

# Financial Crimes Enforcement Network

FY 2017  
Capital Investment Plan

**Bureau:** FinCEN

**Investment Name:** BSA IT Modernization

**Type of Investment:** Major IT Investment

**Description:**

FinCEN's BSA IT Modernization investment maintains a modernized information technology foundation to collect, process, analyze, and share Bank Secrecy Act (BSA) data.

**Investment Anticipated Outlay: (In Millions of \$):**

Type	PY-1 and Prior	PY 2015	CY 2016	BY 2017	BY+1 2018	BY+2 2019	BY+3 2020	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	80.74	1.01	1.19	1.00	1.00	1.00	1.00	1.00	87.94
Total DME funding		1.01	1.19	1.00					3.20
Unallocated DME funding		0.00	0.00	0.00					0.00
O&M Sub Total (Including Gov FTE) Costs	50.63	32.33	26.68	27.02	27.02	27.02	27.02	27.02	244.75
Total O&M funding		32.33	26.68	27.02					86.03
Unallocated O&M funding		0.00	0.00	0.00					0.00
Total Cost (Including Gov FTE)	131.37	33.34	27.87	28.02	28.02	28.02	28.02	28.02	332.70
Total Gov FTE Cost	8.53	3.66	4.33	4.48	4.48	4.48	4.48	4.48	38.93
Number of FTE represented by costs	39.00	16.00	19.00	19.00	19.00	19.00	19.00	19.00	169.00

**Summary of Purpose, Goals, and Benefits:**

FinCEN's BSA IT Modernization investment began in FY 2010 and is the primary IT investment that directly supports FinCEN's mission to 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. FinCEN's mission supports Treasury's strategic goal to protect our national security through targeted financial actions. To successfully fulfill its mission, FinCEN relies on secure, advanced IT to manage the collection, processing, analysis, storage, and dissemination of BSA information that contributes to the soundness of, and confidence in, America's financial system. FinCEN is the administrator of the Bank Secrecy Act, which allows stakeholders to combine this financial intelligence information with other information sources to address issues related to securing economic and financial stability, and combating terrorist financing. Prior to the four-year development effort that was completed in FY 2014, FinCEN faced the challenge of how to enable easier compliance and to streamline BSA information capture for FinCEN's financial community stakeholders while maximizing the value and impact of BSA information for its regulators, law enforcement, and intelligence community stakeholders. This investment addressed these challenges by providing an enterprise-wide information management and analysis framework that equips law enforcement and financial industry regulators with better decision-making abilities and increased value of BSA information through enhanced data integrity and analytical tools. This allows law enforcement and regulators to focus their limited resources on the areas of shifting illicit criminal activities and vulnerabilities affecting the soundness and stability of the U.S. financial system. In addition, the BSA IT Modernization investment enables easier compliance and streamlines BSA information capture for FinCEN's financial community through its enhancement of electronic filing systems for filers, standardization of financial data with existing financial community standards, and more timely and useful feedback on BSA information filings and the use of BSA information.

### **Return on Investment:**

The BSA IT Modernization Investment supports FinCEN's modernized technical environment, which leverages state-of-the-art technology and is maintained at a government co-located site, supporting Treasury's data center consolidation efforts. Since FinCEN chose to build a new systems environment using government-owned assets as its alternative, the return on investment (ROI) reflects more qualitative benefits, although some quantitative, estimated benefits do apply. As a result, FinCEN successfully assumed all system ownership responsibility from the Internal Revenue Service (IRS), thus significantly reducing the IRS's operations and maintenance costs. In addition, the program has allowed FinCEN to mandate electronic filing for all Title 31 reports, and FinCEN now averages a receipt of 97% of electronic BSA filings. This effort has reduced paper processing and offered Treasury an annual savings of \$8-12 million. FinCEN has greater flexibility and the ability to more quickly respond to its stakeholders' demands. The modernized infrastructure maintains more effective data security and audit technologies, including two-factor authentication, to maximize BSA data confidentiality and integrity. This initiative has improved time to respond to changes by reducing the number of work days required to develop and implement moderate impact changes to its BSA reports. FinCEN continues to improve with release planning efforts to address mandated changes to data collection tools, as well as defects and enhancements. In the area of data analysis, FinCEN has introduced more sophisticated web-based, analytical tools to its users. This improves the value of BSA information to law enforcement agencies and regulators by delivering data to its customers in a more timely fashion. FinCEN continues to provide data to its users in less than 48 hour from receipt. The bureau's capacity to proactively identify trends and patterns in the data has been improved, the number of reusable data sets continues to rise (saving time and resources), and sharing of analytical products assists law enforcement in enhancing their anti-money laundering strategies.

### **Requirements/ Benefits/ Mandates:**

***Legislative Mandate:*** Statute 31 U.S.C. § 310 establishes FinCEN as a bureau within the Treasury Department and describes FinCEN's duties and powers to include maintaining a government-wide data access service with a range of financial transactions information.

***Audit Finding or Material Weakness:*** N/A

***Agency Strategic Plan / Annual Performance Plan:*** The fiscal years 2014-2018 Strategic Plan for the Financial Crimes Enforcement Network (FinCEN) illustrates the broad role the bureau plays in safeguarding the financial system from illicit use, combating money laundering, and promoting national security. As both the financial intelligence unit (FIU) for the United States and the federal government's primary anti-money laundering/countering the financing of terrorism (AML/CFT) regulator, FinCEN draws on a broad range of capabilities in technology, intelligence analysis, liaison, enforcement, and policy development to perform its work. Additionally, strong public-private sector partnerships are crucial for the bureau to achieve success. They serve as the foundation for protecting the financial system and national security.

***Presidential Priority:*** N/A

***Other Requirement:*** N/A

### **Accomplishments and Future Objectives:**

In FY 2016 and FY 2017, FinCEN plans to continue supporting the operations and maintenance of the BSA IT Modernization investment with ongoing maintenance releases to address any defects and minor requests for change and enhancements. In addition, FinCEN will complete several small, development efforts to continue to enhance the analytical capabilities.

## **Performance Evaluation and Metrics:**

<b>Metric Description</b>	<b>Performance Measurement Category Mapping</b>	<b>Measurement Condition</b>	<b>Reporting Frequency</b>	<b>Unit Of Measure</b>	<b>CY Target</b>	<b>Latest Actual Result</b>	<b>Date of Latest Actual Result</b>
Percent of customers who report overall satisfaction with external-facing, mission-critical search tool (FinCEN Query)	Customer Satisfaction (Results)	Over target	Annual	Percentage	70.00	74.00	06/10/2015
Number of queries generated in FinCEN Query System per month	Strategic and Business Results	Under target	Monthly	Number	560,000	531,633	02/01/2016
Cost per BSA filing transaction (electronically filed)	Financial Performance	Under target	Annual	Dollars	0.11	0.09	09/30/2015
BSA IT Mod mission critical system availability	Strategic and Business Results	Over target	Quarterly	Percentage	99.00	99.34	01/01/2016
Average number of hours from receipt of Suspicious Activity Reports (SARs) to availability for Query users	Strategic and Business Results	Under target	Monthly	hours	48.00	36.48	02/01/2016
Percentage of customers submitting supporting documentation for Suspicious Activity Reports via the Secure Information Sharing System (SISS)	Strategic and Business Results	Over target	Quarterly	percentage	30.00	81.00	01/01/2016