

Financial Crimes Enforcement Network

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2015	FY 2016	FY 2017	FY 2016 to FY 2017	
	Enacted	Enacted	Request	\$ Change	% Change
BSA Administration and Analysis	\$112,000	\$112,979	\$115,003	\$2,024	1.79%
Subtotal, Financial Crimes Enforcement Network	\$112,000	\$112,979	\$115,003	\$2,024	1.79%
Offsetting Collections - Reimbursables	\$3,000	\$1,500	\$1,500	\$0	0.00%
Recovery from Prior Years	\$500	\$500	\$500	\$0	0.00%
Unobligated Balances from Prior Years	\$50,000	\$42,000	\$38,000	(\$4,000)	-9.52%
Total Program Operating Level	\$165,500	\$156,979	\$155,003	(\$1,976)	-1.26%
Direct FTE	345	343	343	0	0.00%
Reimbursable FTE	1	1	1	0	0.00%
Total FTE	346	344	344	0	0.00%

Summary

The mission of the Financial Crimes Enforcement Network (FinCEN) is to safeguard the financial system from illicit use, and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.

In carrying out its mission, FinCEN has numerous statutory areas of responsibility: developing and issuing regulations under the Bank Secrecy Act (BSA); enforcing compliance with the BSA in partnership with law enforcement and other regulatory partners; serving as the U.S. Financial Intelligence Unit (FIU) and maintaining a network of information sharing with FIUs in more than 147 partner countries; receiving millions of new financial reports each year and maintaining a database of over 190 million reports; analyzing and disseminating financial intelligence to federal, state, and local law enforcement, federal and state regulators, foreign FIUs, and industry; and bringing together the disparate interests of law enforcement, FIUs, regulatory partners, and industry.

FinCEN's priorities include:

- Target examination and enforcement efforts to high risk and priority areas, with increased focus on money services businesses;
- Expand understanding and analysis of illicit networks, institutions, jurisdictions, and schemes, with emphasis on national security threats and terrorist groups such as ISIL;
- Ensure the BSA regulatory structure effectively and efficiently targets illicit financing risks;
- Manage the efficient collection, processing, and retrieval of BSA data; and
- Foster strong public-private partnerships with the financial industry.

FinCEN FY 2017 Budget Highlights

Dollars in Thousands

Financial Crimes Enforcement Network	FTE	Amount
FY 2016 Enacted	343	\$112,979
Changes to Base:		
Maintaining Current Levels (MCLs):	-	\$1,824
Pay-Raise	-	\$528
Pay Annualization	-	\$175
Non-Pay	-	\$1,121
Efficiency Savings:	-	(\$1,300)
Efficiency Savings	-	(\$750)
Commercial Database Contract Savings	-	(\$550)
Subtotal Changes to Base	-	\$524
Total FY 2017 Base	343	\$113,503
Program Changes:		
Program Increases:		
National Security Response Capacity	-	\$1,500
Total FY 2017 Request	343	\$115,003

FY 2017 Budget Adjustments

Adjustments to Request

Maintaining Current Levels (MCLs)

Pay-Raise +\$528,000 / +0 FTE

Funds are requested for the proposed January 2017 pay-raise.

Pay Annualization +\$175,000 / +0 FTE

Funds are requested for annualization of the January 2016 pay-raise.

Non-Pay +\$1,121,000 / +0 FTE

Funds are requested for inflation adjustments in non-labor expenses such as GSA rent adjustments, postage, supplies, and equipment.

Efficiency Savings

Efficiency Savings -\$750,000 / +0 FTE

These efficiencies are a result of reductions in travel, printing, and savings realized through re-evaluated or negotiated contracts.

Commercial Database Contract Savings

-\$550,000 / +0 FTE

These savings are the result of renewed contract pricing for open source commercial databases used in FinCEN's intelligence analysis. These savings resulted from Treasury's strategic sourcing initiative that renegotiated contract pricing on several commercial databases and from reassessment of usage categories.

Program Increases

National Security Response Capacity +\$1,500,000 / +0 FTE

FinCEN will use these funds to sustain increased contractor support for FinCEN's intelligence analysis and reporting for efforts against ISIL. In FY 2015, FinCEN temporarily increased the number of contractor personnel who process alerts on BSA filings and develop reports for dissemination to FinCEN customers in law enforcement, the intelligence community, and foreign FIUs. These customers indicate the enhanced level of support has aided investigations and increased their capacity to address an increasing number of threats from groups like ISIL. The demand for FinCEN's financial intelligence has solidified the need for the bureau to continue to support critical national security activities whenever they arise. In many cases, FinCEN is the only link between the intelligence community and the financial intelligence maintained pursuant to the reporting obligations under the BSA. The information available from FinCEN's new capability to provide red flag alerts on BSA filings has become extremely valuable to the intelligence and law enforcement community. In order to address emerging issues and provide the level of support that law enforcement and the intelligence community have come to rely on, FinCEN needs additional funding to continue the current contractor support.

Explanation of Budget Activities

BSA Administration and Analysis (\$115,003,000 from direct appropriations, and \$1,500,000 from reimbursable resources)

The programs funded by this budget activity support Treasury Strategic Goal 4: "Safeguard the financial system and use financial measures to counter national security threats." This activity comprises FinCEN's efforts to develop and issue regulations under the BSA; enforce compliance with the BSA in partnership with regulatory partners and as the sole BSA regulator across numerous

industries; receive BSA reports and maintain a database; analyze and disseminate financial intelligence to federal, state, and local law enforcement, federal and state regulators, foreign FIUs, and industry; and serve as the U.S. FIU and maintain a network of information sharing with FIUs in partner

countries. The goal owner for this budget activity is the Director of FinCEN.

Legislative Proposals

FinCEN has no legislative proposals.

FinCEN Performance by Budget Activity

Budget Activity	Performance Measure	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
		Actual	Actual	Actual	Target	Target
BSA Administration and Analysis	Percentage of Users Finding That the Financial Intelligence Collected by FinCEN Pursuant to its Regulations Provides Valuable Information to Safeguard the Financial System, Combat Money Laundering, and Counter Terrorist Financing	80.0	81.0	83.0	84.0	85.0
BSA Administration and Analysis	Percentage of Stakeholders Finding FinCEN's Information Sharing Has Contributed to Their Organization's Responsibilities	N/A	89.0	91.0	92.0	92.0
BSA Administration and Analysis	Percentage of Users Satisfied with FinCEN Information Sharing Systems	N/A	N/A	80.0	80.0	80.0

Key: DISC – Discontinued

Description of Performance

FinCEN tracks the percentage of users finding that financial intelligence collected by FinCEN pursuant to its regulations provides valuable information to safeguard the financial system, combat money laundering, and counter terrorist financing. The survey looks at the value of FinCEN data, such as whether the data provided unknown information, supplemented or expanded known information, verified information, helped identify new leads, opened a new investigation or examination, supported an existing investigation or examination, or provided information for an investigative or examination report. In FY 2015, FinCEN surpassed its target of 82 percent with 83 percent finding value. FinCEN attained this result by placing greater emphasis on both in-person and online training that will better assist users in understanding and utilizing the

new FinCEN Query tool for their unique cases and situations.

FinCEN measures the percentage of stakeholders finding FinCEN's information sharing has contributed to their organization's responsibilities. The measure examines the survey responses of customers who have had contact with FinCEN to exchange information, including industry, regulators, and law enforcement, both domestic and foreign. This is a fairly new composite measure that consists of the following questions: call center guidance response was understandable; rate the usefulness of the 314(a) requests FinCEN processed on behalf of your agency for investigations of financial crimes or money laundering; how satisfied are you with the information sharing you have with FinCEN; and over the past 12 months how satisfied are you with FinCEN. This is a meaningful measure as it tracks FinCEN's efforts to share

financial intelligence. In FY 2015, FinCEN surpassed its target of 89 percent with 91 percent finding the information sharing helpful. FinCEN was able to attain this performance by maximizing the sharing of financial intelligence between FinCEN and its domestic and foreign partners in government and private industry.

FinCEN tracks the percentage of users satisfied with FinCEN information sharing systems. The measure is based on survey responses and represents user satisfaction with the BSA E-Filing System, FinCEN Query, and the Egmont Secure Web. Starting with industry, FinCEN collects and maintains BSA reports filed by financial institutions and other filers. In turn, FinCEN provides authorized users (including Treasury and the Office of Terrorism and Financial Intelligence) access to a query system containing 11 years of BSA data. FinCEN also provides foreign FIUs in the Egmont Group with a secure system for exchanging financial intelligence to combat money laundering and terrorist financing. This measure is meaningful because the technology allows authorized persons to more readily access BSA information and better enables them to conduct investigations more efficiently and effectively. In FY 2015, FinCEN exceeded its target of 78 percent with 80 percent of the users satisfied with information sharing systems. During FY 2015, FinCEN continued to address critical system issues and make minimal enhancement requests as part of its ongoing operations and maintenance.