

## Financial Crimes Enforcement Network

Budget Activity	FY 2023 Operating Plan <sup>1,2</sup>	FY 2024 Annualized CR	FY 2025 Request	FY 2024 to FY 2025	
				\$ Change	% Change
BSA Administration and Analysis	\$190,193	\$190,193	\$215,689	\$25,496	13%
<b>Subtotal, FinCEN</b>	<b>\$190,193</b>	<b>\$190,193</b>	<b>\$215,689</b>	<b>\$25,496</b>	<b>13%</b>
Offsetting Collections - Reimbursable	\$2,532	\$6,000	\$6,000	\$0	0%
Recovery from Prior Years	\$950	\$0	\$0	\$0	NA
Unobligated Balances Brought Forward	\$41,220	\$88,879	\$38,879	(\$50,000)	-56%
Transfers In/Out (TEOAF)	\$21,250	\$0	\$0	\$0	NA
<b>Subtotal Other Resources</b>	<b>\$65,952</b>	<b>\$94,879</b>	<b>\$44,879</b>	<b>(\$50,000)</b>	<b>-53%</b>
<b>Total Budgetary Resources</b>	<b>\$256,145</b>	<b>\$285,072</b>	<b>\$260,568</b>	<b>(\$24,504)</b>	<b>-9%</b>
Direct FTE	273	289	304	15	5%
Reimbursable FTE	1	3	3	0	0%
<b>Total Full-time Equivalents (FTE)</b>	<b>274</b>	<b>292</b>	<b>307</b>	<b>15</b>	<b>5%</b>

1 FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals.

2 FY 2023 does not include \$19.0 million in funding provided under Ukraine Supplemental Appropriations Act, 2022, Division N of the Consolidated Appropriations Act, 2022 (P.L. 117-103) and \$29.3 million provided by the Additional Ukraine Supplemental Appropriations Act, 2022 (P.L. 117-128)

### Summary

The mission of the Financial Crimes Enforcement Network (FinCEN) is to safeguard the financial system from illicit use, combat money laundering and its related crimes including terrorism, and promote national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence. FinCEN is the primary Federal regulator and the administrator for the Bank Secrecy Act (BSA), which is part of the comprehensive legal architecture in the fight against money laundering and its related crimes. FinCEN plays two key roles in the U.S. financial regulatory, anti-money laundering and countering the financing of terrorism framework:

- First, FinCEN is the primary regulator and the administrator of the BSA, which is part of the comprehensive legal architecture in the fight against money laundering and its related crimes. FinCEN, through its administration of the BSA, is a global leader in both regulating money transmission, including that involving convertible virtual currency and has taken action against its illicit use.
- Second, FinCEN is the Financial Intelligence Unit, or FIU, of the United States.

The FY 2025 President's Budget requests additional resources totaling \$25,496,000 above the fiscal year (FY) 2023 enacted level for FinCEN, a bureau of the Department of the Treasury (Treasury). This request includes resources for: (i) the continued implementation of the Anti-Money Laundering Act of 2020 (AMLA), which includes the Corporate Transparency Act (CTA) and is part of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (NDAA FY 2021), to strengthen, modernize, and streamline the existing Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) regime; and (ii) the mandatory creation of the Beneficial Ownership Information Technology System (BO IT system) as the first national repository for beneficial ownership information (BOI).

**Budget Highlights**

Dollars in Thousands

	FTE	Amount
<b>FY 2024 Annualized CR</b>	<b>289</b>	<b>\$190,193</b>
<b>Changes to Base:</b>		
Maintaining Current Levels (MCLs):	0	\$4,537
Pay Annualization (2024 5.2% average pay raise)	0	\$741
Pay Raise (2025 2.0% average pay raise)	0	\$866
Non-Pay (2025 2.2% non-pay inflation)	0	\$2,930
Subtotal Changes to Base	0	\$4,537
<b>FY 2025 Current Services</b>	<b>289</b>	<b>\$194,730</b>
Program Increases:	15	\$20,959
Beneficial Ownership Implementation	0	\$16,000
BO IT Systems Sample-based Verification	0	\$1,000
Other CTA/AMLA IT and Staff	15	\$3,959
Subtotal Program Changes	15	\$20,959
<b>FY 2025 President's Budget Request</b>	<b>304</b>	<b>\$215,689</b>

**Budget Adjustments**

**Adjustments to Request**

**Maintaining Current Levels (MCLs).....+\$4,537,000 / +0 FTE**

Pay Annualization (5.2%) +\$741,000 / +0 FTE

Funds are requested for annualization of the January 2024 5.2% average pay raise.

Pay Raise (2.0% in FY 2025) +\$866,000 / +0 FTE

Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay (2.0% in FY 2025) +\$2,930,000 / +0 FTE

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

**Program Increases .....+\$20,959,000 / +15 FTE**

Beneficial Ownership Implementation (Customer Service/Contact Center and Public Outreach)

+\$16,000,000 / +0 FTE

The increase funds customer service and public awareness initiatives aimed at entities that began reporting BOI in January 2024. This includes the operation of the Beneficial Ownership Contact Center (BOCC) to support the estimated 32.6 million entities that began reporting BOI on

January 1, 2024.<sup>1</sup> FinCEN is leveraging primarily one-time funding to create the BOCC and work to address the initial surge in Year 1 but lacks full funding to continue its operations in FY 2025 and beyond. Funding will also permit FinCEN to continue its public awareness and outreach efforts relating to BOI reporting.

#### BO IT Systems Sample-based Verification +\$1,000,000 / +0 FTE

The increase funds the initiative to implement an initial statistical sampling/data matching approach to verifying BOI against data currently reported in commercial databases. This verification is critical for ensuring that information in the BO IT system is accurate and useful to authorized users.

#### Other CTA/AMLA IT and Staff +\$3,959,00 / +15 FTE

The NDAA FY 2021 included significant reforms to the U.S. AML/CFT regime through the AMLA and the CTA. The AMLA seeks to strengthen, modernize, and streamline the existing AML/CFT regime by promoting innovation, regulatory reform, and industry engagement through forums such as the Bank Secrecy Act Advisory Group (BSAAG) and FinCEN Exchange. The AMLA also calls for FinCEN to work closely with our regulatory, national security, and law enforcement partners to better identify risks and priorities and provide valuable feedback to industry and the general public. Of note, section 6314 of the AMLA modified and enhanced the whistleblower provisions of the BSA by, among other things, significantly increasing the maximum possible award FinCEN can issue to an eligible whistleblower who voluntarily provides information to FinCEN, the Department of Justice (DOJ), or the whistleblower's employer regarding certain violations of the BSA. Consistent with these statutory requirements, FinCEN established an Office of the Whistleblower that is responsible for: receiving and adjudicating tips, complaints, and referrals; designing and implementing the policies and procedures of the whistleblower program; and processing award applications for eligible whistleblowers. The Anti-Money Laundering Whistleblower Improvement Act, which was enacted as part of the Consolidated Appropriations Act, 2023, P.L. 117-328, further enhanced FinCEN's whistleblower program by: (i) establishing a \$300 million revolving fund (Financial Integrity Fund) to pay eligible whistleblowers; (ii) expanding the whistleblower program to include awards for violations of U.S. economic and trade sanctions programs, including, but not limited to, those targeting Russia and its malign activities; and (iii) providing for the payment of awards to eligible whistleblowers that are equal to 10 to 30 percent of what has been collected of the monetary sanctions imposed in a covered enforcement action. FinCEN expects the establishment of this fund will very likely increase interest and participation in FinCEN's whistleblower program.

Within the AMLA, the CTA establishes a framework for uniform BOI reporting requirements for many corporations, limited liability companies, and other similar entities formed or registered to do business in the United States. The CTA instructs FinCEN to collect BOI, store it in a secure system, and share it with authorized government authorities and financial institutions, subject to the effective safeguards and controls that FinCEN must establish. FinCEN has issued a final rule implementing the BOI reporting requirements, which became effective on January 1, 2024.

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<sup>1</sup> In the BOI reporting final rule, FinCEN estimates that as of Year 1 (2024) there will be approximately 32.6 million companies required to report, and 5 million additional companies per year in Years 2-10. See "[Beneficial Ownership Information Reporting Requirements – Final Rule](#)," 87 FR 59598, at 59549 (Sept. 30, 2022).

FinCEN estimates that there will be approximately 32.6 million reporting companies filing BOI reports during the first year of the rule's implementation. FinCEN received Treasury Executive Office for Asset Forfeiture (TEOAF) Strategic Support and appropriated funds that allowed us to develop the Beneficial Ownership IT Systems Release 1.0, and FinCEN has now received sufficient funds to support the expected operations and maintenance expenses in the out-years.

The AMLA and the CTA together mandate approximately 40 rulemaking or other requirements, including periodic Congressional reporting on implementation efforts, assessments, and findings. Some key requirements under these acts include:

1. Establishing standards for the reporting of BOI, building an information technology system to collect and secure the data, creating access protocols, and ensuring enforcement of and compliance with the new reporting requirements;
2. Establishing national anti-money laundering and countering the financing of terrorism priorities, issuing regulations to implement those priorities and other related requirements, and ensuring enforcement of and compliance with the new requirements;
3. Enhancing whistleblower provisions to ensure a robust program for whistleblowers that provide information regarding violations of the Bank Secrecy Act (BSA) and U.S. economic and trade sanctions;
4. Establishing an Office of Domestic Liaison;
5. Establishing foreign financial intelligence liaison positions;
6. Establishing "Innovation Officer" and "Information Security Officer" positions;
7. Reviewing and revising Currency Transaction Report (CTR) requirements, SAR requirements, and other existing BSA regulations and guidance;
8. Expanding BSA requirements and obligations to persons engaged in the trade of antiquities;
9. Hosting a Financial Crimes Tech Symposium, and establishing two new BSAAG subcommittees to enhance public-private partnerships in the areas of innovation and technology as well as information security;
10. At least semiannual publication of illicit finance threat pattern and trend information
11. Establishing a BSA Analytical Hub;
12. Conducting a formal review of regulations and guidance implementing the BSA;
13. Establishing an ongoing, timely process to receive and evaluate requests from law enforcement to financial institutions to keep accounts open; and
14. Establishing an annual BSA training program for all Federal examiners in the United States.

Timely and effective AMLA and CTA implementation continues to be FinCEN's top priority and presents significant resource challenges given the diversity and complexity of the requirements, and the diverse set of government and non-government stakeholders that they affect. FinCEN is working diligently with private sector and civil society stakeholders, as well as law enforcement and regulatory counterparts, to implement these numerous provisions to further the national security, financial integrity, and innovative strength of the United States.

With respect to the CTA, the funding request from FinCEN will allow us to hire some of the many FTEs needed to fully implement the mandates. These FTEs will perform some of these important functions:

1. drafting required regulations and related compliance guidance;
2. conducting stakeholder outreach to communicate information about the requirement;
3. drafting required Congressional reports;
4. developing and providing training on use of the required BO IT systems;
5. establishing access to BOI for authorized users;
6. monitoring and auditing compliance with the CTA and enforcing violations of its requirements;
7. establishing administrative processes to grant exemptive relief from the CTA's requirements;
8. managing a BOI call center that will respond to inquiries from the public about how to comply with the CTA;
9. conducting BO-related data management and analysis; and
10. providing related legal, administrative, security, and human resources support.

If available, the funding request will also support other AMLA activities:

1. FTEs who can respond to requests for administrative rulings regarding the interpretation of the regulations issued pursuant to the AMLA/CTA;
2. regulatory economists who are necessary to develop regulatory impact analyses pursuant to Executive Orders (E.O.s) 12866 ("Regulatory Planning and Review") and 13563 ("Improving Regulations and Regulatory Review"), the Regulatory Flexibility Act (RFA), the Paperwork Reduction Act (PRA), the Unfunded Mandates Act (UMRA), and the Congressional Review Act (CRA) and other similar applicable statutes; and
3. FTEs to staff the compliance hotline to respond to incoming inquiries relating to the AMLA and associated regulations and guidance issued by FinCEN.

The Anti-Money Laundering Whistleblower Improvement Act (AML Whistleblower Improvement Act) expanded the mandate of FinCEN's Whistleblower program and created a revolving fund called the Financial Integrity Fund from which FinCEN is authorized to pay awards. To support the Whistleblower program, FinCEN will use some funding from this request to begin hiring FTEs who will: administer and manage the \$300 million revolving award fund, including disbursing awards in a timely and secure manner;

1. develop a public facing information technology system for the submission of tips and award applications;
2. develop the capacity to securely share tips and facilitate review by FinCEN and law enforcement partners;
3. recruit enforcement personnel dedicated to investigating potential BSA and other violations submitted by whistleblowers; and
4. recruit personnel dedicated to the administration of the whistleblower program to review tips, adjudicate award applications, coordinate with DOJ and other relevant agencies, and engage in outreach and education campaigns with the public. Such funding will also help ensure that any tips related to cyber-crimes, corruption, drug trafficking, Russia, and other illicit finance and national security priorities are reviewed and referred to appropriate offices for investigation and prosecution in a comprehensive and swift manner.

The funding level in this request assumes continuous hiring actions to get FinCEN to an onboard strength of 320 positions by the end of FY 2025 (yielding 304 FTE in FY 2025 given staff will be hired throughout the year). Because FinCEN is continuously evaluating its staffing against Administration priorities and filling the most urgent vacancies as positions become available, it is difficult to predict here which specific positions will have remained unfilled until the FY 2025 appropriation has been enacted.

***Legislative Proposals***

FinCEN has no legislative proposals.

***Performance Highlights***

Budget Activity	Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Target	FY 2025 Target
BSA Administration and Analysis	Percentage of Domestic Law Enforcement and Regulators Who Assert Queried BSA Data Led to Detection and Deterrence of Illicit Activity	93%	92%	92%	90%	90%
BSA Administration and Analysis	Percentage of Users Satisfied with existing FinCEN Information Sharing Systems	87%	87%	88%	85%	85%

Key: DISC - Discontinued; B - Baseline

***Description of Performance***

FinCEN conducts four annual surveys of the BSA user-facing systems, information sharing tools, and to assess the value of FinCEN’s data and analysis. The results provide valuable feedback on FinCEN’s performance safeguarding the financial system from illicit use, combatting money laundering, and promoting national security.

Additionally, FinCEN monitors the percentage of domestic law enforcement and regulators who assert that queried BSA data led to the detection and deterrence of illicit activity. 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.