

Department of the Treasury
Financial Crimes Enforcement
Network

Congressional Budget
Justification and Annual
Performance Plan and Report

FY 2023

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Section I – Budget Request

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 2023 President’s Budget requests additional resources totaling \$83,367,000 above 2021 enacted, including for the implementation of the Fiscal Year (FY) 2021 Anti-Money Laundering Act/Corporate Transparency Act (AMLA/CTA) of the William M. (Mac) Thornberry National Defense Authorization Act (NDAA) and to increase staffing for the expansion of the Office of Chief Counsel.

1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2021		FY 2022		FY 2023		FY 2022 to FY 2023	
	Operating Plan		Annualized CR		Request		% Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
New Appropriated Resources								
BSA Administration and Analysis	269	\$126,963	285	\$126,963	420	\$210,330	47.4%	65.7%
Subtotal New Appropriated Resources	269	\$126,963	285	\$126,963	420	\$210,330	47.4%	65.7%
Other Resources								
Reimbursable	2	\$1,941	3	\$3,500	3	\$3,500	0.0%	0.0%
Recoveries from Prior Years	0	\$2,337	0	\$0	0	\$0	NA	NA
Unobligated Balances from Prior Years	0	\$29,444	0	\$19,704	0	\$2,817	NA	-85.7%
Transfers In/Out (TEOAF)	0	\$6,728	0	\$22,500	0	\$6,250	NA	-72.2%
Subtotal Other Resources	2	\$40,450	3	\$45,704	3	\$12,567	0.0%	-72.5%
Total Budgetary Resources	271	167,413	288	\$172,667	423	\$222,897	46.9%	29.1%

FY 2021 Other Resources and Full-time Equivalents (FTE) reflect actuals.

1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
FY 2022 Annualized CR	285	\$126,963
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$5,401
Pay Annualization (2.7% average pay raise)	0	\$462
Pay Raise (4.6% average pay raise)	0	\$2,377
Non-Pay	0	\$2,562
Other Adjustments:	10	\$28,887
Adjustment to Meet Operating Levels	10	\$28,887
Subtotal Changes to Base	10	\$34,288
FY 2023 Current Services	295	\$161,251
Program Changes:		
Program Increases:	125	\$49,079
AMLA/CTA Implementation	115	\$46,359
Increase Office of Chief Counsel Staff	10	\$2,720
FY 2023 President's Budget Request	420	\$210,330

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs)+\$5,401,000 / +0 FTE

Pay Annualization (2.7% average pay raise) +\$462,000 / +0 FTE

Funds are requested for annualization of the January 2022 2.7% average pay raise.

Pay Raise (4.6% average pay raise) +\$2,377,000/ +0 FTE

Funds are requested for a 4.6% average pay raise in January 2023.

Non-Pay +\$2,562,000 / +0 FTE

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

Other Adjustments.....+\$28,887,000 / +10 FTE

Adjustment to Meet Operating Levels +\$28,887,000 / +10 FTE

Funds are requested to meet operating levels in FY 2023, which includes IT infrastructure expansion and enhancements to support beneficial ownership secure system operations and maintenance.

Program Increases+\$49,079,000 / +125 FTE

AML/CTA Implementation +\$46,359,000 / +115 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/CTA 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 a framework for uniform beneficial ownership reporting requirements for many 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, store it in a secure system, 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 an information technology system for the reporting of information on beneficial ownership, collecting and securing the data, and creating access protocols and hiring staff to support outreach, implementation, and audits to ensure compliance with CTA rules. 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 authorized under the act 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, 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 provide for a robust whistleblower program and new anti-retaliation protections;
4. Establishing an Office of Domestic Liaison;
5. Establishing foreign financial intelligence liaisons located overseas;
6. Reviewing and revising Currency Transaction Report (CTR) and Suspicious Activity Report (SAR) requirements, and other existing Bank Secrecy Act (BSA) regulations and guidance;
7. Expanding BSA requirements and obligations to persons engaged in the trade of antiquities;
8. 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;
9. Establishing a BSA Analytical Hub;
10. Conducting a formal review of regulations and guidance implementing the BSA;
11. Formalizing a pilot program to allow financial institutions to share SARs with their foreign branches, subsidiaries, and affiliates, and ensuring enforcement of and compliance with the new requirements;
12. Establishing an ongoing, timely process to receive and evaluate requests from law enforcement to financial institutions to keep accounts open; and
13. Establishing an annual Bank Secrecy Act training program for all Federal examiners in the United States. FinCEN is required to comply with this new AMLA requirement to augment and build upon FinCEN's continued, decades-long involvement with the Federal Financial Institutions Examination Council (FFIEC) and AMLA/BSA training opportunities, as well as drafting and updating the public FFIEC AML/BSA Examination Manual. While FinCEN is leveraging this experience and its relationships with delegated examiners, additional resources will enable the bureau to comply with this AMLA requirement.

Timely and effective AMLA and CTA implementation continues to be FinCEN's top priority and presents significant complexity and resource challenges. We are working diligently with our industry partners and law enforcement and regulatory stakeholders to implement these numerous provisions to further the national security, financial integrity, and innovative strength of the United States and protect the American people.

Increase Office of Chief Counsel Staff +\$2,720,000 / +10 FTE

The Office of Chief Counsel staff increase commensurate with FinCEN's workload.

1.3 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2021	FY 2022	FY 2023
	Actual Obligations	Estimated Obligations	Estimated Obligations
11.1 - Full-time permanent	36,687	40,545	64,939
11.3 - Other than full-time permanent	190	150	150
11.5 - Other personnel compensation	1,017	891	891
11.8 - Special personal services payments	158	0	0
11.9 - Personnel Compensation (Total)	38,052	41,586	65,980
12.0 - Personnel benefits	12,751	13,862	21,993
Total Personnel and Compensation Benefits	\$50,803	\$55,448	\$87,973
21.0 - Travel and transportation of persons	18	319	1,339
23.1 - Rental payments to GSA	4,849	4,239	4,431
23.2 - Rental payments to others	61	32	567
23.3 - Communications, utilities, and miscellaneous charges	2,920	3,056	3,433
24.0 - Printing and reproduction	62	62	68
25.1 - Advisory and assistance services	1,847	4,552	8,827
25.2 - Other services from non-Federal sources	55,176	74,474	71,146
25.3 - Other goods and services from Federal sources	12,328	14,142	20,945
25.4 - Operation and maintenance of facilities	13	0	0
25.6 - Medical care	151	0	0
25.7 - Operation and maintenance of equipment	7,885	9,000	9,920
26.0 - Supplies and materials	135	516	1,551
31.0 - Equipment	8,382	4,010	10,419
Total Non-Personnel	\$93,827	\$114,402	\$132,646
Total Obligations	\$144,630	\$169,850	\$220,619
Full-time Equivalents (FTE)	271	288	423

* Amounts reflect obligations of annually appropriated resources, carryover balances, reimbursables, and transfers.

** Includes TEOAF funding for Beneficial Ownership Secure System in the amounts of \$6.73M in FY 2021, \$22.5M in FY 2022 and requesting \$6.25M in FY 2023.

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 \$45,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, \$210,330,000 of which not to exceed \$94,600,000 shall remain available until September 30, 2025 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).</i></p> <p>Note.--A full-year 2022 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, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.</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), and for expansion of the Office of Chief Counsel.</p>

E – Legislative Proposals

FinCEN has no legislative proposals.

Section II – Annual Performance Plan and Report

A – Strategic Alignment

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.

Since the start of FY 2021, FinCEN had several noteworthy accomplishments highlighted below:

Implementation of the Anti-Money Laundering Act of 2020 (AMLA) and its Corporate Transparency Act (CTA):

As mentioned above, the AMLA/CTA sets the stage for a reassessment and expansion of the U.S. AML framework. Chief among the requirements of the AMLA are those related to the CTA, which require FinCEN to implement beneficial ownership reporting requirements for many corporations, LLCs, and other similar legal entities.

In addition to the CTA, FinCEN is tasked with an extensive and resource intensive list of requirements all aimed at improving and enhancing the existing AML/CFT framework and expanding FinCEN's role in innovation, regulatory reform, and industry engagement pertaining to the administration of the BSA. The AMLA requirements include several significant rulemakings, numerous Congressional reports and assessments, and specific programs that authorize significant resource allocations, to include hiring and supporting domestic liaison officers across the United States and foreign financial intelligence unit liaisons abroad, staffing a whistleblower program, appointing additional officers addressing innovation and information security, creating new subcommittees of the Bank Secrecy Act Advisory Group, etc.

Regulatory Actions:

AML/CFT Priorities (AMLA Section 6101): In June 2020, FinCEN published the first government-wide AML/CFT priorities which identify the most significant threats facing the United States, including: corruption, cybercrime, domestic and international terrorist financing, fraud, transnational criminal organizations, drug trafficking organizations, human trafficking and human smuggling, and proliferation financing. FinCEN also published two statements to provide guidance to covered institutions on how to approach these priorities. FinCEN will be publishing a notice of proposed rulemaking (NPRM) in 2022 to implement these priorities and make other amendments to financial institutions' AML program rules.

Arts and Antiquities (AMLA Section 6110): FinCEN published a notice in March 2021 to inform financial institutions about (1) the AMLA efforts related to trade in antiquities and art, (2) select sources of information about existing illicit activity related to antiquities and art, and (3) provide specific instructions for filing SARs related to trade in antiquities. FinCEN then published an advance notice of proposed rulemaking (ANPRM) related to trade in antiquities in September 2021 seeking public comment on the proposed rules. FinCEN received over 30 comments to the ANPRM and is currently reviewing them to determine next steps and the content of a notice of proposed rulemaking that it will issue at a later date.

CTA / Beneficial Ownership (AMLA Sections 6401-6403): FinCEN published an advance notice of proposed rulemaking in April 2021 seeking public comment on the implementation of beneficial ownership information reporting provisions of the CTA. FinCEN published a NPRM in December 2021 seeking public comment on the proposed rules focusing on who must report beneficial ownership information, when they must report, and what information they must provide. FinCEN received nearly 250 comments to the reporting NPRM and is currently reviewing them as it considers the issuance of a final regulation implementing the beneficial ownership information reporting requirements. FinCEN anticipates publishing later this year proposed rules on beneficial ownership information access and disclosure requirements as the next step in the CTA rulemaking series, as well as finalizing the rules on reporting beneficial ownership information.

SAR Sharing Pilot Program (AMLA Act 6212): FinCEN published an NPRM in January 2022, seeking public comment on the establishment of a limited-duration pilot program for sharing SARs. The pilot program would permit a financial institution with a SAR reporting obligation to share SARs and information related to SARs with the institution's foreign branches, subsidiaries, and affiliates for the purpose of combating illicit finance risks. The proposed rule ensures the sharing of information process is subject to appropriate data security and personal confidentiality standards and limited by federal and state requirements. Comments to the proposed rule are due by March 28, 2022. Following receipt and review of those comments, FinCEN will begin the process of drafting a final rule to implement this section.

Review of Regulations and Guidance (AMLA Section 6216): In December 2021, FinCEN published a request for information (RFI) seeking public comments on ways to streamline, modernize, and update the AML/CFT regime of the United States, including ways to modernize risk-based AML/CFT regulations and guidance to protect U.S. national security in a cost-effective and efficient manner. FinCEN received nearly 140 comments to the RFI in February 2022. FinCEN will review the comments to determine how best to incorporate the proposals into modernizing the AML/CFT regulations and guidance.

Bank Secrecy Act Advisory Group (BSAAG) Subcommittees (AMLA Section 6207 and 6302):

FinCEN created and is administering two new BSAAG Subcommittees: Innovation and Technology, and Information Security and Confidentiality, as required under AMLA Sections 6207 and 6302, respectively.

SAR Trends Analyses (AMLA Section 6206):

FinCEN published a Financial Trend Analysis on ransomware in October 2021 and another on environmental crimes in December 2021. FinCEN will publish additional Trend Analysis products on significant money laundering issues in FY 2023 as required by the AMLA.

Enforcement and Compliance:

From January 2021 to the present, FinCEN's Enforcement and Compliance Division (ECD) implemented an Office of the Whistleblower and an interim whistleblower program to implement Section 6314 of the AMLA. From January through June 2021, ECD conducted an

analysis of the viability of a No-Action Letter process at FinCEN, and drafted and submitted a report on June 28, 2021, to Congress on the same per Section 6305 of the AMLA.

ECD designed policies and procedures to process and track “keep open” requests and engaged in extensive research and consultations with other financial regulators to begin implementation of the annual training programs requirement for BSA regulators.

Modernize, Streamline, and Simplify Regulatory Authorities:

In addition to the AMLA/CTA rulemakings, FinCEN made significant progress with respect to advancing regulatory initiatives impacting the AML framework this year, including BSA reporting requirements relating to the Paycheck Protection Program (PPP).

- FinCEN issued a final rule to require customer identification program, AML program, and beneficial ownership requirements for banks lacking a federal functional regulator.
- FinCEN issued NPRMs related to virtual currency and funds transmittal recordkeeping requirements.
- *Administrative Rulings*: Closed 92 administrative ruling cases in FY 2021.
- *Pilots*: FinCEN continues to discuss potential pilot programs with U.S. financial institutions and established one in FY 2021 to enable the more efficient sharing of SARs in a certain context.
- *Real Estate ANPRM*: In December 2021, FinCEN issued an ANPRM seeking public comment on potential rulemaking to create a recordkeeping and reporting requirements concerning certain all-cash real estate purchases. FinCEN is reviewing the nearly 150 comments it received on the ANPRM and intends to prepare an NPRM for publication later this year.
- *Geographic Targeting Order (GTO) Regulation*: On November 15, 2021, FinCEN issued a final rule modernizing the regulation implementing the GTO authority, which had not been updated despite several successive amendments to the statute.

Guidance to Industry:

- During fiscal year 2021, FinCEN worked closely with federal and state banking agencies to update the Federal Financial Institutions Examination Council (FFIEC) BSA/AML Examination Manual. In total, 12 sections of the manual were updated.
- FinCEN issued nine advisories and notices, including a ransomware advisory, charities fact sheet, and several addressing COVID-19-related fraud.
- FinCEN published a number of public documents either jointly or in consultation with the FBAs, including a Joint Statement issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, in consultation with FinCEN and the National Credit Union Administration, regarding Model Risk Management for Bank Systems Supporting Bank Secrecy Act/Anti-Money Laundering Compliance (April 9, 2021).
- FinCEN issued a new Fact Sheet in December 2020 providing clarification on FinCEN’s information sharing program under Section 314(b) of the USA PATRIOT Act.
- FinCEN’s Regulatory Support Section responded to over 13,500 incoming inquiries from industry and other stakeholders in FY 2021.

BSA Enforcement and Supervision:

- FinCEN finalized four public civil enforcement actions in response to serious violations of the BSA, which resulted in the assessment of civil money penalties pursuant to 31 U.S.C. § 5321 totaling, in the aggregate, \$690,000,000.¹
- FinCEN finalized more than 275 compliance matters.
- Led or participated in two examinations of non-bank financial institutions and one depository institution. While FinCEN has delegated its examination authority under 31 CFR 1010.810, FinCEN may still conduct compliance examinations should a specific need arise and its limited staffing and resources allow. These examinations were targeted, limited-scope examinations based on leads specific to FinCEN priorities.
- Conducted a FinCEN examination of compliance with a Geographic Targeting Order (GTO) at a title insurance company, including the development of attendant policies and procedures.

Public-Private Engagement:

- FinCEN continued to support the BSAAG AML Effectiveness Working Group and held several FinCEN Exchange events to facilitate information sharing among law enforcement, national security agencies, financial institutions and other private sector entities, and FinCEN, including relating to key issues like ransomware (November 2020 and August 2021) and environmental crime (November 2021).
- FinCEN continued to enhance and effectively execute its Rapid Response Program (RRP), which assists law enforcement in the recovery of funds stolen from U.S. victims of cyber-enabled fraud schemes. The RRP has been used to confront cyber threats involving approximately 70 foreign jurisdictions and since its inception in 2015 has successfully assisted in the recovery of over \$1.1 billion. From October 1, 2020 through January 31, 2022, the RRP received 1,057 requests from law enforcement with a total value of approximately \$378 million, of which the RRP assisted in recovering approximately \$183 million for U.S. victims (48% of the value reportedly stolen).²
- FinCEN hosted 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).

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 Collections Efforts:

- During 2021, FinCEN twice re-issued GTOs 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 twelve geographic areas.

¹ For additional information, please see the Enforcement Actions posted on <https://www.fincen.gov/news-room/enforcement-actions>

² <https://www.fincen.gov/sites/default/files/shared/RRP%20Fact%20Sheet%20Notice%20FINAL%20508.pdf>

- 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:

- FinCEN's ongoing intelligence activities included at least 90 specific products for law enforcement, industry, and other partners.

International Engagement and Information Sharing:

- FinCEN actively engages in the work of the Egmont Group of Financial Intelligence Units (FIUs) and supports its analytical and operational activities. As the U.S. FIU, FinCEN engages in extensive information exchange of financial intelligence on behalf of itself and U.S. law enforcement with FIUs that are members of the Egmont Group, as appropriate. From October 1, 2020 through January 31, 2022, FinCEN received more than 1,400 information requests from partner FIUs and provided more than 1,400 responses. FinCEN received more than 1,500 spontaneous information disclosures from partner FIUs and provided nearly 1,000 such disclosures to partner FIUs. In addition, FinCEN sent more than 1,000 information requests to partner FIUs.

FinCEN's FY 2022 and FY 2023 Priorities include:

- Continuing to effectively implement 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 requirements.
- Updating FinCEN's mission and priorities in the context of a post-pandemic economic recovery, AMLA/CTA implementation, and interference from foreign state actors. 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.
- Continuing to develop cyber-related expertise and capacity to address cyber-related finance threats, including the rising threat of ransomware and other criminal activity.

B – Budget and Performance by Budget Activity

2.1.1 – BSA Administration and Analysis Resources and Measures

Dollars in Thousands

Resource Level	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Annualized CR	FY 2023 Request
Appropriated Resources	\$115,003	\$115,003	\$117,800	\$126,000	\$126,963	\$126,963	\$210,330
Reimbursable Resources	\$2,526	\$2,198	\$1,771	\$3,000	\$1,941	\$3,500	\$3,500
TEOAF	0	0	0	0	\$6,728	\$22,500	\$6,250
Budget Activity Total	\$117,529	\$117,201	\$119,571	\$129,000	\$135,632	\$152,963	\$220,080
Full-time Equivalents (FTE)	275	281	273	265	271	288	423

Workload Output/Activity	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate
Number of SARs filed	2,401,896	2,537,225	2,698,841	3,039,421	3,524,610	2,863,200	3,595,102	3,667,004
Number of total BSA reports filed	19,322,891	20,393,947	20,755,285	20,051,834	23,036,995	21,593,799	23,497,735	23,967,690
Number of BSA users	11,452	11,739	12,801	13,047	13,260	13,581	13,525	13,796

Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2021 Target	FY 2022 Target	FY 2023 Target
Percentage of Domestic Law Enforcement and Foreign FIUs who Assert Analytic Products Used Led to Detection and Deterrence of Illicit Activity	92%	95%	92%	97%	96%	90%	DISC	DISC
Percentage of Domestic Law Enforcement and Regulators Who Assert Queried BSA Data Led to Detection and Deterrence of Illicit Activity	86%	85%	92%	90%	93%	89%	90%	90%
Percentage of Users Satisfied with FinCEN Information Sharing Systems	87%	86%	89%	88%	87%	87%	85%	85%

Key: DISC - Discontinued

BSA Administration and Analysis Budget and Performance

(\$210,330,000 from direct appropriations, \$6,250,000 from TEOAF Strategic Support, \$3,500,000 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 for 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 which are codified as part of the BSA;
- Enforcing compliance with the BSA, at times in partnership with law enforcement and other regulatory partners;
- Maintaining a network of information sharing with FIUs in 166 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, information sharing tools, and to assess the value of FinCEN’s data and analysis. The results provide valuable feedback on FinCEN’s performance safeguarding the financial system from illicit use, combatting money laundering, and promoting national security.

Additionally, FinCEN monitors the percentage of domestic law enforcement and regulators who assert that queried BSA data led to the detection and deterrence of illicit activity. The survey looks at the value of FinCEN data, such as whether the data provided unknown information; supplemented or expanded known information; verified information; helped identify new leads; opened a new investigation or examination; supported an existing investigation or examination; or provided information for an investigative or examination report.

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 that include, where appropriate, Treasury’s Office of Terrorism and Financial Intelligence (OTFI) access to a query system containing 16 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.

C – Changes in Performance Measures

With the publication of Treasury’s Strategic Plan for FY 2022-2026, FinCEN will work this year to baseline performance against the new strategic objectives. This could result in changes to performance measures in the FY 2024 budget.

Performance Measure or Indicator	Proposed Change and Justification
Percentage of Domestic Law Enforcement and Foreign FIUs who Assert that they Used Analytic Products that Led to Detection and Deterrence of Illicit Activity	Discontinue. FinCEN is discontinuing this performance measure and is working to develop an improved replacement measure to assess performance.

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 more than 23 million filings in FY 2021. 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. On January 1, 2021, Congress passed the National Defense Authorization Act (NDAA), which includes the Corporate Transparency Act (CTA). The CTA dictates that many companies disclose beneficial ownership information to FinCEN. As a result, FinCEN, has expanded its IT investment portfolio to include the resources necessary to 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. FinCEN's FY 2023 request include an increase in its IT portfolio by approximately \$29M annually, to support FinCEN's current mission architecture and continue the 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. FinCEN's initial development costs includes obligations from TEOAF Strategic Support in FY 2021 (\$6.73 million), FY 2022 (\$22.5 million), and FY 2023 (\$6.25 million).

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>.