

Department of the Treasury  
Financial Crimes Enforcement  
Network

Congressional Budget  
Justification and Annual  
Performance Report and Plan

FY 2019

# Table of Contents

<b>Section I – Budget Request</b> .....	<b>3</b>
A – Mission Statement.....	3
B – Summary of the Request .....	3
1.1 Appropriations Detail Table.....	4
1.2 – Budget Adjustments Table.....	4
C – Budget Increases and Decreases Description.....	4
1.3 – Operating Levels Table.....	7
D – Appropriations Language and Explanation of Changes .....	8
E – Legislative Proposals.....	8
<b>Section II – Annual Performance Plan and Report</b> .....	<b>9</b>
A – Strategic Alignment .....	9
B – Budget and Performance by Budget Activity .....	10
2.1.1 BSA Administration and Analysis Resources and Measures .....	10
BSA Administration and Analysis Budget and Performance .....	11
C – Changes in Performance Measures .....	12
<b>Section III – Additional Information</b> .....	<b>13</b>
A – Summary of Capital Investments.....	13

## **Section I – Budget Request**

---

### **A – Mission Statement**

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.

### **B – Summary of the Request**

The FY 2019 President's Budget requests additional resources of \$3,578,000 to maintain current levels, enhance FinCEN's national security capacity and to begin the development of a non-bank financial institutions (NBFI) risk assessment profile by targeting compliance toward the highest risk.

FinCEN 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 (TFI). FinCEN supports the Treasury Strategic Goal 3: Enhance National Security and Goal 5: Achieve Operational Excellence. In Strategic Goal 3, FinCEN supports the following Treasury Strategic Objectives: 3.1 Strategic Threat Disruption – Identify, disrupt, and dismantle priority threats to the U.S. and international financial system and Treasury Strategic Objective 3.2 Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT) Framework – Identify and reduce vulnerabilities in the U.S. and international financial system to prevent abuse by illicit actors.

In carrying out its mission, FinCEN has numerous statutory areas of responsibility:

- Developing and issuing regulations under the Bank Secrecy Act (BSA);
- 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 156 partner countries;
- Receiving millions of new financial reports each year;
- Securing and maintaining a database of over 190 million reports;
- Analyzing and disseminating financial intelligence to federal, state, and local law enforcement, federal and state regulators, foreign FIUs, and industry;
- Bringing together the disparate interests of law enforcement, FIUs, regulatory partners, and industry.

## 1.1 Appropriations Detail Table

Dollars in Thousands

Financial Crimes Enforcement Network		FY 2017		FY 2018 Annualized CR 2/		FY 2019 Request		FY 2018 to FY 2019			
Appropriated Resources		Enacted 1/						Change		% Change	
New Appropriated Resources		FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BSA Administration and Analysis		274	\$115,003	304	\$114,222	332	\$117,800	28	\$3,578	9.21%	3.13%
<b>Subtotal New Appropriated Resources</b>		<b>274</b>	<b>\$115,003</b>	<b>304</b>	<b>\$114,222</b>	<b>332</b>	<b>\$117,800</b>	<b>28</b>	<b>\$3,578</b>	<b>9.21%</b>	<b>3.13%</b>
<b>Other Resources</b>											
Reimbursables		1	\$3,000	1	\$3,000	1	\$3,000	0	\$0	0.00%	0.00%
Recovery from Prior Years		0	\$500	0	\$500	0	\$500	0	\$0	NA	0.00%
<b>Subtotal Other Resources</b>		<b>1</b>	<b>\$3,500</b>	<b>1</b>	<b>\$3,500</b>	<b>1</b>	<b>\$3,500</b>	<b>0</b>	<b>\$0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total Budgetary Resources</b>		<b>275</b>	<b>\$118,503</b>	<b>305</b>	<b>\$117,722</b>	<b>333</b>	<b>\$121,300</b>	<b>28</b>	<b>\$3,578</b>	<b>9.18%</b>	<b>3.04%</b>

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

2/ FY 2018 shows anticipated FTE usage with funded FTE at 332.

## 1.2 – Budget Adjustments Table

Dollars in Thousands

Financial Crimes Enforcement Network (FinCEN)	FTE	Amount
<b>FY 2018 Annualized CR</b>	<b>304</b>	<b>\$114,222</b>
<b>Changes to Base:</b>		
Maintaining Current Levels (MCLs):	0	\$1,421
Pay Annualization	0	\$260
Non-Pay	0	\$1,161
Subtotal Changes to Base	0	\$1,421
<b>Total FY 2019 Base</b>	<b>304</b>	<b>\$115,643</b>
<b>Program Changes:</b>		
Annualization of FY 2018 Hiring	28	\$0
Program Decrease	0	(\$1,161)
Programmatic Contract and Equipment Reductions	0	(\$1,161)
Program Increases:	0	\$3,318
Enhance National Security Capacity	0	\$2,118
Develop NBF1 Risk Assessment Scoring Model	0	\$1,200
<b>Total FY 2019 Request</b>	<b>332</b>	<b>\$117,800</b>

## C – Budget Increases and Decreases Description

**Maintaining Current Levels (MCLs) ..... +\$1,421,000 / +0 FTE**

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

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

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

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

**Program Changes..... +\$0 / +28 FTE**  
Annualization of FY 2018 Hiring +\$0 / +28 FTE

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

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

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

**Program Increases ..... +\$3,318,000 / +0 FTE**  
Enhance National Security Capacity +\$2,118,000 / +0 FTE

These funds are necessary to sustain FinCEN’s increased contractor resources needed to adequately support Treasury’s Terrorism and Financial Intelligence priorities. FinCEN is increasingly called upon to identify sources of revenue for illicit actors and their attempts to access and exploit the international financial system. These requests stem from the growing threats from rogue nations including the Democratic People’s Republic of North Korea (DPRK) and continued efforts to combat international organized crime, terrorism, narcotics, and cybercrime. These additional funds will support these activities, as well as the growing analysis of and demand for FinCEN’s BSA data to assist in combating the emerging threats to the financial system. Two areas of FinCEN, in particular, will benefit most from this financial support are outlined below.

In the area of enforcement, additional funding will help FinCEN keep pace with its increasing national security workload through the use of its unique regulatory authorities. This includes the use of special measures provided under Section 311 of the USA PATRIOT Act to target foreign jurisdictions, foreign financial institutions, or international financial transactions of primary money laundering concern that pose national security threats to the global financial system. Additionally, the use of targeted financial measures such as Geographic Targeting Orders has increased, consistent with FinCEN’s ongoing efforts to enhance the collection of financial intelligence on terrorist groups and other national security threats. Finally, FinCEN will continue to exercise its Foreign Financial Agency regulatory authority to obtain special collections of financial intelligence from U.S. financial institutions such as international transactions related to specific individuals, entities, or jurisdictions. This effort adds significant value to the collective government efforts to counter terrorist financing activities.

In the area of intelligence, FinCEN continues to support Treasury’s broader national security efforts by identifying funding streams for illicit actors, including terrorists and terrorist financiers. This includes processing alerts on BSA filings and developing reports for dissemination to FinCEN customers in law enforcement, the intelligence community, and foreign FIUs. In many cases, FinCEN is the only link between the intelligence community and financial intelligence maintained pursuant to the reporting obligations under the BSA. As part of that effort, FinCEN is increasingly called upon to identify financial flows and money laundering activities tied to terrorism financing, transnational organized crime, trade-based money laundering networks, proliferation concerns of priority threat areas, and more recently the illicit narcotics proceeds that fuel the opioid crisis.

Also in the area of intelligence, the ongoing need to adapt to the evolving and increasingly complex nature of financial crimes, which often involves a cyber or other highly technical element is critical. From spear phishing to ransomware, the majority of cybercrimes involve a financial nexus that often goes unexplored in other law enforcement investigations. The BSA provides the most comprehensive reporting structure for suspicious financial activity covering one of the most targeted critical infrastructure industries—financial services. FinCEN uses the unique abilities of its cyber team to bridge financial and cyber investigations, finding previously undiscovered information and connecting cases that often appear unrelated. These funds will assist in moving the cyber program forward enabling it to field further accomplishments.

*Develop NBFi Risk Assessment Model +\$1,200,000 / +0 FTE*

This funding will allow FinCEN to begin the development of a Non-Bank Financial Institution (NBFI) Risk Assessment Model that will ultimately improve FinCEN's ability to identify, detect, and examine the highest risk NBFIs and foster enhanced BSA compliance within the NBFI sectors. NBFIs have the potential to create significant vulnerabilities for the financial system that can be exploited by money launders, terrorist financiers, and other criminal actors. These sectors encompass approximately 320,000 financial institutions and over \$13 trillion in financial services. The NBFI sector includes money service businesses (MSBs), including virtual currency exchanges and administrators; casinos and card clubs, dealers in precious metals, stones, or jewels; certain insurance companies; and non-bank mortgage lenders and originators. NBFIs present inherent risks to the U.S. and global financial system ranging from the lack of traditional depository institution relationships for MSBs; the abuse of casinos and card clubs by criminal organizations; the relative isolation of precious metals, stones, and jewels from the financial services sector; and the rapidly changing technologies and customer identification challenges of virtual currency exchanges and administrators.

These inherent risks are amplified by challenges to mitigate these risks through supervision and examination. While FinCEN and the Internal Revenue Service (IRS), as its delegated examination authority, have striven to provide a robust oversight regime, the sheer numbers, volumes, and lack of regulatory requirements aside from those mandated under the BSA, have made even identifying the complete NBFI population challenging. This initiative will begin a process to identify the NBFI population and develop associated risk profiles that will be assigned to these NBFI entities, as well as assigning risk assessments across the entire population. To compensate for the examination challenges of this unique population, this initiative will construct an automated, data-driven risk examination selection and assignment system to identify high risk NBFIs and prioritize examination to better utilize the limited examination force.

This effort is the first step to ensure that these sectors are effectively supervised; and, it is a key Treasury Department priority not only to mitigate these vulnerabilities but also to protect the financial system from criminal abuse. This initiative will also help NBFIs continue to play their important role in financial inclusion and the economy, and to improve the government's oversight and supervision of this industry that is a leading risk factor that banks cite when making decisions to sever NBFI business relationships on a wholesale basis.

### 1.3 – Operating Levels Table

Dollars in Thousands

Financial Crimes Enforcement Network (FinCEN)	FY 2017	FY 2018	FY 2019
Object Classification	Enacted 1/	Annualized CR	Request
11.1 - Full-time permanent	41,817	41,817	42,076
11.3 - Other than full-time permanent	408	408	408
11.5 - Other personnel compensation	205	205	205
<b>11.9 - Personnel Compensation (Total)</b>	<b>42,430</b>	<b>42,430</b>	<b>42,689</b>
12.0 - Personnel benefits	12,260	12,260	12,261
<b>Total Personnel and Compensation Benefits</b>	<b>\$54,690</b>	<b>\$54,690</b>	<b>\$54,950</b>
21.0 - Travel and transportation of persons	615	630	649
23.1 - Rental payments to GSA	4,130	4,151	4,234
23.2 - Rental payments to others	32	40	42
23.3 - Communications, utilities, and miscellaneous charges	1,670	1,670	1,726
24.0 - Printing and reproduction	207	153	153
25.1 - Advisory and assistance services	1,097	1,097	1,097
25.2 - Other services from non-Federal sources	17,112	16,345	19,503
25.3 - Other goods and services from Federal sources	9,496	9,496	9,496
25.6 - Medical care	174	174	174
25.7 - Operation and maintenance of equipment	17,979	17,979	17,979
26.0 - Supplies and materials	326	322	322
31.0 - Equipment	7,475	7,475	7,475
<b>Total Non-Personnel</b>	<b>\$60,313</b>	<b>\$59,532</b>	<b>\$62,850</b>
<b>New Budgetary Resources</b>	<b>\$115,003</b>	<b>\$114,222</b>	<b>\$117,800</b>

FTE	274	304	332
-----	-----	-----	-----

Note: This table includes total annually appropriated funding (enacted for FY 2017, FY 2018 Annualized CR and FY 2019 request) and FTEs are Actual for FY 2017.

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

**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 Federal Funds 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 \$12,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, \$117,800,000, of which not to exceed \$34,335,000 shall remain available until September 30, 2021.</i></p> <p>Note.—A full-year 2018 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, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.</p>	

**E – Legislative Proposals**

FinCEN has no legislative proposals.

## **Section II – Annual Performance Plan and Report**

### **A – Strategic Alignment**

FinCEN supports the Treasury Strategic Goal 3: Enhance National Security and Goal 5: Achieve Operational Excellence. In Strategic Goal 3, FinCEN supports Treasury Strategic Objectives: 3.1 Strategic Threat Disruption – Identify, disrupt, and dismantle priority threats to the U.S. and international financial system and Treasury Strategic Objective 3.2 Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT) Framework – Identify and reduce vulnerabilities in the U.S. and international financial system to prevent abuse by illicit actors.

FinCEN receives BSA reports and maintains a database; analyzes and disseminates financial intelligence to federal, state, and local law enforcement, federal and state regulators, foreign FIUs, and industry; and serves as the U.S. FIU and maintains an information sharing network with FIU partner countries; develops and issues regulations under the BSA; and enforces compliance with the BSA in partnership with regulatory partners.

In FY 2017, FinCEN had several noteworthy accomplishments highlighted below:

- assessed six penalties against financial institutions in multiple industry groups including one virtual currency exchanger and an executive of the company;
- reported terrorism-related financial intelligence to law enforcement and foreign partners; produced financial analysis on organized crime groups in the U.S. related to narcotics and third party money laundering networks, trade based money laundering schemes;
- issued intelligence assessments on the exploitation of emerging payment systems as well as issued 311 actions to further restrict North Korea’s access to the U.S financial system and against a foreign financial institution of primary money laundering concern, Bank of Dandong, in support of sanctions activities;
- issued advisories to the financial community on anti-money laundering risks associated with all-cash residential real estate transactions; cyber threats from business e-mail compromise fraud schemes; and individuals and entities in South Sudan, Venezuela, and North Korea who use the financial systems to further other illegal activities; and
- continued its Global Rapid Response Program, recovering or restraining over \$300 million obtained through Business Email Compromise and other cyber-enabled crimes targeting financial institutions and their clients.

FinCEN’s FY 2018 and FY 2019 priorities include:

- disrupt the capability of priority targets, such as North Korea, to raise, use, and move funds through strategic application of Treasury’s tools and authorities;
- identify threats to the financial system from terrorists, proliferators, rogue regimes, and criminal actors through exploitation and analysis of BSA data, other financial information, and all-source intelligence research and analysis;
- expand current and facilitate new threat information sharing and collaboration with domestic and international partners to address risks to the U.S. and global financial system;
- proactively identify vulnerabilities within financial system and address them through a risk-based approach that integrates oversight measures, regulations, targeted enforcement actions, and compliance; and

- modernize, streamline, and simplify the regulatory framework to more effectively and efficiently address national security priorities.

## B – Budget and Performance by Budget Activity

### 2.1.1 BSA Administration and Analysis Resources and Measures

Dollars in Thousands

Resource Level	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Enacted	Enacted	Enacted	Enacted	Enacted	Annualized CR	Request
Appropriated Resources	\$104,993	\$112,000	\$112,000	\$112,979	\$115,003	\$114,222	\$117,800
Reimbursables Resources	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
<b>Budget Activity Total</b>	<b>\$107,993</b>	<b>\$115,000</b>	<b>\$115,000</b>	<b>\$115,979</b>	<b>\$118,003</b>	<b>\$117,222</b>	<b>\$120,800</b>
<b>FTE (Actual)</b>	<b>302</b>	<b>279</b>	<b>276</b>	<b>279</b>	<b>275</b>	<b>305</b>	<b>333</b>

Note: FY 2013-2017 FTE are actual FTE levels. FY 2018 shows anticipated FTE usage.

Measure	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Percentage of Customers Finding that FinCEN's Analytic Products and Advanced Research Positively Affected Investigations, Operations, or Understanding of Threats to the Financial System	N/A	N/A	N/A	95	92	95	90	90
Percentage of Stakeholders Finding FinCEN's Information Sharing Has Contributed to Their Organization's Responsibilities	N/A	N/A	89	91	90	92	90	90
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	90	80	81	83	86	85	86	86
Percentage of Users Satisfied with FinCEN Information Sharing Systems	N/A	N/A	78	80	87	84	84	84
Percent of financial regulators who find FinCEN's enforcement and compliance efforts effective	N/A	N/A	N/A	N/A	0.91	B	0.9	0.9
Percentage of AML/CFT Supervisors Who Indicate That FinCEN's Enforcement Actions Have Resulted in Increased Compliance by Covered Financial Institutions	N/A	N/A	81	94	82	94	Disc	Disc

Key: DISC - Discontinued; B - Baseline

## **BSA Administration and Analysis Budget and Performance**

*(\$117,800,000 from direct appropriations, \$3,000,000 from reimbursable resources):*

### *Description of Performance:*

FinCEN tracks the percentage of customers finding that FinCEN's analytic products and advanced research positively affected their investigations, operations, or understanding of threats to the financial system. This measure supports the Treasury Strategic Objective 3.1: Strategic Threat Disruption – identify, disrupt, and dismantle priority threats to the U.S. and international financial system. In FY 2017, 92 percent of respondents found that the analytic products and research had an impact on the investigations, missing the FY 2017 target of 95 percent. To meet future targets, FinCEN will concentrate on expanding product dissemination, increasing outreach to customers of its intelligence products, and improving processes to obtain feedback about product usefulness. The FY 2018 and FY 2019 targets are set at 90 percent.

FinCEN measures the percentage of stakeholders finding that FinCEN's information sharing has contributed to their organization's responsibilities. This measure supports the Treasury Strategic Objective 3.1: Strategic Threat Disruption – identify, disrupt, and dismantle priority threats to the U.S. and international financial system. In FY 2017, FinCEN missed its target [satisfaction rate] of 92 percent with 90 percent of respondents finding the information sharing helpful. FinCEN will further seek to refine and optimize its financial intelligence information sharing efforts among both its domestic and foreign partners in government and private industry to attain future targets, including its mechanisms for soliciting feedback. The FY 2018 and FY 2019 targets are set at 90 percent.

FinCEN evaluates the percentage of users finding that financial intelligence collected by FinCEN pursuant to its regulations provides valuable information to safeguard the financial system, combat money laundering, and counter terrorist financing. This measure supports Treasury Strategic Objective 3.2: AML/CFT Framework — identify and reduce vulnerabilities in the U.S. and international financial system to prevent abuse by illicit actors. In FY 2017, 86 percent of users found the financial intelligence collected valuable, thereby surpassing the FY 2017 target of 85 percent. FinCEN will continue to emphasize improvements in data quality and filing information, as well as continued training efforts to improve understanding and utilization of the FinCEN Query tool for the bureau's unique cases and situations. In FY 2018 and FY 2019, the target is set at 86 percent.

FinCEN monitors the percentage of users satisfied with FinCEN information sharing systems. This measure supports the Treasury Strategic Objective 3.2: AML/CFT Framework — identify and reduce vulnerabilities in the U.S. and international financial system to prevent abuse by illicit actors. In FY 2017, FinCEN exceeded its target of 84 percent with 87 percent of the users satisfied with information sharing systems. FinCEN attributes this performance to the usefulness of the data it provides; users' increased familiarity with systems which are in a steady operational state; its knowledgeable and courteous user support who continue to improve same day, help line closure rates; and its high system availability rate. FinCEN will continue to work with its customers to identify and prioritize enhancement requests as part of its Data Management activities; monitor the help line request volume and closure rates to address any issues or request surges; and continue to support infrastructure activities that improve overall system performance and availability. As part of the recent forms renewal process, FinCEN is

making minor form changes as well as implementing XML standards. These changes may initially cause challenges that could impact performance measures during transition, in FY 2018 and FY 2019 the targets for FinCEN systems remain at 84 percent.

FinCEN determines the percentage of AML/CFT supervisors who indicate that FinCEN's enforcement actions have resulted in increased compliance by covered financial institutions. This measure supports Treasury Strategic Objective 3.2: AML/CFT Framework — identify and reduce vulnerabilities in the U.S. and international financial system to prevent abuse by illicit actors. In FY 2016, 94 percent of customers indicated that enforcement actions have resulted in increased compliance by the financial institutions they examine. FinCEN based its FY 2017 target (also 94 percent) on the FY 2016 results, a significant spike from the FY 2014 and FY 2015 results of 81 and 88 percent, respectively. The FY 2017 results of 82 percent fell short of this target and this target was based on the FY 2016 performance result of one survey question. FinCEN attributes this spike to, among other things, its customers' enthusiastic reaction to FinCEN's increased involvement in the enforcement arena starting in approximately 2013, particularly in the area of casinos and virtual currency. Starting in FY 2018, FinCEN will discontinue this performance measure and replace it with a more comprehensive compliance and enforcement measure that tracks five questions instead of one. The new measure captures more of the effects of FinCEN's compliance and enforcement measures by including more questions. In addition, the new measure represents more regulators that may have not answered the single enforcement action question. The new measure is the percent of financial regulators who find FinCEN's enforcement and compliance efforts effective. In FY 2017 the baseline performance of the new measure was 91 percent finding enforcement and compliance efforts effective. The FY 2018 and FY 2019 targets will be set at 90 percent.

### **C – Changes in Performance Measures**

With the publication of the Department of the Treasury's Strategic Plan for Fiscal Years 2018 - 2022, FinCEN will work this year to baseline its performance against the new strategic objectives. This could result in additional changes to performance measures in the FY 2020 budget.

Performance Measure or Indicator	Change and Justification
1. Percentage of AML/CFT supervisors who indicate that FinCEN's enforcement actions have resulted in increased compliance by covered financial institutions (discontinue)	FinCEN will discontinue this metric and replace it with a more comprehensive compliance and enforcement measure that tracks five questions instead of one. The new measure captures more of the effects of FinCEN's compliance and enforcement measures by including more questions. The discontinued measure will be replaced by the Percent of financial regulators who find FinCEN's enforcement and compliance efforts effective.
2. Percent of financial regulators who find FinCEN's enforcement and compliance efforts effective (new measure)	The new measure captures more of the effects of FinCEN's compliance and enforcement measures by including more questions. The new measure will still include the impact of the prior enforcement action question while also incorporating questions that gauge improved cooperation on actions taken against financial institutions, consistency in the application of the BSA, and compliance observed.

### **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 \$19.3 million filings in FY 2017. To successfully fulfill its mission, FinCEN relies on secure, advanced information technology (IT) to manage the collection, processing, storage, and dissemination of BSA information that contributes to the soundness and confidence in America's financial system.

FinCEN's IT strategy 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 information to track money trails, identify money laundering, and unravel terrorist financing networks. FinCEN's IT strategy 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. The entire life cycle cost of the BSA IT Modernization investment, which includes the year the investment started (2010) through BY+4 (2023), is \$376.98 million (including FTE) and the FY 2019 cost is \$26.76 million (including FTE).

A summary of capital investment resources, including major IT and non-technology investments, can be viewed/downloaded at: <http://www.treasury.gov/about/budget-performance/pages/summary-of-capital-investments.aspx>.

This website also contains a digital copy of this document.