

Department of the Treasury  
Financial Crimes Enforcement  
Network (FinCEN)

Congressional Budget  
Justification and Annual  
Performance Plan and Report

FY 2025

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## **Section I – Budget Request**

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### **A – Mission Statement**

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.

### **B – Summary of the Request**

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).

In FY 2022 and 2023, FinCEN was fortunate to be allocated a total of \$48.3 million from Ukraine supplemental funding bills and internal transfers. Over the course of FY 2023, FinCEN surged resources to address national security priorities associated with Russia’s invasion of Ukraine. FinCEN’s accomplishments made possible with Ukraine supplemental funding included:

- FinCEN issued numerous Russia-related alerts and advisories, including two joint alerts with the Department of Commerce’s Bureau of Industry and Security (BIS), to draw attention to Russian illicit financial activity, including sanctions and export control evasion, and generate reporting by U.S. financial institutions. These alerts and advisories have helped drive the filing of Suspicious Activity Reports (SARs) with FinCEN, which play an important role in sanctions designations and law enforcement efforts to counter Russian illicit activity.
- FinCEN has also convened several FinCEN Exchange events aimed at countering Russian aggression in Ukraine. The FinCEN Exchange program is a critical driver of public-private collaboration and information exchange to address this problem set.
- FinCEN also steers a standing working group of financial intelligence units (FIUs) to identify and take concrete actions to target Russia-related illicit finance and sanctions evasion.<sup>1</sup>

FinCEN appreciates and made great use of Ukraine supplemental funding, which expired at the end of FY 2023. FinCEN hereby requests additional funding to continue its ongoing work in this critical mission area, while also seeking support for investigative tools and other resources upon which our staff, as well as our federal and international partners, have come to rely.

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<sup>1</sup><https://www.fincen.gov/news/news-releases/russia-related-illicit-finance-and-sanctions-fiu-working-group-statement-intent>

## 1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2023		FY 2024		FY 2025		FY 2024 to FY 2025	
	Operating Plan <sup>1,2</sup>		Annualized CR		Request		% Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BSA Administration and Analysis	273	\$190,193	289	\$190,193	304	\$215,689	5.2%	13.4%
<b>Subtotal New Appropriated Resources</b>	<b>273</b>	<b>\$190,193</b>	<b>289</b>	<b>\$190,193</b>	<b>304</b>	<b>\$215,689</b>	<b>5.2%</b>	<b>13.4%</b>
<b>Other Resources</b>								
Reimbursables	1	\$2,532	3	\$6,000	3	\$6,000	0.0%	0.0%
Recoveries from Prior Years	0	\$950	0	\$0	0	\$0	NA	NA
Unobligated Balances from Prior Years	0	\$41,220	0	\$88,879	0	\$38,879	NA	-56.3%
Transfers In/Out (TEOAF)	0	\$21,250	0	\$0	0	\$0	NA	NA
<b>Subtotal Other Resources</b>	<b>1</b>	<b>\$65,952</b>	<b>3</b>	<b>\$94,879</b>	<b>3</b>	<b>\$44,879</b>	<b>0.0%</b>	<b>-52.7%</b>
<b>Total Budgetary Resources</b>	<b>274</b>	<b>256,145</b>	<b>292</b>	<b>\$285,072</b>	<b>307</b>	<b>\$260,568</b>	<b>5.1%</b>	<b>-8.6%</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)

## 1.2 – Budget Adjustments Table

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>

## C – Budget Increases and Decreases Description

**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%) +\$866,000 / +0 FTE

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

Non-Pay (2.2%) +\$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.<sup>2</sup> This includes the operation of the Beneficial Ownership Contact Center (BOCC) to support those reporting entities. 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. This funding will pay for contractor costs to operate and staff the contact center agents. 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/AML A 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

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<sup>2</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).

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 issued a final rule implementing the BOI reporting requirements, which became effective on January 1, 2024. 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:

1. administer and manage the \$300 million revolving award fund, including disbursing awards in a timely and secure manner;
2. develop a public facing information technology system for the submission of tips and award applications;
3. develop the capacity to securely share tips and facilitate review by FinCEN and law enforcement partners;
4. recruit enforcement personnel dedicated to investigating potential BSA and other violations submitted by whistleblowers; and
5. 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.



### 1.3 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2023	FY 2024	FY 2025
	Actual Obligations	Estimated Obligations	Estimated Obligations
11.1 - Full-time permanent	37,711	43,899	47,012
11.3 - Other than full-time permanent	144	150	150
11.5 - Other personnel compensation	1,133	973	1,025
<b>11.9 - Personnel Compensation (Total)</b>	<b>38,988</b>	<b>45,022</b>	<b>48,187</b>
12.0 - Personnel benefits	13,866	16,564	17,637
<b>Total Personnel and Compensation Benefits</b>	<b>\$52,854</b>	<b>\$61,586</b>	<b>\$65,824</b>
21.0 - Travel and transportation of persons	370	854	2,000
23.1 - Rental payments to GSA	3,631	5,085	5,200
23.2 - Rental payments to others	34	0	50
23.3 - Communications, utilities, and miscellaneous charges	2,297	2,330	3,000
24.0 - Printing and reproduction	418	450	100
25.1 - Advisory and assistance services	6,042	24,360	25,600
25.2 - Other services from non-Federal sources	49,681	112,772	121,540
25.3 - Other goods and services from Federal sources	14,750	18,085	15,000
25.4 - Operation and maintenance of facilities	38	0	25
25.6 - Medical care	179	195	200
25.7 - Operation and maintenance of equipment	6,576	5,770	7,000
26.0 - Supplies and materials	211	275	150
31.0 - Equipment	29,836	14,430	5,000
99.5 - Adjustment for rounding	(1)	0	0
<b>Total Non-Personnel</b>	<b>\$114,062</b>	<b>\$184,606</b>	<b>\$184,865</b>
<b>Total Obligations</b>	<b>\$166,916</b>	<b>\$246,192</b>	<b>\$250,689</b>

<b>Full-time Equivalents (FTE)</b>	<b>274</b>	<b>292</b>	<b>307</b>
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FY23 amounts reflect obligations of annually appropriated resources, carryover balances, reimbursables, and \$21.25 million in TEOAF funding. \$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) is excluded.

FY24 and FY25 amounts reflect obligations of appropriated resources, carryover balances and reimbursables.

**D – Appropriations Language and Explanation of Changes**

Appropriations Language	Explanation of Changes
<p style="text-align: center;">DEPARTMENT OF THE TREASURY FINANCIAL CRIMES ENFORCEMENT NETWORK <i>Federal Funds</i></p> <p style="text-align: center;">SALARIES AND EXPENSES</p> <p><i>For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel and training expenses of non-Federal and foreign government personnel to attend meetings and training concerned with domestic and foreign financial intelligence activities, law enforcement, and financial regulation; services authorized by 5 U.S.C. 3109; not to exceed \$25,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, \$215,689,000 of which not to exceed \$94,600,000 shall remain available until September 30, 2027.</i></p> <p><i>Note. --A full-year 2023 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2023 (Division A of P.L. 117-180, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.</i></p>	<p>Changes to the appropriations language represent the additional amount for necessary expenses of the Financial Crimes Enforcement Network for the implementation of Division F of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116-283), the Anti-Money Laundering Whistleblower Improvement Act (AML Whistleblower Improvement Act), which is Title IV of Division AA of the Consolidated Appropriations Act, 2023, Public Law 117-328 (December 29, 2022), and for expansion of the Diversity, Equality, Inclusion, and Accessibility program.</p>

**E – Legislative Proposals**

FinCEN has no legislative proposals.

## **Section II – Annual Performance Plan and Report**

### **A – Strategic Alignment**

FinCEN aligns budget activities and performance measures to the objectives in the updated Treasury FY 2022 – 2026 Strategic Plan. Most notably, FinCEN’s work supports Treasury’s Strategic Objective 2.2: “Economic Measures to Advance National Security,” which seeks to enhance and protect national security through the application of targeted financial measures and review of certain foreign investments; and Strategic Objective 2.4: “Transparency in the Financial System,” which seeks to increase transparency in the domestic and international financial system. FinCEN work in other strategic areas include initiatives aligned to Strategic Objective 4.4: “Sustainable Treasury Operations” like the recent transition to fully electric leased vehicles and the installation of energy efficient generators.

In FY 2023, FinCEN had several noteworthy accomplishments while carrying a heavy workload since enactment of the AMLA, including the CTA, in early 2021. With regard to rulemakings and related information collection actions associated with implementation of the AMLA and CTA, FinCEN has been working on six rulemaking initiatives including those at the initial research and development phase; those issued or soon to be issued NPRMs; and those that incorporate prior public comments and that will be issued as final rules), and two actions that renew existing information collections associated with FinCEN regulations. During FY 2023, FinCEN neared completion of a final rule regarding BOI access and safeguards and the use of FinCEN identifiers for entities pursuant to the CTA. FinCEN also worked on developing a new System of Records Notice (SORN) for the BO IT Systems, which became effective in October 2023. Finally, in FY 2023, FinCEN issued a Small Entity Compliance Guide and over 40 [Frequently Asked Questions \(FAQs\)](#) to assist small businesses and other stakeholders to comply with BOI reporting requirements.

FinCEN also led or provided substantive support to non-AMLA related efforts, including participating in the following activities or issuing the following products:

- Continued to monitor and oversee the implementation of four pilot programs involving three financial institutions and discussed two additional pilot programs with two financial institutions.
- Closed eight requests for administrative rulings and responded to more than 120 individual requests for regulatory interpretation.
- Responded to 13,085 inquiries from stakeholders requesting guidance from FinCEN’s Regulatory Support Section.
- Issued nine Paperwork Reduction Act notices regarding information collection requirements renewals.
- Issued the Inflation Adjustment of Civil Monetary Penalties final rule (January 18, 2023, Federal Register publication).

### **Evolving Threats**

In response to evolving threats including ransomware, illicit use of digital assets, anti-corruption, Russia-related illicit finance, terrorist financing, counter-narcotics including fentanyl, and other

illicit activities, FinCEN:

- Issued an NPRM finding that convertible virtual currency (CVC) mixing is a class of transactions of primary money laundering concern pursuant to section 311 of the USA PATRIOT Act, and proposing that financial institutions establish certain reporting requirements concerning transactions that involve CVC mixing.
- Developed and maintained collaborative relationships with a wide variety of interagency partners focused on cyber-enabled money laundering and sanctions evasion, including through robust partnerships with other Treasury components such as the Office of Cybersecurity and Critical Infrastructure Protection (OCCIP), OFAC, the Office of Intelligence and Analysis (OIA), and the Office of Terrorist Financing and Financial Crimes (TFFC). As just one example, FinCEN coordinated with OCCIP to publish joint analytical products for the financial industry on cyber indicators and threats to inform cybersecurity efforts and BSA compliance.
- As part of AMLA implementation, released Financial Trend Analysis (FTA) reports on ransomware and real estate-related business email compromise schemes to relay to the public and industry valuable trend and pattern information derived from BSA information on priority cybercrime threats.
- Worked to identify and thwart cyber-enabled money laundering and cyber-enabled sanctions evasion networks with partners such as the National Cyber Investigative Joint Task Force (NCIJTF), FBI's Joint Criminal Opioid and Darknet Enforcement Team (JCODE), the Office of the Director of National Intelligence (ODNI), IRS Criminal Investigation (IRS-CI), and the Department of Justice's National Cryptocurrency Enforcement Team (NCET).
- Applied substantial resources and prioritized efforts to address national security initiatives related to Russia's invasion of Ukraine, including:
  - releasing two public FTA reports related to Russia illicit finance to inform industry of relevant BSA trends and patterns;
  - providing tactical and strategic analytic support that informed USG actions,
  - publishing intelligence products and reports for a range of USG stakeholders,
  - identifying information for sharing with foreign FIU partners, and
  - providing substantive input and assessments that informed FinCEN engagement with industry and advisories and alerts related to Russia; and
- Issued six advisories, notices, or alerts relating to national security threats, and threats to the integrity of the U.S. financial system, and identifying red flags and typologies to alert U.S. financial institutions to those threats.
- Re-issued Geographic Targeting Orders (GTOs) pursuant to 31 U.S.C. § 5326 that require U.S. title insurance companies to obtain beneficial ownership information for persons using shell companies that are involved in residential real estate transactions in portions of thirteen states and the District of Columbia.

## **Enforcement and Compliance**

FinCEN prioritized its enforcement investigations to concentrate on priority targets suspected of failing to prevent or detect significant financial crimes related to anti-corruption, cyber-enabled crimes, drug trafficking, and other money laundering typologies. Of note, FinCEN imposed civil

money penalties against two “first-time” categories of entities, including actions against a state-chartered trust and international banking entity in Puerto Rico. The latter involved FinCEN’s first enforcement action for failure to comply with the “Gap Rule,” codified at 31 CFR 1020.210(b)).

Overall, FinCEN closed over 30 enforcement matters related to potential violations of the BSA, including four which resulted in the assessment of civil money penalties in the aggregate of \$60,780,829.20, pursuant to 31 U.S.C. § 5321, and received and closed 44 complex cases associated with CTR back filing and amendment requests. FinCEN’s witness testimony program processed 7 requests made by federal, state, local, or Tribal prosecutors for testimony support. Lastly, FinCEN received and processed over 70 “keep open letter” requests made by law enforcement agencies.

FinCEN also reviewed and adjudicated whistleblower tips, referrals, and complaints during FY 2023, and referred these matters for further investigation by the DOJ, OFAC, and FinCEN’s Office of Enforcement. FinCEN continues to work on developing whistleblower rules and regulations and, as set out in the Unified Agenda, anticipates issuing a NPRM in FY 2024.

### **Public-Private Engagement**

FinCEN networks, coordinates, and shares financial intelligence between and among its private sector partners. Some FY 2023 highlights are below.

FinCEN continued its work to bring together the public and private sectors and to ensure that public sector partners know how to make the most of BSA information and authorities while protecting the sensitive information in BSA records. Two of the fora through which FinCEN fosters public-private engagement are the Bank Secrecy Act Advisory Group (BSAAG) and FinCEN Exchange. BSAAG is the means by which the Treasury receives advice on the reporting requirements of the BSA and informs private sector representatives on how the information they provide is used, and FinCEN Exchange is FinCEN’s voluntary public-private information sharing partnership among law enforcement, national security agencies, financial institutions, and other relevant private sector entities. The FinCEN Exchange is aimed at effectively and efficiently combating money laundering, terrorism financing, organized crime, and other financial crimes; protecting the financial system from illicit use; and promoting national security. FinCEN hosted eight FinCEN Exchanges in FY 2022 and 13 in FY 2023. As of December 12, 2023, FinCEN has already hosted two Exchanges for FY 2024.

### **Financial Intelligence Unit Functions**

As the financial intelligence unit (FIU) of the United States, FinCEN carried out a number of additional functions related to the effective receipt, analysis, and dissemination of actionable financial intelligence to U.S. and foreign law enforcement and other competent authorities.

In FY 2023, FinCEN provided training to almost 21,000 of its stakeholders. The training events covered topics such as: (i) demonstrating various ways to canvas BSA data in a manner that would allow for authorized users to properly and fully utilize search capabilities and effectively support and enhance their investigations; (ii) expanding awareness of FinCEN’s support programs available to law enforcement; and (iii) specific areas of interest to law enforcement

(e.g., human trafficking, corruption, and health care fraud).

FinCEN's regulations under Section 314(a) enable U.S. Federal, state, local, and foreign (European Union) law enforcement agencies, through FinCEN, and FinCEN on its own behalf and on behalf of appropriate components of Treasury, to reach out to U.S. financial institutions to locate accounts for, and recent transactions with, subjects—which may include persons or entities—that may be involved in terrorism or money laundering. In FY 2023, FinCEN processed 558 314(a) requests on behalf of law enforcement.

### **Enhance Systems and Analytical Capabilities**

FinCEN completed a number of activities to further enhance its information technology systems and analytical capacity. FinCEN completed the development effort for Release One of the BO IT Systems on January 1, 2024, and testing efforts commenced at the end of the 4<sup>th</sup> quarter. FinCEN also deployed Treasury-mandated Zero-Trust architecture in FinCloud (FISMA High Government Cloud Environment). FinCEN initiated the migration of FinCEN's mission-essential applications to FinCloud, which supports Executive Order 14028 ("Improving the Nation's Cybersecurity"), including the enterprise analytics environment.

FinCEN obtained the Authority to Operate ("ATO") for its new Multi-Factor Authentication solution (MFA), which means it is approved to be used in the production environment. The MFA solution leverages a Treasury offering.

## B – Budget and Performance by Budget Activity

### 2.1.1 – BSA Administration and Analysis Resources and Measures

Dollars in Thousands

Resource Level	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request	
Appropriated Resources	\$117,800	\$126,000	\$126,963	\$161,000	\$190,193	\$190,193	\$215,689	
Reimbursable Resources	\$1,771	\$3,000	\$1,941	\$2,100	\$2,532	\$6,000	\$6,000	
TEOAF	0	0	\$6,728	\$22,500	\$21,250	0	0	
<b>Budget Activity Total</b>	<b>\$119,571</b>	<b>\$129,000</b>	<b>\$135,632</b>	<b>\$185,600</b>	<b>\$213,975</b>	<b>\$196,193</b>	<b>\$221,689</b>	
<b>Full-time Equivalents (FTE)</b>	<b>273</b>	<b>265</b>	<b>271</b>	<b>286</b>	<b>274</b>	<b>292</b>	<b>307</b>	
Workload Output/Activity	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023	FY 2024	FY 2025
	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate
Number of SARs filed	2,698,841	3,039,421	3,524,610	4,307,713	4,360,867	4,350,790	4,723,484	4,817,954
Number of total BSA reports filed	20,755,285	20,051,834	23,036,995	26,930,703	27,632,521	27,469,317	28,185,171	28,748,874
Number of BSA users	12,801	13,047	13,260	13,651	14,415	13,924	14,703	14,997
Performance Measure *	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2023	FY 2024	FY 2025
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Percentage of Domestic Law Enforcement and Regulators Who Assert Queried BSA Data Led to Detection and Deterrence of Illicit Activity	92%	90%	93%	92%	92%	90%	90%	90%
Percentage of Users Satisfied with existing FinCEN Information Sharing Systems	89%	88%	87%	87%	88%	85%	85%	85%

Key: DISC - Discontinued; B - Baseline; I - Indicator

\* FinCEN survey response rates are below 80%. Low response rates and the lack of nonresponse bias analysis may impact the usefulness of the survey results.

### BSA Administration and Analysis Budget and Performance

*(\$215,689,000 from direct appropriations, \$6,000,000 from reimbursable sources):*

FinCEN is a bureau of the U.S. Department of the Treasury. The Director of FinCEN reports to the Under Secretary for the Office of Terrorism and Financial Intelligence (TFI). FinCEN serves two primary roles in the financial regulatory and anti-money laundering framework: (1) administrator and primary regulator of the BSA; and (2) FIU of the United States. In carrying out its mission, FinCEN has numerous statutory areas of responsibility:

- Developing and issuing regulations under the BSA, including the regulatory requirements of the AMLA/CTA;
- Enforcing compliance with the BSA, at times in partnership with law enforcement and regulatory partners;
- Maintaining a network of information sharing with FIUs in 170 partner countries that are part of the Egmont Group of FIUs;
- Receiving millions of new financial reports each year;
- Securing and maintaining the BSA database, with over 300 million reports;
- Analyzing and disseminating financial intelligence to federal, state, and local law enforcement, federal and state regulators, foreign FIUs, and industry; and

- Promoting authorized information sharing and coordination among law enforcement, FIUs, regulatory partners, and industry.

### Description of Performance

FinCEN conducts four annual surveys of the BSA user-facing systems and information sharing tools in order 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.

### **C – Changes in Performance Measures**

None



## **Section III – Additional Information**

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### **A – Summary of Capital Investments**

As the administrator of the BSA, FinCEN receives valuable information reported and collected under BSA requirements, which totaled nearly 28 million filings in FY 2023. To successfully fulfill its mission, FinCEN relies on secure, advanced IT to manage the collection, processing, storage, analysis, and dissemination of BSA information that contributes to the strength of and confidence in the U.S. financial system. The CTA requires that certain companies report BOI to FinCEN. As a result, FinCEN, has expanded its IT investment portfolio to include the resources necessary to securely collect, process, store, and disseminate BOI.

FinCEN's IT strategy takes into account the growing need for financial institutions and other reporting companies to meet obligations as efficiently as possible, while ensuring that FinCEN and law enforcement agencies receive accurate, timely, and reliable BSA information and BOI to track money trails, identify money laundering, and unravel terrorist and other illicit financing networks. FinCEN's IT strategy also focuses on the critical need to improve the quality and accessibility of its data and increase responsiveness to stakeholders by maintaining and building upon flexible and innovative technical solutions. In FY 2023, FinCEN received additional funds, which allowed the bureau to fully support its foundational mission architecture and BSA systems. This increase of funds also provides the requisite funds to allow FinCEN to operate and maintain the BO IT Systems to be deployed on January 1, 2024, as well as the initial BOI verification approach leveraging a sample-based methodology.

A summary of capital investments, including major information technology and non-technology investments, can be accessed at: <https://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>.