

## Financial Crimes Enforcement Network

### *Program Summary by Budget Activity*

Dollars in Thousands

Budget Activity	FY 2020	FY 2021	FY 2022	FY 2021 to FY 2022	
	Operating Plan	Operating Plan	Request	\$ Change	% Change
BSA Administration and Analysis	\$126,000	\$126,963	\$190,539	\$63,576	50.07%
<b>Subtotal, Organization Title</b>	<b>\$126,000</b>	<b>\$126,963</b>	<b>\$190,539</b>	<b>\$63,576</b>	<b>50.00%</b>
Offsetting Collections - Reimbursable	\$1,613	\$6,000	\$6,000	\$0	0.00%
Recovery from Prior Years	\$143	\$0	\$0	\$0	NA
Unobligated Balances Brought Forward	\$26,416	\$29,000	\$29,000	\$0	0.00%
<b>Total Program Operating Level</b>	<b>\$154,172</b>	<b>\$161,963</b>	<b>\$225,539</b>	<b>\$63,576</b>	<b>39.3%</b>
Direct FTE	264	300	380	80	26.67%
Reimbursable FTE	1	3	3	0	0.00%
<b>Total Full-time Equivalents (FTE)</b>	<b>265</b>	<b>303</b>	<b>383</b>	<b>80</b>	<b>26.40%</b>

### ***Summary***

The Federal Crimes Enforcement Network (FinCEN) is the primary Federal regulator for the Bank Secrecy Act (BSA) and is responsible for the regulations and implementation of the non-public database of ownership and/or effective control of firms (i.e. beneficial ownership) pursuant to the Corporate Transparency Act (CTA). The mission of FinCEN is 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.

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 for Fiscal Year (FY) 2021 and \$87,000 for the leasing of electric vehicles and purchase of associated infrastructure.

## Budget Highlights

Dollars in Thousands

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

\*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).

## Budget Adjustments

### Adjustments to Request

**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.

***Legislative Proposals***

FinCEN has no legislative proposals.

***Performance Highlights***

Budget Activity	Performance Measure	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
		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	85%	92%	90%	89%	90%
BSA Administration and Analysis	Percentage of Users Satisfied with FinCEN Information Sharing Systems	86%	89%	88%	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. In FY 2020, FinCEN surpassed its target of 88 percent with 90 percent asserting the queried BSA data led to 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.

This 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 components) access to a query system containing 15 years of BSA data. FinCEN also provides foreign Financial Intelligence Units 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 more readily access BSA information and better enable 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 completion of a technology 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 some learning curve associated with these updates, the targets are set at 85 percent for FY 2021 and FY 2022.