

Department of the Treasury
Financial Crimes Enforcement
Network

Congressional Budget
Justification and Annual
Performance Plan and Report

FY 2022

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Section I – Budget Request

A – Mission Statement

To safeguard the financial system from illicit use, combat money laundering, 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 2022 President’s Budget requests additional resources totaling \$63,576,000 providing \$60,279,000 for the implementation of the Anti-Money Laundering Act/Corporate Transparency Act (AMLA/CTA) of the William M. (Mac) Thornberry National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2021 and \$87,000 for the leasing of electric vehicles and purchase of associated infrastructure.

1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2020		FY 2021		FY 2022		FY 2021 to FY 2022	
	Operating Plan		Operating Plan		Request		% Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BSA Administration and Analysis	264	\$126,000	300	\$126,963	380	\$190,539	26.7%	50.1%
Subtotal New Appropriated Resources	264	\$126,000	300	\$126,963	380	\$190,539	26.7%	50.1%
Other Resources								
Reimbursable	1	\$1,613	3	\$6,000	3	\$6,000	0.0%	0.0%
Recoveries from Prior Years	0	\$143	0	\$0	0	\$0	NA	NA
Unobligated Balances from Prior Years	0	\$26,416	0	\$29,000	0	\$29,000	NA	0.0%
Subtotal Other Resources	1	\$28,172	3	\$35,000	3	\$35,000	0.0%	0.0%
Total Budgetary Resources	265	154,172	303	\$161,963	383	\$225,539	26.4%	39.3%

FY 2020 Other Resources and Full-time Equivalents (FTE) reflect actuals.

1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
FY 2021 Operating Plan	300	\$126,963
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$3,210
Pay Annualization (1.0% average pay raise)	0	\$137
Pay Raise (2.7% average pay raise)	0	\$1,109
FERS Contribution Increase	0	\$517
Non-Pay	0	\$1,447
Subtotal Changes to Base	0	\$3,210
FY 2022 Current Services	300	\$130,173
Program Changes:		
Program Increases:	80	\$60,366
FinCEN AMLA/CTA Implementation*	80	\$60,279
Purchase of Electric Vehicles and Associated Infrastructure	0	\$87
FY 2022 President's Budget Request	380	\$190,539

*Amounts shown reflect enacted appropriations for 2021, which do not include dedicated funding for development of the beneficial ownership data system and CTA implementation. However, FY 2022 staffing does assume funding, yet to be identified, is provided for this purpose in 2021. FY 2022 staffing does assume funding, yet to be identified, is provided for this purpose in 2021. FinCEN estimates a total of 131 new positions will be needed for full implementation of the CTA and Anti-Money Laundering Act (P.L. 116-283).

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) +3,210,000 / +0 FTE

Pay Annualization (1.0%) +137,000 / +0 FTE

Funds are requested for annualization of the January 2021 1.0% average pay raise.

Pay Raise (2.7% in 2022) +\$1,109,000 / +0 FTE

Funds are requested for a 2.7% average pay raise in January 2022.

FERS Contribution Increase +\$517,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2022.

Non-Pay +\$1,447,000 / +0 FTE

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

Program Increases +\$60,366,000 / +80 FTE

FinCEN AMLA/CTA Implementation +\$60,279,000 / +80 FTE

The enactment of the FY 2021 National Defense Authorization Act (NDAA) included significant reforms to the U.S. anti-money laundering and countering the financing of terrorism (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 calls for FinCEN to work closely with our regulatory, national security, and law enforcement partners to identify risks and priorities and provide valuable feedback to our industry partners.

Within the AMLA, the CTA establishes uniform beneficial ownership reporting requirements for corporations, limited liability companies, and other similar entities formed or registered to do business in the United States. The CTA provides FinCEN with the authority to collect that information and share it with authorized government authorities and financial institutions, subject to effective safeguards and controls. To that end, FinCEN will use this funding to develop and maintain a data system for the reporting of information on beneficial ownership, collecting and securing the data, and creating access protocols.

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

1. Establishing standards for the reporting of information on beneficial ownership, building an information technology system to collect and secure the data, and creating access protocols;
2. Establishing national anti-money laundering and countering the financing of terrorism priorities;
3. Enhancing the whistleblower provisions to provide for a robust whistleblower program and new anti-retaliation protections;
4. Reviewing, and revising as appropriate, Currency Transaction Report (CTR) and Suspicious Activity Report (SAR) reporting requirements, and other existing Bank Secrecy Act (BSA) regulations and guidance;
5. Expanding BSA requirements and obligations to persons engaged in the trade of antiquities, and mandating a study on the potential expansion of BSA requirements to persons engaged in the art trade;
6. Codifying the FinCEN Exchange program;
7. 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;
8. Establishing a BSA Analytical Hub;
9. Law enforcement reporting to FinCEN on the use of BSA data, procedures for additional feedback between FinCEN and financial institutions on the usefulness of SARs, and semi-annual publication of review of SAR activity and other BSA reports, including threat patterns, trends, and typologies; and
10. Codifying a pilot program to allow financial institutions to share SARs with their foreign branches, subsidiaries, and affiliates.

Timely and effective AMLA and CTA implementation will be challenging and is FinCEN's top priority, and we are working diligently with our domestic and international industry partners and law enforcement and regulatory stakeholders to implement these numerous provisions to further the national security and innovative strength of the United States and protect the American people.

The January 1, 2021, enactment of the AMLA and CTA did not come with accompanying funding, and FinCEN has been diverting existing resources to meet the rigorous deadlines set forth in the legislation. Therefore, in order to meet this new, expansive statutory mandate,

FinCEN requests this significant program increase to fund the FTE positions and information technology systems needed to effectively implement the AMLA and CTA.

Purchase of Electric Vehicles and Associated Infrastructure +\$87,000 / +0 FTE

Following the lead from Executive Order (E.O.) 14008, “Tackling the Climate Crises at Home and Aboard”, the U.S. Department of the Treasury joins in the Administration’s priority to develop a comprehensive plan to create good jobs and stimulate clean energy industries by revitalizing the Federal Government’s sustainability efforts. This includes Treasury’s commitment to use all available procurement authorities to augment its Department-wide fleet management program with a continued focus on the leasing of electric vehicles (EV) and purchasing, installing, and maintaining essential infrastructure. The planned resources will help Treasury comply with the requirements set forth by E.O. 14008 and reduce the carbon footprint of emissions into the atmosphere by acquiring an updated fleet of zero-emissions vehicles that can support mission operations.

For FY 2022, the Financial Crimes Enforcement Network (FinCEN) will receive \$87,000 to fund the full conversion of its fleet to EV. Of that money, approximately \$25,000 will be allocated to the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program. Additionally, FinCEN will purchase one additional charging station to support its future EV state. Currently, FINCEN has a total of four vehicles in its fleet, of which two are EVs.

1.3 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2020 Actual Obligations	FY 2021 Estimated Obligations	FY 2022 Estimated Obligations
11.1 - Full-time permanent	35,409	41,247	51,975
11.3 - Other than full-time permanent	409	150	150
11.5 - Other personnel compensation	1,032	845	845
11.8 - Special personal services payments	5	0	0
11.9 - Personnel Compensation (Total)	36,855	42,242	52,970
12.0 - Personnel benefits	12,093	12,799	15,479
Total Personnel and Compensation Benefits	\$48,948	\$55,041	\$68,449
21.0 - Travel and transportation of persons	276	816	1,155
23.1 - Rental payments to GSA	4,570	4,971	4,971
23.2 - Rental payments to others	29	51	3,192
23.3 - Communications, utilities, and miscellaneous charges	2,508	2,137	2,187
24.0 - Printing and reproduction	62	65	67
25.1 - Advisory and assistance services	1,588	1,552	9,938
25.2 - Other services from non-Federal sources	40,984	46,638	76,570
25.3 - Other goods and services from Federal sources	8,972	10,143	12,939
25.4 - Operation and maintenance of facilities	1	0	0
25.6 - Medical care	200	226	231
25.7 - Operation and maintenance of equipment	8,878	9,497	9,718
26.0 - Supplies and materials	351	278	324
31.0 - Equipment	7,187	1,928	6,798
32.0 - Land and structures	5	0	0
Total Non-Personnel	\$75,611	\$78,302	\$128,090
Total Obligations	\$124,559	\$133,343	\$196,539
Full-time Equivalents (FTE)	265	303	383

Amounts reflect actual and anticipated obligations of annually appropriated resources 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>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 [\$12,000]<i>\$45,000</i> for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, [\$126,963,000]<i>\$190,539,000</i> of which not to exceed [\$34,335,000]<i>\$94,600,000</i> shall remain available until September 30, [2023]<i>2024 for information technology and to implement Division F of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116-283). (Consolidated Appropriations Act, 2021, Public Law 116-260)</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).</p>

E – Legislative Proposals

FinCEN has no legislative proposals.

Section II – Annual Performance Plan and Report

A – Strategic Alignment

In accordance with the Government Performance and Results Act Modernization Act (GPRAMA) of 2010, the Department of the Treasury is currently developing the FY 2022 – 2026 Departmental Strategic Plan. The Strategic Plan is scheduled for publication in 2022. The Annual Performance Plan will be updated in the FY 2023 President’s Budget to reflect new departmental strategic goals and objectives. FinCEN will publish a component plan that aligns bureau activities and priorities to the Department’s by early 2022.

In FY 2020, FinCEN has had several noteworthy accomplishments highlighted below:

Modernize, Streamline, and Simplify Regulatory Authorities: FinCEN made significant progress with respect to advancing regulatory initiatives impacting the AML framework this year.

- FinCEN issued an Advance Notice of Proposed Rulemaking (ANPRM) seeking comment on the AML program effectiveness in order to provide financial institutions its greater flexibility in the allocation of resources and enhance the effectiveness and efficiency of AML programs.
- FinCEN issued two Notices of Proposed Rulemaking (NPRM) related to virtual currency and to proposed reductions in the recordkeeping requirements for cross-border funds transmittals. FinCEN also issued a final rule to require customer identification program, AML program, and beneficial ownership requirements for banks lacking a federal functional regulator.
- FinCEN drafted and coordinated numerous significant guidance documents: (1) Politically Exposed Persons (PEP) statement (August 21), (2) FinCEN Enforcement of the BSA (August 18), (3) FAQs Regarding Customer Due Diligence Requirements for Covered Financial Institutions (August 3), (4) Guidance Regarding Due Diligence Requirements under the BSA for Hemp-Related Business Customers (June 29), (5) Clarification of Requirements for Providing Financial Services to Hemp-related Businesses (December 3, 2019), and (6) [Joint Statement of FinCEN, SEC, and CFTC on Activities Involving Digital Assets](#) (October 11, 2019); and (7) a new Fact Sheet providing clarification on FinCEN’s information sharing program under Section 314(b) of the USA PATRIOT Act..
- Published another three advisories associated with the result of the Financial Action Task Force decisions on countries with problematic AML/CFT regimes (July 14, 2020, March 26, 2020, and November 12, 2019).
- The results of the multi-year BSA Value Study, which provided the valuable insights into the use and value of BSA reporting (including a quantification of the estimated annual value to American public welfare of BSA data), was initially shared at the May 2020 BSAAG Plenary.

COVID 19: FinCEN took a whole of agency approach to tackling the COVID-19 pandemic and illicit finance threats that it generated. Among other things, FinCEN:

- Issued Notices to financial institutions—one on March 16, one on April 3, and another on May 18—advising them to remain alert to fraudulent, COVID-19 related transactions, and

providing instructions on BSA filing requirements. Most recently, FinCEN issued a notice on December 28, to alert financial institutions about the potential for fraud, ransomware attacks, or similar types of criminal activity related to COVID-19 vaccines and their distribution.

- Published three advisories related to COVID-19 medical fraud (May 18), imposter scams (July 7), and cyber-enabled crime (July 30), and defrauding of the unemployment insurance system (and reissued each one in Spanish) and one Alert related to fraud conducted through a hack of Twitter accounts (July 16). Issued Frequently Asked Questions in connection with the Coronavirus Aid, Relief, and Economic Security (CARES) Act Paycheck Protection Program (PPP), to clarify the applicability of beneficial ownership information collection requirements to PPP loans.
- Responded to approximately 750 incoming queries related to the implementation of the CARES Act and its intersection with the BSA.
- FinCEN quickly expanded its Rapid Response Program, which assists law enforcement in the recovery of funds stolen via fraud and business email compromise to include requests related to COVID-19. Since the beginning of the pandemic, FinCEN has supported several requests from federal, state, and international law enforcement agencies, aiding in the successful recovery of almost \$325 million stolen in COVID-19 related fraud by illicit actors around the world.
- Continued to host Innovation Hours meetings with Financial Technology, Regulatory Technology, and other firms creating innovative solutions to AML/CFT challenges, which FinCEN is using to enhance our national security through the promotion of responsible financial services innovation that furthers the purposes of the Bank Secrecy Act (BSA). FinCEN held ten monthly sessions during FY 2020 (of which five were held virtually in light of the pandemic) and one special regional event in New York in partnership with the Office of the Comptroller of the Currency in November 2019.

Expand Supervision over Non-bank Financial Institutions (NBFIs):

- Led or participated in three examinations of NBFIs.
- Conducted the first FinCEN-only examination of compliance with a Geographical Targeting Order, including the development of attendant policies and procedures (this also represented FinCEN's first examination of a title insurance company).

Enhance Systems and Analytical Capabilities:

- Deployed new search capabilities targeted at transaction data and visualization capabilities on BSA reports information and transaction data.

Expand Special Measures Efforts:

- In October 2019, FinCEN found Iran to be a jurisdiction of primary money laundering concern under Section 311 of the USA PATRIOT Act and issued a regulation prohibiting the opening or maintaining of correspondent accounts in the United States for, or on behalf of, Iranian financial institutions, and the use of foreign financial institutions' correspondent

accounts at covered U.S. financial institutions to process transactions involving Iranian financial institutions.

- On August 10, 2020, FinCEN withdrew the 2005 Notice of Finding and repealed the 2007 Final Rule against Banco Delta Asia, S.A.R.L., Delta Asia Group Ltd. imposing Special Measure 5 under Section 311 of the USA PATRIOT Act.
- FinCEN also prepared, researched and issued nine new special collection requests and one renewal (demand letters, foreign financial agency regulations, and/or geographic targeting orders) on major illicit finance issues around the world.

Financial Intelligence:

- Developed at least 58 tactical and strategic intelligence products for law enforcement and other interagency partners that track the illicit financial flows associated with cybercrime and cyber-enabled threats.
- Published nine products to FinCEN's Secure Information Sharing System portal for industry and law enforcement, containing more than 23,000 unique cyber indicators derived from BSA data.
- Produced six strategic or tactical Intelligence Assessments, nine Network Analyses, and eight Investigative Memos profiling terrorist threats.
- Produced monthly and weekly assessments of terrorism financing trends and reports supporting specific law enforcement investigations.

Expand Threat and Information Sharing:

- Hosted two virtual FinCEN Exchange events to enhance information sharing with and provide feedback to financial institutions: a November 2020 Exchange focused on ransomware detection and reporting, emerging trends and typologies, and recovery of victim assets and a March 2021 Exchange focused on providing trends and statistics regarding low-dollar, voluntarily-filed Suspicious Activity Reports.
- Led various Egmont Group projects, to include a project focused on the role of financial intelligence units in detecting human trafficking illicit flows through the misuse of virtual assets and a webinar focused on virtual assets and the role of financial intelligence units, law enforcement, and prosecutors.
- In addition to expanding the Rapid Response Program (RRP) as mentioned above to assist in the recovery of COVID-19 related fraud, FinCEN launched two pilot programs to handle all RRP referrals regardless of the crime or monetary threshold and on domestic wire transfers related to business email compromise. From FY20 to the present, the RRP processed over 1150 referrals, involving over \$867 million in allegedly fraudulently stolen funds and assisting in the recovery of over \$525 million.

FinCEN's FY 2021 and FY 2022 Priorities include:

- Timely and effectively implementing the AMLA/CTA, including: 1) the design and development of the beneficial ownership information technology system, 2) the statutorily mandated beneficial ownership rulemakings under the CTA, and 3) approximately 40 additional regulatory and other requirements under the AMLA, to include additional rulemakings, assessments, and guidance documents; periodic Congressional reporting; and numerous other provisions requiring coordination, collaboration with and feedback to law

enforcement and financial institutions, among other things. FinCEN seeks the resources for the personnel and technology needed to meet these significant and impactful statutory provisions.

- Updating FinCEN's mission and priorities in the context of a post-pandemic economic recovery, rising domestic violent extremism, AMLA/CTA implementation, interference from foreign state actors, and a new Administration. This includes an emphasis on advancing the innovative strength of the U.S. financial system, financial inclusion, and countering abuse by malign state actors and domestic terrorists, as well as corporate and political corruption that undermine the integrity and opportunity of the financial system, beyond the prior, post-9/11 emphasis on foreign terrorists. FinCEN also was prescient in seeking to develop cyber and cryptocurrency capabilities for the past few years despite resource limitations, but threats related to those issues have grown faster than our resourcing (people and technology) and the demand from Treasury and the National Security Council, so those need to be addressed deliberately.
- Filling FinCEN's vacancies, continue training and developing our workforce and leadership teams, and continue to improve our technology.

B – Budget and Performance by Budget Activity

2.1.1 – BSA Administration and Analysis Resources and Measures

Dollars in Thousands

Resource Level	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Operating Plan	FY 2022 Request
Appropriated Resources	\$112,979	\$115,003	\$115,003	\$117,800	\$126,000	\$126,963	\$190,539
Reimbursable Resources	\$1,721	\$2,526	\$2,198	\$1,771	\$1,613	\$6,000	\$6,000
Budget Activity Total	\$114,700	\$117,529	\$117,201	\$119,571	\$127,613	\$132,963	\$196,539
Full-time Equivalents (FTE)	279	275	281	273	265	303	383

The FY 2016 - FY 2020 appropriated resources represents the approved operating plan. The FY 2016 - FY 2020 columns represent realized resources for full-time equivalents, reimbursables, and user fees.

Workload Output/Activity	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2020 Estimate	FY 2021 Estimate	FY 2022 Estimate
Number of SARs filed	2,316,550	2,401,896	2,537,225	2,698,841	3,039,421	2,779,806	2,863,200	2,949,096
Number of total BSA reports filed	19,244,824	19,322,891	20,393,947	20,755,285	20,051,834	21,170,391	21,593,799	22,025,674
Number of BSA users	10,833	11,452	11,739	12,801	13,047	13,185	13,581	13,852

Performance Measure	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2020 Target	FY 2021 Target	FY 2022 Target
Percentage of Domestic Law Enforcement and Foreign FIUs who Assert Analytic Products Used Led to Detection and Deterrence of Illicit Activity	95%	92%	95%	92%	97%	90%	90%	90%
Percentage of Domestic Law Enforcement and Regulators Who Assert Queried BSA Data Led to Detection and Deterrence of Illicit Activity	83%	86%	85%	92%	90%	88%	89%	90%
Percentage of Users Satisfied with FinCEN Information Sharing Systems	80%	87%	86%	89%	88%	84%	85%	85%

BSA Administration and Analysis Budget and Performance

(\$190,539,000 from direct appropriations, \$6,000,000 from reimbursable sources)

FinCEN is a bureau in 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 national security apparatus: 1) administrator and primary regulator of the BSA, and 2) Financial Intelligence Unit for the United States. In carrying out its mission, FinCEN has numerous statutory areas of responsibility:

- Developing and issuing regulations under the BSA;
- Developing and issuing regulations pursuant to the CTA, including the development of the information technology system for beneficial ownership data;
- 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 164 partner countries;
- Receiving millions of new financial reports each year;
- Securing and maintaining a database of 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
- Bringing together the disparate interests of law enforcement, FIUs, regulatory partners, and industry.

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.

The first performance measure is the percentage of domestic law enforcement and foreign FIUs who assert analytic products led to the detection and deterrence of illicit activity. This performance measure tracks what the analytics products are intended to do, i.e., be useful to a wide range of customers and have impact, such as identifying new leads or provide previously unknown information. In FY 2020, 97 percent found the analytic products and research had impact on the investigations, meeting the target of 90 percent or above. FinCEN was able to achieve this high level of performance by continuously improving processes to increase and rapidly disseminate intelligence reports to a wider audience, maintaining the high quality of its reporting through stringent review processes, and covering issues and topics that meet the operational and intelligence demands of its domestic and international stakeholders. For example, in FY 2020, FinCEN integrated the dissemination function into the Intelligence Division, which streamlined the dissemination process and improved communications between analysts, operations support, and customers. FinCEN also increased dissemination of its domestic intelligence products by increasing the number of products posted on the FinCEN Portal and on FinCEN's public website and by highlighting certain reports on the main page of the Portal. This process resulted in greater and more informative feedback from customers. Also, by reducing the average response time for completing these requests by 14 days, and by working more closely with U.S. law enforcement and Treasury components to resolve deconfliction issues, FinCEN has been able respond to international requests at a faster rate. In FY 2021 and FY 2022, the target is set at 90 percent and above.

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. In FY 2020, FinCEN surpassed its target of 88 percent with 90 percent asserting the queried BSA data led the detection and deterrence of illicit activity. FinCEN achieved this performance by expanding its FinCEN Portal and Query training efforts and supplementing that training by posting useful, mission-oriented material on FinCEN Portal. In FY 2021, FinCEN will continue to expand its

training efforts and content to provide the FinCEN Portal and FinCEN Query user community with the information they need to successfully enhance their investigative efforts. In FY 2021, the target is set at 89 percent and in FY 2022 at 90 percent.

The final performance measure is based on survey responses and represents user satisfaction with the BSA E-Filing System, FinCEN Query, and the Egmont Secure Web (ESW). Starting with industry, FinCEN collects and maintains BSA reports filed by financial institutions and other filers. In turn, FinCEN provides authorized users (including Treasury and TFI) access to a query system containing 15 years of BSA data. FinCEN also provides foreign FIUs in the Egmont Group with a secure system for exchanging financial intelligence to combat money laundering and terrorist financing. This measure is meaningful because the technology allows authorized persons to access BSA information more readily and better enables them to conduct investigations more efficiently and effectively. In FY 2020, FinCEN exceeded its target of 84 percent with 88 percent of the users satisfied with information sharing systems. FinCEN attributes the increase to specific customer service support provided to the Egmont Group with tasks, such as improving the content management organization and how users access much of the content within the ESW. FinCEN recently completed a technology refresh of ESW and is targeting a refresh of the FinCEN Portal and Query applications in FY 2021. These efforts will make significant updates to the underlying technologies and bring about some enhanced capabilities to the user community for the Portal/Query Applications. Since we anticipate somewhat of a learning curve associated with these updates, the targets are set at 85 percent for FY 2021 and FY 2022.

C – Evidence-Building Activity

The BSA Value Project provided FinCEN with a methodology and initial calculation of the value of BSA reporting. The Project information and final results (1) informed and helped measure the potential impact of proposed regulatory reform actions, including regulatory or compliance changes; (2) established a greater public understanding of how BSA reporting is used; (3) supported the development of more targeted feedback to financial institutions on the use and value of their reporting; (4) identified additional measures or actions that FinCEN and other stakeholders can take to improve the tracking and calculation of BSA reporting value; and (5) identified actions that can enhance the underlying value and use of BSA reporting.

FinCEN also conducts research for its guidance and regulations. FinCEN worked closely with its Congressional, Main Treasury, and interagency partners on the AMLA/CTA legislation passed as part of the FY 2021 NDAA which made sweeping, positive changes to the AML system, including the creation of a beneficial ownership registry. Implementation of this legislation will occur over several years.

The table below describes FinCEN's major evidence-building activities and corresponding resources. Additionally, refer to the Executive Summary for a discussion of Treasury-wide evidence-building functions.

Type of Evidence Building Activity	Major Activities and Planned Projects	Resource Types	Use
<p>Evaluation <i>Collection and analysis of data to assess effectiveness and efficiency of programs, policies, or procedures</i></p> <p>Estimated share of all Evidence-Building Activities: <u>20 %</u></p>	<p>Major activities:</p> <ul style="list-style-type: none"> • Implementation of the Anti-Money Laundering (AML) Act of 2020, including the Corporate Transparency Act through the issuance of guidance and regulations required by the legislation, as well as create a functional beneficial ownership information system. • Modernize, Streamline, and Simplify Regulatory Authorities • Review of Rapid Response Program (RRP) requests, responses, recovery rates, and other data to determine effectiveness and efficiency of program, and potential trends. <p>FY21 and FY22 projects:</p> <ul style="list-style-type: none"> • Implement the AML Act of 2020, including the Corporate Transparency Act through the issuance of guidance and regulations required by the legislation • Modernize, Streamline, and Simplify Regulatory Authorities • Review of RRP requests, responses, recovery rates, and other data to determine effectiveness and efficiency of program, and potential trends. 	<ul style="list-style-type: none"> • 23 PD FTEs in FY 2020, Series 0301 • SOD 1 FTE in FY 2021, Series 0301 and approximately 3 firm, fixed-price contractors. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> For internal policy decision-making <input checked="" type="checkbox"/> During internal strategic management processes <input checked="" type="checkbox"/> By external partners (government) <input checked="" type="checkbox"/> By external partners (non-government) <input type="checkbox"/> By unaffiliated external researchers <input type="checkbox"/> Other (describe)
<p>Research <i>Modeling or other systematic use of data to explore emerging issues or potential scenarios to generate new knowledge</i></p> <p>Estimated share of all Evidence-Building Activities: <u>20 %</u></p>	<p>Major activities:</p> <ul style="list-style-type: none"> • Advisory support research • Analyze data filed with FinCEN pursuant to the Bank Secrecy Act (BSA) to support law enforcement and other customers to combat money laundering and other forms of illicit finance. • Perform BSA-related research in support of the Treasury Department’s review of applications submitted to the Committee on Foreign Investment in the United States (CFIUS). • Perform BSA-related research to support FinCEN’s role as Financial 	<ul style="list-style-type: none"> • 23 PD FTEs in FY 2020 Series 0301 • 9 SOD FTEs in FY2020 Series 0301 and approx. 8 firm, fixed-price contractors • 83 ID FTE in FY 2020, Series 0132 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> For internal policy decision-making <input checked="" type="checkbox"/> During internal strategic management processes <input checked="" type="checkbox"/> By external partners (government) <input checked="" type="checkbox"/> By external partners (non-government)

Type of Evidence Building Activity	Major Activities and Planned Projects	Resource Types	Use
	<p>Intelligence Unit of the United States.</p> <ul style="list-style-type: none"> • Perform BSA-related research to support the FinCEN Exchange public-private partnership to enhance information sharing. • Perform open source and commercial database research to explore emerging geopolitical issues and foreign FIU developments to inform decision making related to Egmont exchange activity. • <p>FY21 and FY22 projects:</p> <ul style="list-style-type: none"> • Issue advisories as necessary or appropriate. • Develop and host FinCEN Exchanges as appropriate. • Research and evaluate sensitive Egmont exchanges. • Create BSA foreign country fact sheets to assist with engagement and operational activity. 		<input type="checkbox"/> By unaffiliated external researchers <input type="checkbox"/> Other (describe)
<p>Analysis <i>Routine and frequent use of data that produces insights for decision making and program management</i></p> <p>Estimated share of all Evidence-Building Activities: <u>30 %</u></p>	<p>Major activities:</p> <ul style="list-style-type: none"> • Performance Measurement • BSA data analysis • Support law enforcement <p>FY21 and FY22 projects:</p> <ul style="list-style-type: none"> • Increase Intelligence Capacity (FY 2021) • Enhance Systems and Analytical Capabilities (FY 2021) • Expand Threat and Information Sharing (FY 2021) • Detect and mitigate money laundering vulnerabilities. • Support law enforcement 	<p>GPRA Performance Measurement:</p> <ul style="list-style-type: none"> • 1 MD FTE, Series 0343 <p>BSA data analysis:</p> <ul style="list-style-type: none"> • 83 ID FTE in FY 2020, Series 0132 • 2 SOD FTEs in FY 2020, series 0301 and approx. 8 firm, fixed-price; 76 other contractors • 6 TD FTE FY 2020, Series 2210 	<input checked="" type="checkbox"/> For internal policy decision-making <input checked="" type="checkbox"/> During internal strategic management processes <input checked="" type="checkbox"/> By external partners (government) <input checked="" type="checkbox"/> By external partners (non-government) <input type="checkbox"/> By unaffiliated external researchers <input type="checkbox"/> Other (describe)

Type of Evidence Building Activity	Major Activities and Planned Projects	Resource Types	Use
<p>Statistics Collection, compilation, and processing of data for describing or estimating characteristics or insights concerning groups</p> <p>Estimated share of all Evidence-Building Activities: <u>30 %</u></p>	<p>Major activities:</p> <ul style="list-style-type: none"> • Regulatory impact analyses for purposes of the Paperwork Reduction Act and to implement Executive Order 12866 (1993). • Compile data and related analysis in connection with publishing the SAR Activity Reviews mandated by the Anti-Money Laundering Act of 2020. • Compile data and related analysis to determine effectiveness, efficiency, and potential trends regarding the RRP. • Compile statistics and create reports to support the FinCEN Exchange public-private partnership and to provide feedback to financial institutions and regulators as required by the AML Act of 2020. <p>FY21 and FY22 projects:</p> <ul style="list-style-type: none"> • Regulatory impact analyses for purposes of the Paperwork Reduction Act and to implement Executive Order 12866 (1993). These will need to be done when FinCEN issues regulations to implement the AML Act, and to renew OMB control numbers. • Compile data and related analysis to determine effectiveness and efficiency of RRP and to detect potential BEC or fraud trends. • Create BSA foreign country fact sheets to assist with engagement and operational activity. • Provide feedback and improve coordination with impacted financial institutions and regulators, as required by the AML Act of 2020. 	<ul style="list-style-type: none"> • 23 PD FTEs in FY 2020 Series 0301 • 9 SOD FTEs in FY2020 Series 0301, approximately 8 firm, fixed-price contractors • 83 ID FTE in FY 2020, Series 0132 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> For internal policy decision-making <input checked="" type="checkbox"/> During internal strategic management processes <input checked="" type="checkbox"/> By external partners (government) <input checked="" type="checkbox"/> By external partners (non-government) <input type="checkbox"/> By unaffiliated external researchers <input type="checkbox"/> Other (describe)

Section III – Additional Information

A – Summary of Capital Investments

As the administrator of the BSA, FinCEN receives valuable information reported and collected under BSA requirements, which totaled approximately 20 million filings in FY 2020. To successfully fulfill its mission, FinCEN relies on secure, advanced IT to manage the collection, processing, storage, and dissemination of BSA information that contributes to the soundness and confidence in America's financial system. On January 1, 2021, Congress passed the National Defense Authorization Act (NDAA), which includes the Corporate Transparency Act (CTA). The CTA dictates that companies disclose beneficial ownership information to FinCEN. As a result, FinCEN, has expanded its IT investment portfolio to include the resources necessary securely collect, process, store, and disseminate beneficial ownership information.

FinCEN's IT strategy already takes into account the growing need for financial institutions to meet obligations as efficiently as possible, while ensuring that FinCEN and law enforcement agencies receive accurate, timely, and reliable BSA and beneficial ownership information to track money trails, identify money laundering, and unravel terrorist 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. Beginning in FY2022, FinCEN is increasing its IT portfolio by approximately \$29M annually to support FinCEN's current mission architecture and to begin development, support, and maintenance for the beneficial ownership requirements of the CTA. This increase is required to fully fund FinCEN's mission IT platform, which is the foundational architecture for the CTA beneficial ownership system. To timely and effectively implement these new and additional requirements, FinCEN estimates spending \$64M in initial development costs with estimated obligations of roughly \$7M in FY2021, \$37M in FY2022, and \$20M in FY2023. Within those amounts, FinCEN estimates beneficial ownership-specific spending to be \$33M in the initial development costs with estimated obligations of roughly \$4M in FY2021, \$23M in FY2022, and \$6M in FY2023.

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>.