

## Financial Crimes Enforcement Network

### *Program Summary by Budget Activity*

Dollars in Thousands

Budget Activity	FY 2021	FY 2022	FY 2023	FY 2022 to FY 2023	
	Operating Plan	Annualized CR	Request	\$ Change	% Change
BSA Administration and Analysis	\$126,963	\$126,963	\$210,330	\$83,367	65.66%
<b>Subtotal, Organization Title</b>	<b>\$126,963</b>	<b>\$126,963</b>	<b>\$210,330</b>	<b>\$83,367</b>	<b>66%</b>
Reimbursable	\$1,941	\$3,500	\$3,500	\$0	0.00%
Recoveries from Prior Years	\$2,337	\$0	\$0	\$0	NA
Unobligated Balances Brought Forward	\$29,444	\$19,704	\$2,817	(\$16,887)	-85.70%
Transfers In/Out (TEOAF)	\$6,728	\$22,500	\$6,250	(\$16,250)	-72.22%
<b>Total Program Operating Level</b>	<b>\$40,450</b>	<b>\$45,704</b>	<b>\$12,567</b>	<b>(\$33,137)</b>	<b>100.00%</b>
Direct FTE	269	285	420	135	47.37%
Reimbursable FTE	2	3	3	0	0.00%
<b>Total Full-time Equivalents (FTE)</b>	<b>271</b>	<b>288</b>	<b>423</b>	<b>135</b>	<b>46.88%</b>

### *Summary*

The mission of the Federal 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 January 1, 2021 enactment of the Anti-Money Laundering Act of 2020, or AMLA, included the Corporate Transparency Act (CTA), which establishes uniform beneficial ownership reporting requirements for corporations, LLCs, and other similar legal entities. Essentially, the CTA requires FinCEN to create the United States' first-ever corporate registry. The AMLA also requires several significant rulemakings, numerous Congressional reports and assessments, and specific programs that require extensive resources.

The FY 2023 President's Budget requests additional resources totaling \$83,367,000 above 2021 enacted, including for the implementation of the 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 in the Office of Chief Counsel.

## Budget Highlights

Dollars in Thousands

	FTE	Amount
<b>FY 2022 Annualized CR</b>	<b>285</b>	<b>\$126,963</b>
<b>Changes to Base:</b>		
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
<b>FY 2023 Current Services</b>	<b>295</b>	<b>\$161,251</b>
Program Changes:		
Program Increases:	125	\$49,079
AML/CTA Implementation	115	\$46,359
Increase Office of Chief Counsel Staff	10	\$2,720
<b>FY 2023 President's Budget Request</b>	<b>420</b>	<b>\$210,330</b>

## Budget Adjustments

### Adjustments to Request

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

Pay Annualization (2.7%) +462,000 / +0 FTE

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

Pay Raise (4.6% in FY 2023) +\$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 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.

Timely and effective AMLA and CTA implementation will be challenging and continues to be FinCEN’s top priority, and we are working diligently with our 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.

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

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

***Legislative Proposals***

FinCEN has no legislative proposals.

***Performance Highlights***

Budget Activity	Performance Measure	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
		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 (%)	92	90	93	90	90
BSA Administration and Analysis	Percentage of Users Satisfied with FinCEN Information Sharing Systems (%)	89	88	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.

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 (TFI) 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.