

Bureau: FinCEN

Investment Name: BSA IT Modernization

Type of Investment: Major IT Investment

Description:

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

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

Type	PY-1 and Prior	PY 2013	CY 2014	BY 2015	BY+1 2016	BY+2 2017	BY+3 2018	BY+4 and Beyond	Total
DME Sub Total (Including Gov FTE) Costs	73.31	5.67	2.50	1.00	0.00	0.00	0.00	0.00	82.49
O&M Sub Total (Including Gov FTE) Costs	15.45	14.74	23.19	26.60	27.60	27.60	27.60	55.19	217.96
Total Cost (Including Gov FTE)	88.77	20.41	25.69	27.60	27.60	27.60	27.60	55.19	300.45
Total Gov FTE Cost	5.89	1.69	2.14	4.06	4.06	4.06	4.06	8.11	34.05
Number of FTE represented by costs	23.00	8.00	8.00	16.00	16.00	16.00	16.00	32.00	135.00

Summary of Purpose, Goals, and Benefits:

FinCEN's BSA IT Modernization initiative is a Treasury effort to provide a modernized information technology foundation to collect, analyze, and share Bank Secrecy Act (BSA) data. This investment directly supports FinCEN's goal of efficient management, safeguarding, and use of BSA information, consistent with its mandate to manage the government-wide IT systems for BSA data. It also supports Treasury's overall strategic goal to prevent terrorism and promote the Nation's security through strengthened internal financial systems, and efforts of financial regulators to improve the safety and soundness of the 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 effectively managing the Government's finances can also be used for issues related to securing economic and financial stability, such as detecting mortgage fraud, or instances of insider abuse or market manipulation. BSA data can also be used for issues related to securing economic and financial stability, such as detecting mortgage fraud, or instances of insider abuse or market manipulation. FinCEN faces the challenge of how to enable easier compliance and streamline BSA information capture for FinCEN's financial community stakeholders while maximizing the value and impact of BSA information for its regulator, law enforcement and intelligence community stakeholders. The BSA IT Modernization investment is targeted to address these challenges.

This program will establish an enterprise-wide information management and analysis framework that will equip 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 will allow law enforcement and regulators to focus their limited resources on the areas of shifting illicit criminal activities and vulnerabilities effecting the soundness and stability of the U.S. financial system. This investment will also enable easier compliance and streamline BSA information capture for FinCEN's financial community through the enhancement of e-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:

In fiscal year (FY) 2014, FinCEN will complete its four-year, BSA IT Modernization Program, which has modernized its entire technical environment, introduced state-of-the-art technology, and is now being maintained at a Government co-located site. 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 transitioned 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 projects a 98 percent receipt of all filings in FY14. This effort has reduced paper processing and offered Treasury an annual savings of \$8-12M. This new environment has provided FinCEN greater flexibility and the ability to more quickly respond to its stakeholder's demands. The new infrastructure has established 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 by approximately 50 percent. As FinCEN moves into a steady state environment, it 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 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. This is achieved by decreasing the average number of hours from receipt to availability for query or dissemination by nearly 40 percent by FY13. 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. In FY2014, FinCEN will complete the Broker Information Exchange efforts, which will deploy proven work item management and customer relationship technologies.

Requirements/ Benefits/ Mandates:

Legislative Mandate: N/A

Audit Finding or Material Weakness: N/A

Agency Strategic Plan / Annual Performance Plan: N/A

Presidential Priority: N/A

Other Requirement: N/A

Accomplishments:

For FY2013, FinCEN to accomplished the following:

- o Implement the second release of FinCEN Query system and Query Audit Log system.
- o Completed first release of the Broker Information Exchange effort. , FinCENs new Financial Intelligence Repository (FIR) application. This includes implementing the technical Sharepoint foundation for this project and implementing functionality to first support investigative cases.
- o Implement Alerts functionality to FinCEN analysts.

Planned Objectives and Accomplishments:

In FY 2014, FinCEN plans to accomplish the following:

- o Since the BSA IT Modernization Program will be predominantly in steady state (O and M) with nominal application and program management support with regularly scheduled technical refreshes as appropriate.
- o There will be one DME project for the second release of the Broker Information Exchange

effort. This release will focus on additional more case capabilities, as well as feedback and intake functionality.

Development, modernization, and enhancement timeframe:

BY+1: The BSA IT Modernization Program will be in steady state (O and M) with regularly scheduled technical refreshes as appropriate. There are no planned projects at this time.

BY+2: The BSA IT Modernization Program will be in steady state (O and M) with regularly scheduled technical refreshes as appropriate. There are no planned projects at this time.

BY+3: The BSA IT Modernization Program will be in steady state (O and M) with regularly scheduled technical refreshes as appropriate. There are no planned projects at this time.

BY+4: The BSA IT Modernization Program will be in steady state (O and M) with regularly scheduled technical refreshes as appropriate. There are no planned projects at this time.

Useful Life:

Year the investment began: 2010

End Year of the current planning cycle: 2020

Performance Evaluation and Metrics:

Metric Description	FEA Category	Measurement Condition	Reporting Frequency	Unit Of Measure	CY Target	Latest Actual Result	Date of Latest Actual Result
Percent of customers who report overall satisfaction with the use of simple query/portal	Customer Results - Customer Benefit	Over target	Annual	percentage	65.00	61.00	09/30/2013