

## Terrorism and Financial Intelligence

### Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2021	FY 2022	FY 2023	FY 2022 to FY 2023	
	Operating Plan	Annualized CR	Request	\$ Change	% Change
Terrorism and Financial Intelligence	\$175,000	\$175,000	\$212,059	\$37,059	21.2%
<b>Subtotal, Organization Title</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$212,059</b>	<b>\$37,059</b>	<b>21.2%</b>
Offsetting Collections - Reimbursable	\$8,280	\$10,500	\$10,500	\$0	0.00%
<b>Total Program Operating Level</b>	<b>\$8,280</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$0</b>	<b>0.0%</b>
Direct FTE	551	561	624	63	11.2%
Reimbursable FTE	35	41	41	0	0.0%
<b>Total Full-time Equivalents (FTE)</b>	<b>586</b>	<b>602</b>	<b>665</b>	<b>63</b>	<b>10.5%</b>

FY 2021 Other Resources and Full-time Equivalents (FTE) reflect actuals.

### Summary

TFI requests \$212.059 million, which is a \$37.059 million increase from the level of the FY 2021 Operating Plan. TFI requests these additional resources to continue to invest in its people. As reliance on 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. This request also promotes targeted investments that will strengthen U.S. national security, including financing for classified systems technology, sanctions efforts, Department-wide counterintelligence efforts, a legislatively-mandated Kleptocracy Rewards Pilot Program. The FY 2023 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.

### Budget Highlights

Dollars in Thousands

	FTE	Amount
<b>FY 2022 Annualized CR</b>	<b>561</b>	<b>\$175,000</b>
<b>Changes to Base:</b>		
Maintaining Current Levels (MCLs):		
Pay Annualization (FY 2022 2.7% average pay raise)	0	\$6,567
Pay Raise (4.6% average pay raise)	0	\$746
Non-Pay	0	\$4,142
Other Adjustments:		
Adjustments to Meet Current Operating Levels	0	\$1,679
Other Adjustments:	14	\$10,192
Adjustments to Meet Current Operating Levels	14	\$10,192
Subtotal Changes to Base	14	\$16,759
<b>FY 2023 Current Services</b>	<b>575</b>	<b>\$191,759</b>
<b>Program Changes:</b>		
Program Increases:	49	\$20,300
Enhance the IC's Economic Security and Financial Intelligence	32	\$8,000
Upgrade Treasury's Secure Space and Network Infrastructure	0	\$2,281
Emerging Sanctions Programs	13	\$3,186
Develop Treasury's Secure Communications and Continuity Program	2	\$672
Kleptocracy Asset Recovery Rewards Pilot Program - Payments for Rewards	0	\$1,650
Terrorist Financing and Financial Crimes Operations/Travel	2	\$1,787
Counter Cyber-Enabled Threats	0	\$2,724
<b>FY 2023 President's Budget Request</b>	<b>624</b>	<b>\$212,059</b>

***Budget Adjustments***

**Maintaining Current Levels (MCLs) ..... +\$6,567,000 / +0 FTE**

Pay Annualization (2.7%) +\$746,000 / +0 FTE

Funds are requested for annualization of the January 2022 2.7% average pay raise.

Pay Raise (4.6% in 2023) +\$4,142,000 / +0 FTE

Funds are requested for a 4.6% average pay raise in January 2023.

Non-Pay +\$1,679,000 / +0 FTE

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

**Other Adjustments ..... +\$10,192,000 / +14 FTE**

Adjustments to Meet Current Operating Levels +\$10,192,000 / +14 FTE

Adjustment relates to funding received in the prior year that supports technology investments and hiring and on-boarding +14 FTEs.

**Program Increases ..... +\$20,300,000 / +49 FTE**

Enhance the Intelligence Community's (IC) Economic Security and Financial Intelligence

+\$8,000,000 / +32 FTE

The Department requests \$8 million for targeted investments to improve TFI's Office of Intelligence Analysis's (OIA) economic and finance-related strategic and counterintelligence analysis, as well as expand OIA's reporting program.

Upgrade Treasury's Secure Space and Network Infrastructure +\$2,281,000 / +0 FTE

The Department requests funding to upgrade the physical access control system for the Main Treasury Complex and to refresh Treasury Financial Intelligence Network (TFIN) servers, providing essential redundancy, including through use of hybrid cloud environments. The current access control system is not adequately protected due to antiquated infrastructure. In addition, TFIN servers do not have sufficient redundancy and are at risk of extended outages during which users are unable to perform sensitive work.

Emerging Sanctions Programs +\$3,186,000 / +13 FTE

The Office of Foreign Assets Control's (OFAC) sanctions programs are seeing an increase in work needed to maintain existing lines of effort and expand to address new threats. OFAC requests 13 FTEs to manage an increase in enforcement equities associated with greater connectivity between U.S. persons and the sanctions targets; handling increased private sector engagement; increasing investigations into complex targeting actions; and increasing policy, regulatory affairs, and licensing actions.

Develop Treasury's Secure Communications and Continuity Program +\$672,000 / +2 FTE

The Department requests funding for Treasury's Secure Communications Program to support Treasury's executive-level communications support program, ensure compliance to various secure communication directives, and maintain continuity readiness.

Kleptocracy Asset Recovery Rewards Pilot Program – Payments for Rewards +\$1,650,000 / +0 FTE

The Fiscal Year 2021 National Defense Authorization Act (NDAA) directs the Treasury Department to create a Kleptocracy Asset Recovery Rewards Pilot Program to authorize payments to informants who aid in identifying stolen assets acquired through foreign corruption that fall under U.S. jurisdiction, with the goal of seizing, forfeiture or repatriation of those assets. This request provides the necessary funding for potential rewards payments to informants.

Terrorist Financing and Financial Crimes Operations / Travel +\$1,787,000 / +2 FTE

Funding is required for TFFC operations, to include operational support of the Kleptocracy Asset Recovery Rewards Pilot Program. This request also includes \$717,000 for TFFC program office travel costs. Almost all of TFFC’s travel is international and involves TFFC representing the U.S. government in various forums and high-visibility conferences. In particular, travel associated with the Financial Action Task Force (FATF) and FATF-Style Regional Bodies is critical as TFFC works closely with finance ministries and other international partners to identify and close vulnerabilities within the international financial system that make it susceptible to terrorist financing and other illicit financial activity. Additionally, TFFC attends meetings related to U.S. government Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) standards and practices to influence how our international partners address illicit finance and money laundering.

Counter Cyber-Enabled Threats +\$2,724,000 / +0 FTE

Recent cyber espionage and attack events, including the SolarWinds supply chain compromise and targeting of U.S. critical infrastructure, continue to demonstrate the ever-evolving threats from state and non-state malicious cyber actors. The Department requests additional resources to improve TFIN’s cybersecurity posture.

***Legislative Proposals***

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

***Performance Highlights***

Budget Activity	Performance Measure	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Target	FY 2023 Target
Terrorism and Financial Intelligence	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	67%	25%	75%	75%
Terrorism and Financial Intelligence	Designations and identifications released on time to the public without errors	N/A	97%	98%	90%	90%
Terrorism and Financial Intelligence	Respond to de-confliction requests received from law enforcement within 7 days	N/A	88%	97%	91%	91%
Terrorism and Financial Intelligence	Percent customer satisfaction with OIA products	N/A	Customer Satisfaction Surveys not conducted in FY 2020 due to the COVID-19 pandemic.	70%	74%	74%

## ***Description of Performance***

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### *Sanctions*

Since the beginning of FY 2021, Treasury established eight new or modified sanctions programs with 944 designations carried out—an approximately 38% increase from the previous fiscal year and a 933% increase since 2000.

### *Sanctions Review*

Treasury began reviewing the authorities and processes surrounding financial sanctions to address emerging challenges resulting in a comprehensive sanctions review released in FY 2022/Q1 that provided key recommendations. The review found that while sanctions remain an essential and effective policy tool, they also face new challenges, including rising risks from cybercriminals, new payments systems, and the growing use of digital assets. The review also identified challenges in mitigating the impact of sanctions on the flow of legitimate humanitarian aid to those in need. Treasury will modernize and strengthen internal Treasury, U.S. government, and international coordination and engagement on sanctions to enhance effectiveness.

### *Financial Transparency*

Treasury leads the U.S. delegation to the Financial Action Task Force (FATF) and supports efforts to advance core work on virtual assets, beneficial ownership transparency, and illicit finance risks. The FATF approved for publication an updated version of its Guidance on a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers proposed revisions to the FATF standard regarding beneficial ownership transparency for legal persons to improve the quality of beneficial ownership information available to law enforcement and other authorities in a timely manner, facilitate international cooperation, and improve transparency around public procurement to combat corruption. Under TFI direction, FinCEN also released a notice of proposed rulemaking requiring certain companies to report beneficial ownership data to Treasury with a view to preventing bad actors from concealing illicit funds behind anonymous shell companies.

### *Strengthening Cybersecurity*

In addition to the variety of other cyber-related actions, Treasury partnered with both the private sector and USG partners to ensure that the domestic and global financial system is protected from abuse by malicious cyber actors. In addition, TFI assisted efforts in refining collection efforts specific to the threats against the financial services sector and helped decrease gaps in identification of victims of malicious cyber activity.