

Terrorism and Financial Intelligence

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020	FY 2021	FY 2022	FY 2021 to FY 2022	
	Operating Plan	Operating Plan	Request	\$ Change	% Change
Terrorism and Financial Intelligence	\$169,712	\$175,000	\$185,192	\$10,192	5.82%
Subtotal, TFI	\$169,712	\$175,000	\$185,192	\$10,192	5.82%
Offsetting Collections - Reimbursable	\$8,543	\$10,500	\$10,500	\$0	0.00%
Total Program Operating Level	\$178,255	\$185,500	\$195,692	\$10,192	5.49%
Direct FTE	477	551	575	24	4.36%
Reimbursable FTE	39	35	41	6	17.14%
Total Full-time Equivalents (FTE)	516	586	616	30	5.12%

Summary

The Department of the Treasury's Office of Terrorism and Financial Intelligence (TFI) requests \$185.192 million, which is a \$10.192 million increase from the FY 2021 enacted level. TFI requests these additional resources to continue to invest in its people as well as infrastructure, systems, and automated tools, thereby ensuring that TFI remains agile, innovative, and strategic in responding to the most pressing U.S. national security concerns. The budget prioritizes funding for Treasury's targeted financial tools that protect the U.S. and international financial system from abuse, as well as countering the financial networks that support terrorists, weapons proliferators, organized transnational crime, rogue regimes, and other threats. This request covers three TFI components: 1) the Office of Terrorist Financing and Financial Crimes (TFFC), responsible for policy and outreach such as U.S. representation to the Financial Action Task Force (FATF); 2) the Office of Intelligence and Analysis (OIA), the sole intelligence community (IC) component in the Department of the Treasury; and 3) the Office of Foreign Assets Control (OFAC), which administers and enforces economic and trade sanctions. Separate requests were provided for: 1) the Financial Crimes Enforcement Network (FinCEN), responsible for BSA and CTA regulation, and 2) the Treasury Executive Office for Asset Forfeiture (TEOAF).

TFI's economic authorities continue to play an increasingly central role in countering some of the nation's most critical security threats. This Administration and Congress rely upon TFI to develop strategies that employ all targeted financial measures, including sanctions, to implement U.S. national security and foreign policy goals towards China, Iran, Russia, Venezuela, Burma, Islamic State of Iraq and Syria (ISIS) and other terrorist organizations, human rights abusers and corrupt actors, narcotics traffickers, and other malign and destabilizing actors. This request also includes targeted tools that protect the U.S. and international financial system from abuse by illicit actors, to include unexpected challenges such as COVID 19-related illicit finance concerns. As reliance upon TFI's authorities has grown, the corresponding growth in personnel across TFI and increased demand placed upon secure systems requires additional investment in mission support areas. TFI's infrastructure investments have been developed with careful consideration of the personnel increase request with the intent of developing and maintaining a collaboration network that facilitates our operational and policy goals.

Budget Highlights

	FTE	Amount
FY 2021 Operating Plan	551	\$175,000
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$4,817
Pay Annualization (1.0% average pay raise)	0	\$234
Pay Raise (2.7% average pay raise)	0	\$2,119
FERS Contribution Increase	0	\$836
Non-Pay	0	\$1,628
Other Adjustments:	8	\$0
Contracts	0	(\$1,330)
FTE Adjustment	8	\$1,330
Subtotal Changes to Base	8	\$4,817
FY 2022 Current Services	559	\$179,817
Program Changes:		
Program Adjustments	16	\$0
Non-recur	0	(\$2,750)
FTE Adjustment	16	\$2,750
Program Increases:	0	\$5,375
Replacement of End of Life Servers	0	\$1,659
IT Modernization	0	\$3,716
FY 2022 President's Budget Request	575	\$185,192

Budget Adjustments

Maintaining Current Levels (MCLs) +\$4,817,000 / +0 FTE

Pay Annualization (1.0%) +\$234,000 / +0 FTE

Funds are requested for annualization of the January 2021 1.0% average pay raise.

Pay Raise (2.7% in 2022) +\$2,119,000 / +0 FTE

Funds are requested for a 2.7% average pay raise in January 2022.

FERS Contribution Increase +\$836,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2022.

Non-Pay +\$1,628,000 / +0 FTE

Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Other Adjustments +\$0/ +8 FTE

Contracts -\$1,330,000 / -0 FTE

As a result of hiring delays due to the pandemic, funds initially intended to support FTE increases were re-programmed to finance one-time contract requirements in FY 2021. These funds are no longer needed to support contracts in FY 2022.

FTE Adjustment +\$1,330,000 / +8 FTE

The FY 2022 Budget reflects a +8 FTE technical adjustment from the FY 2021 Enacted Budget. This technical adjustment reflects increased efforts at TFI to hire and on-board new staff as provided for in prior year budget requests and includes delays to the hiring process as a result of the pandemic.

Program Adjustments +\$0 / +16 FTE

Non-recur -\$2,750,000 / +0 FTE

These funds are no longer needed to support renovation requirements in FY 2022 and can support expanded staffing.

FTE Adjustment +\$2,750,000 / +16 FTE

The FY 2022 Budget reflects a +16 FTE technical adjustment from the FY 2021 Enacted Budget. This technical adjustment reflects increased efforts at TFI to hire and on-board new staff with funds no longer required for use towards renovations that program anticipates will be completed in FY 2022.

Program Increases +\$5,375,000 / +0 FTE

Replacement of End of Life Servers +\$1,659,000 / +0 FTE

Funds are requested for TFI’s portion of a larger DO project to replace servers that have now reached the end of their useful life. Over the past several years, DO has prioritized its policy-related mission by restricting inflationary increases for DO management offices. These reductions have impacted all facets of management, to include the Office of the Chief Information Officer.

IT Modernization +\$3,716,000 / +0 FTE

Funds are requested for TFI’s portion of a larger DO project to modernize critical equipment and software that supports the TFI workforce’s fundamental information technology needs.

Legislative Proposals

The Office of Terrorism and Financial Intelligence has no legislative proposals.

Performance Highlights

TFI created new indicators and measures, which are being presented for the first time in this FY 2022 Budget. The table below reflects actuals FY 2020.

Performance Measure	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
	Actual	Actual	Actual	Target	Target
Regulatory documents published in the Federal Register within four months of publication of an Executive order or Congressional mandate during the fiscal year	N/A	N/A	67%	75%	75%
Designations and identifications released on time to the public without errors	N/A	N/A	97%	90%	90%
Respond to de-confliction requests received from law enforcement	N/A	N/A	7 days	7 days	7 days
Percent customer satisfaction with OIA products	N/A	N/A	Customer Satisfaction Surveys not conducted in FY 2020 due to the COVID-19 pandemic.	74%	74%

Description of Performance

TFI has strategically applied Treasury's powerful tools and authorities against bad actors, including rogue regimes, terrorist financiers, human rights abusers, proliferators of weapons of mass destruction, drug kingpins, and others. Since the beginning of FY 2020, Treasury has established four new and six modified sanctions programs. This included the use of tools and authorities to deter Iran's nuclear and ballistic missile program, hindering Iran's support of global terrorism, and offsetting efforts to destabilize the Middle East, Burma, Hong Kong, Venezuela, and others.

The introduction of new government programs in response to COVID-19 and the economic distress caused by the pandemic resulted in an uptick in fraud and illicit activities. Treasury worked with the federal banking community to coordinate an interagency response and publish advisories for financial institutions ([Advisories](#)).

In FY 2020, Treasury further expanded its role in cybersecurity through the creation of the Cyber Analysis Office, which worked with governmental partners and major financial institutions to gather intelligence aimed at disrupting global cyber theft operations. OIA's Cyber Analysis Office also augmented analytic resources to detect and analyze emerging trends in state and non-state use of virtual currencies to undermine U.S. national security. In September 2020, TFI worked with the Department of Justice and Department of Homeland Security to sanction two Russian nationals for their involvement in a sophisticated phishing campaign that resulted in losses of at least \$16.8 million in 2017 and 2018.