also seek to expose, isolate, and disrupt targeted Drug Trafficking Organizations (DTO) in their home countries. For example, in 2025 OFAC designated two dominant Sinaloa factions vying for power and influence across its controlled territories: [Los Chapitos](#), and [Los Mayos](#). The Sinaloa Cartel, one of the most powerful in Mexico, represents a major threat to the United States. For decades, the Sinaloa Cartel has trafficked cocaine and methamphetamine—and more recently, fentanyl—into the United States. In addition, TFI worked with international partners around the world on deploying TFI tools to disrupt fentanyl supply chains across the globe. This includes

taking action against a Chinese chemical company involved in the manufacture and sale of synthetic opioids to Americans and those responsible for their shipments to the United States.

TFI was responsible for leading Treasury's efforts to execute National Security Presidential Memorandum/NSPM-2 (imposing maximum pressure on the Iranian regime). Throughout FY 2025 TFI intensified pressure on Iran through foreign engagements and by targeting oil smuggling and shadow banking networks that generate revenue for Iran's military and foreign proxies. TFI worked with international government and private sector partners to disrupt Iranian illicit flows and sanctioned international networks facilitating the shipment of millions of barrels of Iranian crude oil, including front companies and logistics providers connected to Iran's Ministry of Defense. These actions degraded Iran's ability to fund illicit activities and supported broader U.S. efforts to counter Iran's destabilizing regional behavior.

In addition, TFI used its tools to pressure Iran-backed terrorist proxies, including the Houthis, Hezbollah, Hamas, and Iran-backed militias in Iraq. TFI targeted these groups by sanctioning the networks they used to generate revenue and move money and by pushing jurisdictions in which the groups operate to improve their enforcement of U.S. sanctions. These actions support U.S. efforts to end conflicts in the region, degrade these groups' access to the international system, and protect the integrity of global supply chains. For example, TFI targeted the Houthis by sanctioning illicit oil trading and shipping networks in Yemen and targeting vessels delivering refined petroleum products and other commodities, supporting U.S. efforts to protect regional stability, and the integrity of global supply chains. TFI also engaged the Gulf countries on jointly countering Iranian proxy groups through the Terrorist Financing Targeting Center.

To impose pressure on Russia to meaningfully engage in peace negotiations, Treasury imposed major sanctions against Russia's energy sector, including major oil producers. These highly impactful sanctions have led to a sharp decrease in the price of Russian oil grades, which Treasury expects will lead to a corresponding substantial decrease in Russian revenues.

Across these efforts, TFI played a central role in large-scale initiatives to counter sanctions evasion, disrupt proliferation and terrorist financing, and respond to the growing convergence of cybercrime, ransomware, and the abuse of digital assets.

Strengthening the Integrity of the Global Financial System

TFI strengthened the integrity of the global financial system through sustained international leadership, promotion of transparency, and a shift toward targeted, risk-based regulatory approaches. While serving as Chair of the U.S. delegation to the Financial Action Task Force (FATF), TFI helped advance coordinated global responses to money laundering, terrorist financing, the financing of weapons of mass destruction (WMD), and sanctions evasion. Through FATF, TFI helped revise international standards that emphasize risk-based approaches to money laundering, terrorist financing, and WMD proliferation financing (ML/TF/PF) ensuring preventive and mitigation measures are commensurate with identified risks. TFI participated in 29 FATF peer reviews of jurisdictions to ensure their compliance with the FATF standards to combat ML/TF/PF. In FY 2025, TFI continued spearheading a U.S. government-wide effort to defend the FATF mutual evaluation of the United States. This effort began in FY 2024 and will continue as a top TFI priority into FY 2026 with an anticipated publication in late 2026.

Domestically, TFI prioritized transparency while reducing unnecessary regulatory burden on U.S. businesses. Specifically, TFI worked to curtail the broad implementation of beneficial ownership reporting requirements and pivot to a more targeted oversight framework focused on higher-risk foreign entities, consistent with Treasury leadership’s emphasis on efficient and risk-based regulation. In addition, TFI is also working on various rulemakings to implement the GENIUS Act. President Trump signed this bipartisan bill into law in July, and TFI has an important role in implementing this legislation. This effort is critical to protect the digital assets ecosystem from abuse, including by subjecting stablecoin issuers to AML/CFT requirements.

TFI also strengthened the integration of financial intelligence into sanctions, policy development, and diplomatic engagement. OIA expanded its role in providing timely, actionable intelligence to senior Treasury leadership, interagency partners, and U.S. missions overseas, enhancing Treasury’s ability to identify emerging threats and assess systemic financial vulnerabilities.

Defending Against Cyber Threats and Strengthening Financial Sector Resilience

TFI advanced Treasury-wide efforts to reduce cyber risk and strengthen the resilience of the financial sector through intelligence-driven engagement and public-private collaboration. Recognizing cybersecurity as a core national security concern, TFI played a key role in supporting Project Fortress, a whole-of-sector initiative designed to improve the security and resilience of the financial services sector.

Project Fortress also leveraged existing capabilities and new offerings, including the Automated Threat Information Feed, to provide participating financial institutions with tailored cyber threat information from the U.S. government. TFI also helped introduce additional focused threat information on cyber-enabled fraud, enabling earlier detection and disruption of malicious activity.

As part of Project Fortress, OIA also led the T-Suite, facilitating secure collaboration between government analysts and cleared industry representatives to address cyber threats to critical financial infrastructure.

Looking Ahead

TFI’s FY 2027 request builds on its strong and continued performance targeting strategic competitors and illicit actors posing threats to the United States, strengthening the integrity and resilience of the U.S. and global financial system, and enhancing Treasury’s ability to address emerging and complex threats. Continued investment will ensure Treasury’s national security economic tools and authorities remain agile and effective.

B – Changes in Performance Measures

There are no changes in performance measures.

Section III – Additional Information

A – Summary of Capital Investments

A summary of capital investments, including major information technology and non-technology investments, can be accessed at <https://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>.