Financial Crimes Enforcement Network

Program Summary by Budget Activity

Dollars in Thousands

<table>
<thead>
<tr>
<th>Budget Activity</th>
<th>FY 2016 Enacted</th>
<th>FY 2017 Annualized CR</th>
<th>FY 2018 Request</th>
<th>FY 2017 TO FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSA Administration and Analysis</td>
<td>$112,979</td>
<td>$112,764</td>
<td>$112,764</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Subtotal, FINCEN</strong></td>
<td><strong>$112,979</strong></td>
<td><strong>$112,764</strong></td>
<td><strong>$112,764</strong></td>
<td><strong>$0</strong></td>
</tr>
<tr>
<td>Offsetting Collections - Reimbursables</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$0</td>
</tr>
<tr>
<td>Recovery from Prior Years</td>
<td>$500</td>
<td>$500</td>
<td>$500</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Program Operating Level</strong></td>
<td><strong>$116,500</strong></td>
<td><strong>$116,264</strong></td>
<td><strong>$116,264</strong></td>
<td><strong>$0</strong></td>
</tr>
<tr>
<td>Direct FTE</td>
<td>278</td>
<td>338</td>
<td>332</td>
<td>(6)</td>
</tr>
<tr>
<td>Reimbursable FTE</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total FTE</strong></td>
<td><strong>279</strong></td>
<td><strong>339</strong></td>
<td><strong>333</strong></td>
<td><strong>(6)</strong></td>
</tr>
</tbody>
</table>

Note: FY 2016 is showing actual FTE usage. The 338 Direct FTE in FY 2017 is a reduction from 343 enacted in FY 2016 due to the absorption of the 2017 pay raise and 2016 pay annualization.

Summary

FinCEN is a bureau in the U.S. Department of the Treasury. The Director of FinCEN reports to the Under Secretary for Terrorism and Financial Intelligence. 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.

FinCEN FY 2018 Budget Highlights

Dollars in Thousands

<table>
<thead>
<tr>
<th>Financial Crimes Enforcement Network (FINCEN)</th>
<th>FTE</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017 Annualized CR</td>
<td>338</td>
<td>$112,764</td>
</tr>
</tbody>
</table>

Changes to Base:

- Maintaining Current Levels (MCLs): - $2,276
- Pay-Raise - $783
- Pay Annualization - $287
- Non-Pay - $1,206
- Efficiency Savings - ($1,206)
- Efficiency Savings - ($1,206)
- Subtotal Changes to Base - $1,070

Total FY 2018 Base 338 $113,834

Program Changes:

- Program Decreases (6) ($1,070)
- Program Staffing Reductions (6) ($1,070)
- Subtotal Program Changes (6) ($1,070)

Total FY 2018 Request 332 $112,764

Note: The 338 FTE in FY 2017 is a reduction from 343 enacted in FY 2016 due to the absorption of the 2017 pay raise and 2016 pay annualization.

FY 2018 Budget Adjustments

Adjustments to Request

Maintaining Current Level (MCLs)
Pay-Raise +$783,000 / +0 FTE
Funds are requested for the proposed January 2018 pay-raise.

Pay Annualization +$287,000 / +0 FTE
Funds are requested for annualization of the January 2017 pay-raise.

Non-Pay +$1,206,000 / +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, contracts, supplies, and equipment.

Efficiency Savings

Efficiency Savings -$1,206,000 / +0 FTE
These efficiencies are a result of reductions in printing and savings realized through re-evaluated or negotiated contracts.

Program Decreases

Program Staffing Reductions -$1,070,000 / -6 FTE
This reduction will be taken across several FinCEN program areas. FinCEN will evaluate open positions for possible absorption of workload associated with positions lost through attrition.
Explaination of Budget Activities

**BSA Administration and Analysis**
($112,764,000 from direct appropriations, $3,000,000 from reimbursable resources)

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 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**

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<tr>
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</thead>
<tbody>
<tr>
<td>BSA Administration and Analysis</td>
<td>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</td>
<td>81.0</td>
<td>83.0</td>
<td>84.0</td>
<td>85.0</td>
<td>86.0</td>
</tr>
<tr>
<td>BSA Administration and Analysis</td>
<td>Percentage of Users Satisfied with FinCEN Information Sharing Systems</td>
<td>78.0</td>
<td>80.0</td>
<td>83.0</td>
<td>84.0</td>
<td>84.0</td>
</tr>
</tbody>
</table>

Key: DISC - Discontinued, B - Baseline

**Description of Performance**

FinCEN conducts annual surveys of 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 FinCEN Strategic Objective 1.1 to adopt strong AML/CFT regulatory safeguards. In FY 2016, FinCEN met its target of 84 percent, with 84 percent finding value. FinCEN attained this result by continued emphasis on on-line training for users of the FinCEN Query tool for their unique cases and situations. The target increases to 85 percent and 86 percent in FY 2017 and FY 2018.

FinCEN tracks the percentage of users satisfied with FinCEN information sharing systems. This measure supports FinCEN Strategic Objective 2.2 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. The measure represents user satisfaction with the BSA E-Filing System, FinCEN Query, and the Egmont Secure Web. In FY 2016, FinCEN exceeded its target of 80 percent with 83 percent of the users satisfied with information sharing.
systems. FinCEN strives to provide systems with fast response times. FinCEN also continues to receive positive feedback on the usefulness of the data, and for knowledgeable and courteous user support. In FY 2017 and FY 2018 targets are set at 84.