

Department of the Treasury
Financial Crimes Enforcement
Network (FinCEN)

FY 2024

Capital Investment Plan

<u>Major IT Investments</u>	<u>3</u>
<u>Beneficial Ownership Secure Systems (BOSS)</u>	<u>3</u>
<u>BSA Mission Systems Support</u>	<u>4</u>

Note to Reviewers: Consistent with the corresponding Summary of Capital Investments table, the columns included in the investment tables below are defined as:

- **FY 2022 Actuals** - Total actual obligations
- **FY 2023 Estimated Obligations** - Anticipated obligation from all budgetary resources (i.e., balances from prior years, user fees, and FY 2023 Operating Plan levels).
- **FY 2024 President's Budget** – Requested level reflecting the President’s FY 2024 budget submission.

Major IT Investments

Beneficial Ownership Secure Systems (BOSS)

Description:

FinCEN's Beneficial Ownership Secure System investment supports is a critical part of Treasury's priority effort to implement the Corporate Transparency Act (CTA) provisions within the Anti-Money Laundering Act (AMLA) of 2020. As a result of this investment, FinCEN will be in a position to collect, store, secure, provide access to and maintain the information obtained from the CTA, which contains new requirements that require certain corporations, limited liability companies and similar entities to disclose information on their beneficial owners to FinCEN and for FinCEN in turn to manage appropriate disclosures of this information to authorized entities.

Investment Obligations: (In Millions of \$):

Type	FY 2022 Actual	FY2023 Estimated Obligations	FY2024 President's Budget	Change in \$	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	25.32	37.34	0.00	-37.34	-100.00%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	0.00	0.00	26.85	26.85	0.00%
Total Obligations	25.32	37.34	26.85	-10.49	-28.10%

Purpose, Accomplishments, Future Objectives:

This investment will deploy a series of new capabilities to FinCEN's technical environment. These capabilities will expand the information available to FinCEN for the purposes of analysis of illicit financial activities; for other Federal agencies engaged in national security, intelligence, or law enforcement activity; for Federal regulators engaged in supervision and compliance; and state, local, and Tribal organizations authorized by courts to seek the information. It was Congress' intent that this information will enhance efforts to protect national security interests and counter money laundering efforts.

The collection of beneficial ownership information will provide for the following benefits and objectives: setting a clear, Federal standard for incorporation practices; protecting vital United States national security interests as well as interstate and foreign commerce; better enable critical national security, intelligence, and law enforcement efforts to counter money laundering, the financing of terrorism, and other illicit activity; and bringing the United States into compliance with international standards for anti-money laundering and countering the financing of terrorism.

Stakeholders for this investment include FinCEN staff, Federal law enforcement, regulator, and national security agencies; state, local, and tribal entities, as well as financial institutions performing customer due diligence activities. All disclosure to these stakeholders will be subject to an authorized purpose and effective safeguards and controls. In FY2022, FinCEN completed the detailed planning and systems engineering phase of the Beneficial Ownership Secure Systems (BOSS) Program. FinCEN also began the design and development of the system capabilities with the goal of completing incremental milestones throughout the Development/Modernization/Enhancement phase of the program, which has been broken into two “Waves”. FinCEN aims to complete Wave 1, which will include Government Acceptance Testing (GAT), in mid-FY2023. FinCEN will also begin Wave 2 development in mid-2023, while Wave 1 testing activities are being conducted. This scheduling overlap will allow FinCEN to stay on the aggressive schedule due to the urgency placed on the Program by the highest levels of Treasury. As FinCEN progresses through BOSS, it will continue to work closely with the Integrated Product Team, comprised of business representatives, to ensure coordination with the rule-making efforts. More information on the milestone activities may be found as Projects in the business case. For the Beneficial Ownership investment, the FY 2024 Estimated Obligations column in the 4.1 Table attachment breaks out \$6.7 million of DME from the \$26.85 million O&M total shown in the FY 2024 President’s Budget column and requested in the FY 2024 President’s Budget.

BSA Mission Systems Support

Description:

FinCEN's BSA Missions Systems initiative is a Treasury effort to provide and maintain a modernized information technology foundation to collect, analyze, and share Bank Secrecy Act (BSA) data.

Investment Obligations: (In Millions of \$):

Type	FY 2022 Actual	FY2023 Estimated Obligations	FY2024 President's Budget	Change in \$	% Change
Sub-Total DME Obligations (Including Internal labor (Govt. FTE))	0.20	0.00	0.00	0.00	0.00%
Sub-Total O&M Obligations (Including Internal Labor (Govt. FTE))	33.35	35.73	36.36	0.63	1.76%
Total Obligations	33.54	35.73	36.36	0.63	1.76%

Purpose, Accomplishments, Future Objectives:

FinCEN's BSA Mission Systems Support investment, which replaced the previous, 10-year BSA IT Modernization investment, represents the primary IT investment that directly supports FinCEN's mission to safeguard the financial system from illicit use, combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities. To fulfill its mission successfully, FinCEN relies on secure, advanced IT to manage the collection, processing, storage, analysis and dissemination of BSA information that contributes to the soundness of, and confidence in, America's financial system. This investment sustains and enhances FinCEN's comprehensive technical architecture and 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. The BSA Mission Systems Support investment enables easier compliance and streamlines BSA information capture for FinCEN's financial community through its electronic filing systems, standardization of financial data by incorporating existing industry standards, and providing more timely BSA information. To date, FinCEN has primarily focused on sustainment of these critical activities, while reducing technical debt and make minor enhancements to existing systems within the allotted budget. For FY2023, FinCEN's primary development effort will focus on the implementation of Beneficial Ownership IT systems, which is associated with the bureau's other major investment. The development of these new systems is mandated by the Corporate Transparency Act (CTA) provisions within the Anti-Money Laundering Act (AMLA) of 2020 and targeted to be in production on January 1, 2024. As such, FinCEN does not have any significant enhancement efforts under the BSA MSS investment for FY2023. During this fiscal year and next, FinCEN will be focused on the transition of mission-essential applications to FinCEN's new FISMA-High Government Cloud environment, FinCloud.

In FY2022, FinCEN continued operations and maintenance of its technical infrastructure and completed several significant activities. In support of Treasury's Cloud-First mandate, FinCEN established its FISMA High Government Cloud environment (FinCloud) and obtained the Authority to Operate (ATO) for FinCloud to support its mission-essential applications. FinCEN continued to build upon its Enterprise Analytics Program through the expanded use of its analytics environment, which allows FinCEN analysts the ability to create and run notebooks, scripts, and workflows on BSA reports and transaction data. FinCEN also completed a number of technology upgrades to include the upgrade of the DataStage application, which ingests and processes daily loads of Bank Secrecy Act data and pushes the data to all the user-facing applications. In addition, FinCEN completed an upgrade of the Oracle databases, which are critical to the operation of the FinCEN Portal and some analytics applications. During FY2022, FinCEN also built upon its pilot efforts completed in FY2021 by introducing additional capabilities into its new Microsoft Dynamics platform. For example, FinCEN introduced a new Policy Case Management System, which allows users the ability to coordinate approvals and manage documents, track e-mails as part of the case itself, search, visualize, and filter the various types of work, and provide ad-hoc dashboard and reporting.

In FY2023, FinCEN will focus on the migration of mission-essential applications to the FinCloud environment, which will extend into FY2024. FinCEN will take the necessary steps to support Treasury's guidance on adhering to the President's May 2021 Cybersecurity Executive Order, such as the implementation of Treasury's Zero Trust Architecture Z-Scaler pilot. FinCEN will complete the effort to replace its current Business Rules Program, which provides alerts based on specific rules to analysts, while also transitioning it to FinCloud. FinCEN will continue to expand the case management capabilities of Microsoft Dynamics to ultimately allow for the decommissioning of the Financial

Intelligence Repository (FIR), which is the legacy work item management system built in legacy SharePoint under the BSA IT Modernization Program.