

Financial Crimes Enforcement Network

Program Summary by Budget Activity

Dollars in Thousands

Financial Crimes Enforcement Network	FY 2022	FY 2023	FY 2024	FY 2023 to FY 2024	
Budget Activity	Operating Plan	Operating Plan	Request	\$ Change	% Change
BSA Administration and Analysis	\$161,000	\$190,193	\$228,908	\$38,715	20.36%
Subtotal, Financial Crimes Enforcement Network	\$161,000	\$190,193	\$228,908	\$38,715	20.36%
Offsetting Collections - Reimbursable	\$2,100	\$3,500	\$3,500	\$0	0.00%
Recovery from Prior Years	\$6,089	\$0	\$0	\$0	NA
Unobligated Balances Brought Forward	\$20,189	\$41,656	\$41,656	\$0	0.00%
Total Program Operating Level	\$28,378	\$45,156	\$45,156	\$0	0.00%
Total Budgetary Resources	\$189,378	\$235,349	\$274,064	\$38,715	16.45%
Direct FTE	285	289	350	61	21.11%
Reimbursable FTE	1	3	3	0	0.00%
Total Full-time Equivalents (FTE)	286	292	353	61	20.89%

1 FY 2022 Other Resources and Full-time Equivalents (FTE) reflect actuals.

2 Table does not include \$19.0 million in funding provided under Ukraine Supplemental Appropriations Act, 2022, Division N of the Consolidated Appropriations Act, 2022 (P.L. 117-103) and \$22.3 million provided by the Additional Ukraine Supplemental Appropriations Act, 2022 (P.L. 117-128).

Summary

The mission of the Financial Crimes Enforcement Network (FinCEN) is 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. FinCEN is the primary Federal regulator and the administrator for the Bank Secrecy Act (BSA), which is part of the comprehensive legal architecture in the fight against money laundering and its related crimes. FinCEN plays two key roles in the U.S. financial regulatory, anti-money laundering and countering the financing of terrorism framework:

- First, FinCEN is the primary regulator and the administrator of the BSA, which is part of the comprehensive legal architecture in the fight against money laundering and its related crimes. FinCEN, through its administration of the BSA, is a global leader in both regulating money transmission, including that involving convertible virtual currency and has taken action against its illicit use.
- Second, FinCEN is the Financial Intelligence Unit, or FIU, of the United States.

The FY 2024 President's Budget requests additional resources totaling \$38,715,000 above the FY 2023 enacted level, including for the continued implementation of the Anti-Money Laundering Act of 2020 (AMLA) (which includes the Corporate Transparency Act (CTA), and is part of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (NDAA)), to strengthen, modernize, and streamline the existing AML/Countering the Financing of Terrorism (AML/CFT) regime, and for the mandatory creation of the Beneficial Ownership Information Technology (IT) Systems as the first national repository for beneficial ownership information.

Budget Highlights

Dollars in Thousands

Financial Crimes Enforcement Network	FTE	Amount
FY 2023 Operating Plan	289	\$190,193
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$5,568
Pay Annualization (4.6% average pay raise)	0	\$655
Pay Raise (5.2% average pay raise)	0	\$2,248
Non-Pay	0	\$2,664
Subtotal Changes to Base	0	\$5,568
FY 2024 Current Services	289	\$195,761
Program Changes:		
Program Increases:	61	\$33,147
AMLA Implementation	40	\$18,224
CTA Implementation and BOSS	20	\$11,123
FinCEN Investigative Tools	0	\$3,000
DEIA Staffing and Program Support	1	\$800
Subtotal Program Changes	61	\$33,147
FY 2024 President's Budget Request	350	\$228,908

Budget Adjustments

Adjustments to Request

Maintaining Current Levels (MCLs).....+\$5,568,000 / +0 FTE

Pay Annualization (4.6%) +\$655,000 / +0 FTE

Funds are requested for annualization of the January 2023 4.6% average pay raise.

Pay Raise (5.2%) +\$2,248,000 / +0 FTE

Funds are requested for a 5.2% average pay raise in January 2024.

Non-Pay (2.0%) +\$2,664,000 / +0 FTE

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

Program Increases+\$33,147,000 / +61 FTE

AMLA/CTA Implementation +\$29,347,000 / +60 FTE

The enactment of the FY 2021 National Defense Authorization Act (NDAA) included significant reforms to the U.S. AML/CFT regime through the AMLA and the CTA. The AMLA and CTA seek 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 better identify risks and priorities and provide valuable feedback to industry and the general public.

Within the AMLA, the CTA establishes a framework for uniform beneficial ownership information (BOI) reporting requirements for many corporations, limited liability companies, and other similar entities formed or registered to do business in the United States. The CTA instructs FinCEN to collect BOI, store it in a secure system that FinCEN must build, and share it

with authorized government authorities and financial institutions, subject to effective safeguards and controls that FinCEN must establish. FinCEN has issued a final rule implementing the BOI reporting requirements, which will become effective January 1, 2024. FinCEN estimates that there will be approximately 32.6 million reporting companies filing BOI reports during the first year of the rule's implementation. FinCEN received Treasury Executive Office for Asset Forfeiture (TEOAF) Strategic Support and appropriated funds that allowed us to develop the Beneficial Ownership (BO) Minimal Viable Product (MVP), and FinCEN has now received sufficient funds to support the expected operations and maintenance expenses of the BO MVP in the out-years.

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

1. Establishing standards for the reporting of BOI, building an information technology system to collect and secure the data, 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 ensure a robust program for whistleblowers with information regarding violations of the BSA and awards;
4. Establishing an Office of Domestic Liaison;
5. Establishing foreign financial intelligence liaison positions;
6. Establishing Innovation Officer and an Information Security Officer positions;
7. Reviewing and revising Currency Transaction Report (CTR) and Suspicious Activity Report (SAR) requirements, and other existing BSA regulations and guidance;
8. Expanding BSA requirements and obligations to persons engaged in the trade of antiquities;
9. Hosting a Financial Crimes Tech Symposium, and establishing two new BSA Advisory Group subcommittees to enhance public-private partnerships in the areas of innovation and technology as well as information security;
10. Establishing a BSA Analytical Hub;
11. Conducting a formal review of regulations and guidance implementing the BSA;
12. 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;
13. Establishing an ongoing, timely process to receive and evaluate requests from law enforcement to financial institutions to keep accounts open; and
14. Establishing an annual BSA training program for all Federal examiners in the United States.

With respect to the CTA, the funding request from FinCEN is to support FTEs needed to fully implement the mandates by: (i) drafting required regulations and related compliance materials and guidance; (ii) conducting stakeholder outreach to communicate information about the requirement; (iii) drafting required Congressional reports; (iv) developing and providing training on how to use the required Beneficial Ownership IT systems; (v) establishing access to BOI for authorized users; (vi) monitoring and auditing compliance with the CTA and enforcing violations of its requirements; (vii) establishing administrative processes to grant exemptions and provide relief from the CTA's requirements; (viii) establishing a BOI call center to respond to inquiries

from the public about how to comply with the CTA; (ix) conducting BO-related data management and analysis; and (x) providing related legal, administrative, security, and human resources support.

The funding request from FinCEN will also support: (i) FTEs who can draft the regulations and related guidance and respond to requests for administrative rulings regarding the interpretation of the regulations issued pursuant to the AMLA/CTA; (ii) the funding for regulatory economist FTEs who are necessary to develop regulatory impact analyses pursuant to Executive Orders (E.O.s) 12866 (“Regulatory Planning and Review”) and 13563 (“Improving Regulations and Regulatory Review”), the Regulatory Flexibility Act (RFA), the Paperwork Reduction Act (PRA), the Unfunded Mandates Act, and the Congressional Review Act and other similar applicable statutes; and (iii) FTEs to staff the compliance hotline to respond to incoming inquiries relating to the AMLA and associated regulations and guidance issued by FinCEN. Timely and effective AMLA and CTA implementation continues to be FinCEN’s top priority and presents significant complexity and resource challenges. FinCEN is working diligently with private sector and civil society stakeholders and law enforcement and regulatory counterparts to implement these numerous provisions to further the national security, financial integrity, and innovative strength of the United States and protect the American people.

The Whistleblower Program: Section 6314 of the AMLA modified and enhanced the whistleblower provisions of the BSA by, among other things, significantly increasing the maximum possible award FinCEN can issue to an eligible whistleblower who voluntarily provides information to FinCEN, the Department of Justice (DOJ), or the whistleblower’s employer regarding certain violations of the BSA. Consistent with these statutory requirements, FinCEN established an Office of the Whistleblower that is responsible for: receiving and adjudicating tips, complaints, and referrals; designing and implementing the policies and procedures of the whistleblower program; and processing award applications for eligible whistleblowers.

The Anti-Money Laundering Whistleblower Improvement Act, which was enacted as part of the Consolidated Appropriations Act, 2023, P.L. 117-328, further enhanced FinCEN’s whistleblower program by: (i) establishing a \$300 million revolving fund (Financial Integrity Fund) to pay eligible whistleblowers; (ii) expanding the whistleblower program to include awards for violations of U.S. economic and trade sanctions programs, including but not limited to those targeting Russia and its malign activities; and (iii) requiring the payment of awards to eligible whistleblowers that are equal to 10 to 30 percent of what has been collected of the monetary sanctions imposed in a covered enforcement action. FinCEN expects the establishment of this fund will very likely increase interest and participation in FinCEN’s whistleblower program. FinCEN will use the funding from this request to: (i) administer and manage the \$300 million revolving award fund, including by disbursing awards in a timely and secure manner; (ii) develop a public facing information technology system for the submission of tips and award applications; (iii) develop the capacity to securely share tips and facilitate review by FinCEN and law enforcement partners; (iv) recruit enforcement personnel dedicated to investigating BSA and other violations submitted by whistleblowers; and (v) recruit personnel dedicated to the administration of the whistleblower program to review tips, adjudicate award applications, coordinate with DOJ and other relevant agencies, and engage in outreach and education campaigns with the public. Such funding will also help ensure that any tips related to cyber-

crimes, corruption, drug trafficking, Russia, and other illicit finance and national security priorities are reviewed and referred to appropriate offices for investigation and prosecution in a comprehensive and swift manner.

This funding level assumes continuous hiring actions to get FinCEN to an onboard strength of 400 positions by the end of FY 2024 (yielding 350 FTE in FY 2024 given staff will be hired throughout the year).

FinCEN Investigative Tools +\$3,000,000 / +0 FTE

Funding will enable FinCEN to maintain the expanded access to additional software, databases and licenses for greater threat research capabilities that was made possible with Ukraine supplemental funding in FY 2022 and FY 2023.

DEIA Staffing and Program Support +\$800,000 / +1 FTE

Staff and contractor support for the Diversity, Equity, Inclusion and Accessibility (DEIA) program that is not currently in base funding.

Legislative Proposals

FinCEN has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
		Actual	Actual	Actual	Target	Target
BSA Administration and Analysis	Percentage of Domestic Law Enforcement and Regulators Who Assert Queried BSA Data Led to Detection and Deterrence of Illicit Activity	90%	93%	92%	90%	90%
BSA Administration and Analysis	Percentage of Users Satisfied with existing FinCEN Information Sharing Systems	88%	87%	87%	85%	85%

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.