

Financial Crimes Enforcement Network

Program Summary by Budget Activity

Dollars in thousands

Budget Activity	FY 2014	FY 2015	FY 2016	FY 2015 TO FY 2016	
	Enacted	Enacted	Request	\$ Change	% Change
BSA Administration and Analysis	\$112,000	\$112,000	\$112,979	\$979	0.87%
Subtotal, Financial Crimes Enforcement Network	\$112,000	\$112,000	\$112,979	\$979	0.87%
Offsetting Collections - Reimbursables	\$2,000	\$3,000	\$3,000	\$0	0.00%
Recovery from Prior Years	\$500	\$500	\$500	\$0	0.00%
Unobligated Balances from Prior Years	\$41,000	\$50,000	\$50,000	\$0	0.00%
Total Program Operating Level	\$155,500	\$165,500	\$166,479	\$979	0.59%
Direct FTE	345	345	343	(2)	-0.58%
Reimbursable FTE	1	1	1	0	0.00%
Total FTE	346	346	344	(2)	-0.58%

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 130 partner countries; receiving millions of new financial reports each year and maintaining a database of over 170 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, FIU, regulatory partners, and industry.

To meet its priorities in FY 2015 and FY 2016, FinCEN will:

- Adopt strong anti-money laundering and counterterrorism financing (AML/CFT) regulatory safeguards;¹
- Implement and enforce AML/CFT regulatory authorities and employ targeted financial measures against priority threats;
- Use research, analysis, and advanced analytics to identify and explain priority threats to the financial system;
- Implement and manage programs to effectively network, coordinate, and share financial intelligence between FinCEN and its domestic and foreign partners in government and private industry¹; and
- Develop and support effective technology systems to collect and analyze financial intelligence from private industry and share it with domestic and foreign government partners.

¹ Directly supports the Strategic Objective Annual Review (SOAR) next steps.

FinCEN FY 2016 Budget Highlights

Dollars in Thousands

Financial Crimes Enforcement Network	FTE	Amount
FY 2015 Enacted	345	\$112,000
Changes to Base:		
Maintaining Current Levels (MCLs):	-	\$1,896
Pay-Raise	-	\$521
Pay Annualization	-	\$133
FERS Contribution Increase	-	\$191
Non-Pay	-	\$1,051
Efficiency Savings:	-	(\$726)
Efficiency Savings	-	(\$726)
Subtotal Changes to Base	-	\$1,170
Total FY 2016 Base	345	\$113,170
Program Changes:		
Program Decreases:	(2)	(\$191)
Administrative Staffing Reduction	(2)	(\$191)
Program Increases:	-	-
Total FY 2016 Request	343	\$112,979

FY 2016 Budget Adjustments

Adjustments to Request

Maintaining Current Levels (MCLs)

Pay-Raise +\$521,000 / +0 FTE

Funds are requested for the proposed January 2016 pay-raise.

Pay Annualization +\$133,000 / +0 FTE

Funds are requested for annualization of the January 2015 pay-raise.

FERS Contribution Increase +\$191,000 / +0 FTE

Funds are requested for increases in agency contributions to the Federal Employee Retirement System based on updated actuarial estimates.

Non-Pay +\$1,051,000 / +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 -\$726,000 / +0 FTE

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

Program Decreases

Administrative Staffing Reduction -\$191,000 / -2 FTE

FinCEN will redistribute the workload of two administrative positions lost through attrition.

Explanation of Budget Activities

BSA Administration and Analysis (\$112,979,000 from direct appropriations, \$3,000,000 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 Bank Secrecy Act (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 maintaining 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 2012	FY 2013	FY 2014	FY 2015	FY 2016
		Actual	Actual	Actual	Target	Target
BSA Administration and Analysis	Percentage of Users Finding That the Financial Intelligence Collected by FinCEN Pursuant its Regulations Provides Valuable Information to Safeguard the Financial System, Combat Money Laundering, and Counter Terrorist Financing	90.0	80.0	81.0	82.0	83.0
BSA Administration and Analysis	Percentage of Stakeholders Finding FinCEN's Information Sharing Has Contributed to Their Organization's Responsibilities	N/A	N/A	89.0	89.0	90.0
BSA Administration and Analysis	Percentage of Users Satisfied with FinCEN Information Sharing Systems	N/A	N/A	78.0	78.0	80.0

Description of Performance

To support the Treasury and FinCEN Strategic Objectives to adopt strong AML/CFT regulatory safeguards, FinCEN tracked 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 looked 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 2014, 81 percent of users found the financial intelligence useful. FinCEN did not meet the target of 84 percent. To meet future targets FinCEN will put greater emphasis on both in-person and on-line training that will better assist users in understanding and utilizing the FinCEN Query tool for their unique cases and situations.

To support the Treasury and FinCEN Strategic Objectives to implement and manage programs to effectively network, coordinate,

and share financial intelligence between FinCEN and its domestic and foreign partners in government and private industry, FinCEN measured the percentage of stakeholders finding FinCEN's information sharing has contributed to their organization's responsibilities. This measure examined 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 meaningful measure as it tracks FinCEN's efforts to share financial intelligence. FinCEN baselined the results of this measure in FY 2014 with 89 percent finding information sharing valuable. FinCEN attributes this performance to high levels of satisfaction of domestic customers with the 314(a) program and responses received from regulatory Help Line calls.

To support the Treasury and the FinCEN Strategic Objectives to develop and support effective technology systems to collect and analyze financial intelligence from private industry and share it with domestic and foreign government partners, FinCEN tracked the percentage of users satisfied with FinCEN information sharing systems. This measure is

meaningful because the technology allows authorized persons to more readily access BSA information and better enable them to conduct investigations more efficiently and effectively. In FY 2014 the baseline score was 78 percent of users were satisfied with FinCEN's information sharing systems. FinCEN attributes this performance to high levels of satisfaction with the Egmont Secure Web (ESW) that shares information with foreign FIUs and the E-Filing system used to submit financial reports.