

# Financial Crimes Enforcement Network

## Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2017	FY 2018	FY 2019	FY 2018 TO FY 2019	
	Enacted 1/	Annualized CR 2/	Request	\$ Change	% Change
BSA Administration and Analysis	\$115,003	\$114,222	\$117,800	\$3,578	3.13%
<b>Subtotal, FinCEN</b>	<b>\$115,003</b>	<b>\$114,222</b>	<b>\$117,800</b>	<b>\$3,578</b>	<b>3.13%</b>
Offsetting Collections - Reimbursable	\$3,000	\$3,000	\$3,000	\$0	0.00%
Recovery from Prior Years	\$500	\$500	\$500	\$0	0.00%
<b>Total Program Operating Level</b>	<b>\$3,500</b>	<b>\$3,500</b>	<b>\$3,500</b>	<b>\$0</b>	<b>0.00%</b>
Direct FTE	274	304	332	28	9.21%
Reimbursable FTE	1	1	1	0	0.00%
<b>Total FTE</b>	<b>275</b>	<b>305</b>	<b>333</b>	<b>28</b>	<b>9.18%</b>

1/ FY 2017 shows actual FTE usage. This column reflects levels appropriated in H.R. 255, the Consolidated Appropriations Act of 2017. For further details on the execution of these resources, see the 2019 Budget Appendix chapter for the Department of the Treasury.

2/ FY 2018 shows the anticipated FTE usage.

### Summary

FinCEN's mission 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. The FY 2019 President's Budget requests additional resources of \$3,578,000 to maintain current levels, enhance FinCEN's national security capacity and to begin the development of a non-bank financial institutions (NBFI) risk assessment profile by targeting compliance toward the highest risk. FinCEN supports the Department of the Treasury's Strategic Goal 3 (Enhance National Security) and Goal 5 (Achieve Operational Excellence).

### FinCEN FY 2019 Budget Highlights

Dollars in Thousands

FinCEN	FTE	Amount
<b>FY 2018 Annualized CR</b>	<b>304</b>	<b>\$114,222</b>
<b>Changes to Base:</b>		
Maintaining Current Levels (MCLs):	0	\$1,421
Pay Annualization	0	\$260
Non-Pay	0	\$1,161
Subtotal Changes to Base	0	\$1,421
<b>Total FY 2019 Base</b>	<b>304</b>	<b>\$115,643</b>
Program Changes:		
Annualization of FY 2018 Hiring	28	\$0
Program Decreases	0	(\$1,161)
Programmatic Contract Reductions	0	(\$1,161)
Program Increases:	0	\$3,318
Enhance National Security Capacity	0	\$2,118
Develop NBFI Risk Assessment Profile	0	\$1,200
<b>Total FY 2019 Request</b>	<b>332</b>	<b>\$117,800</b>

## ***FY 2019 Budget Adjustments***

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### ***Adjustments to Request Maintaining Current Level (MCLs)***

#### ***Pay Annualization +\$260,000 / +0 FTE***

Funds are requested for annualization of the January 2018 pay-raise.

#### ***Non-Pay +\$1,161,000 / +0 FTE***

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

### ***Program Changes***

#### ***Annualization of FY 2018 Hiring +\$0 / +28 FTE***

This adjustment is required to reflect the positive results of FinCEN's hiring surge through September 2019, which is expected to right size the workforce to the funded FTE level.

### ***Program Decreases***

#### ***Programmatic Contract and Equipment Reductions -\$1,161,000 / -0 FTE***

This reduction will be taken through evaluation of increases or changes in proposed acquisitions of contractual services and equipment. FinCEN will evaluate contracts during the renewal process to absorb this reduction.

### ***Program Increases***

#### ***Enhance National Security Capacity +\$2,118,000 / +0 FTE***

These funds are necessary to sustain FinCEN's increased contractor resources needed to adequately support Treasury's TFI priorities. FinCEN is increasingly called upon to identify sources of revenue for illicit actors and their attempts to access and exploit the international financial system. These requests stem from the growing threats from rogue nations including the Democratic People's Republic of North Korea (DPRK) and continued efforts to combat international organized crime, terrorism, narcotics, and cybercrime. These additional funds will support these activities and the growing analysis of and demand for

FinCEN's Bank Secrecy Act (BSA) data to assist in combating the emerging threats to the financial system. In the area of enforcement, additional funding will help FinCEN keep pace with its increasing national security workload through the use of its unique regulatory authorities. In the area of intelligence, funding will help FinCEN continue to support Treasury's broader national security efforts by identifying funding streams for illicit actors, including terrorists and terrorist financiers. Funding will also enhance the abilities of its cyber team to bridge financial and cyber investigations, finding previously undiscovered information and connecting cases that often appear unrelated.

#### ***Develop Non-Bank Financial Institutions Risk Assessment Model +\$1,200,000 / +0 FTE***

This funding will allow FinCEN to begin development of a NBFIs Risk Assessment Model that will ultimately improve FinCEN's ability to identify, detect, and examine the highest risk NBFIs and foster enhanced BSA compliance within the NBFIs financial services sectors. NBFIs have the potential to create significant vulnerabilities for the financial system that can be exploited by money launders, terrorist financiers, and other criminal actors. These sectors encompass approximately 320,000 financial institutions and over \$13 trillion in financial services. This initiative will begin a process to identify the NBFIs population and develop their associated risk profiles that will be assigned to these NBFIs entities as well as assigning risk assessments across the entire population.

## ***Explanation of Budget Activities***

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### ***BSA Administration and Analysis \$117,800,000 from direct appropriations, \$3,000,000 from reimbursable***

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 financial intelligence units (FIU), and industry; and serve as the U.S. FIU and maintain a network of information sharing with FIUs in partner countries.

**Legislative Proposals**

FinCEN has no legislative proposals.

**FinCEN Performance Highlights**

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Budget Activity	Performance Measures	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	81.0	83.0	86.0	86.0	86.0
BSA Administration and Analysis	Percentage of Users Satisfied with FinCEN Information Sharing Systems	78.0	80.0	87.0	84.0	84.0

**Description of Performance**

FinCEN conducts annual surveys of the BSA data base and information sharing system users on the utility and value of FinCEN’s information, analysis, and systems. The results provide valuable feedback on FinCEN’s performance safeguarding the financial system from illicit use, combatting money laundering and promoting national security.

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. This measure supports

Treasury Strategic Objective 3.2: Anti-money Laundering/Combating Financing of Terrorism (AML/CFT) Framework —identify and reduce vulnerabilities in the U.S. and international financial system to prevent abuse by illicit actors. In FY 2017, 86 percent of users found the intelligence valuable, surpassing the FY 2017 target of 85 percent. FinCEN will continue to emphasize continued training efforts to external users to improve understanding and utilization of the FinCEN Query tool for the bureau’s unique cases and situations. In FY 2018 and FY 2019 the target is set at 86 percent.

FinCEN also tracks the percentage of users satisfied with FinCEN’s information sharing

systems. This measure supports the Treasury Strategic Objective 3.2: AML/CFT Framework — identify and reduce vulnerabilities in the U.S. and international financial system to prevent abuse by illicit actors. In FY 2017, FinCEN exceeded its target of 84 percent with 87 percent of users satisfied with information sharing systems. FinCEN attributes this performance to the usefulness of the data it provides; users' increased familiarity with systems, which are in a steady operational state; its knowledgeable and courteous user support staff, who continue to improve same day, help line closure rates; and its high system availability rate. FinCEN will continue to prioritize enhancement requests, monitor the help line request to address any issues or request surges, and continue to support infrastructure activities that improve overall system performance and availability. These changes may initially cause challenges that could impact performance measures during transition; in FY 2018 and FY 2019 the targets for FinCEN systems remain at 84 percent.