



Highlights of [GAO-10-622T](#), a testimony before the Subcommittee on Oversight and Investigations, Financial Services Committee, House of Representatives

Why GAO Did This Study

Financial investigations are used to combat money laundering and terrorist financing, crimes that can destabilize national economies and threaten global security. The Financial Crimes Enforcement Network (FinCEN), within the Department of the Treasury, supports law enforcement agencies (LEAs) in their efforts to investigate financial crimes by providing them with services and products, such as access to financial data, analysis, and case support. This statement discusses the extent to which the law enforcement community finds FinCEN's support useful in its efforts to investigate and prosecute financial crimes. This statement is based on work GAO completed and issued in December 2009.

What GAO Recommends

In December 2009, GAO recommended that, among other things, FinCEN clarify the types of complex analytic products it can provide to LEAs; establish a process for soliciting input regarding the development of analytic products; and develop a mechanism to collect sensitive information from LEAs regarding regulatory changes. FinCEN agreed with our recommendations and outlined efforts it plans to take in response to our findings.

View [GAO-10-622T](#) or [key components](#). For more information, contact Eileen Larence at (202) 512-8777 or larencee@gao.gov.

ANTI-MONEY LAUNDERING

Better Communication Could Enhance the Support FinCEN Provides to Law Enforcement

What GAO Found

In December 2009, we reported that the majority of 25 LEAs GAO surveyed found FinCEN's support useful in their efforts to investigate and prosecute financial crimes, but FinCEN could enhance its support by better informing LEAs about its services and products and actively soliciting their input. Of the 20 LEAs that responded to a question GAO posed about which FinCEN services they found most useful, 16 LEAs cited direct access to Bank Secrecy Act data—records of financial transactions possibly indicative of money laundering that FinCEN collects—as the most valuable service FinCEN provides. Additionally, 11 federal LEAs cited a tool that allows federal LEAs to reach out, through FinCEN, to financial institutions nationwide to locate financial information related to ongoing investigations as a key service offered by FinCEN. To further enhance the value and relevance of its analytic work to LEAs, FinCEN has sought to increase development of complex analytic products, such as reports identifying trends and patterns in money laundering. Sixteen law enforcement agencies GAO surveyed reported that they generally found these complex analytic products useful.

However, we reported that three of five LEAs that are among FinCEN's primary federal customers stated that FinCEN does not provide detailed information about the various types of complex analytic products it can provide. Three of FinCEN's primary customers also stated that they would like more information about when completed products become available. In December 2009, we recommended that FinCEN clarify the types of complex analytic products it can provide to LEAs. FinCEN agreed with our recommendation and in April 2010 outlined plans to improve communication with law enforcement regarding FinCEN's services, products, and capabilities. All five LEAs also reported that FinCEN does not actively seek LEAs' input about ongoing or planned analytic products, though four of these LEAs believed that doing so could improve the quality and relevance of the products FinCEN provides to its customers. We recommended that FinCEN establish a process for soliciting input regarding the development of its analytic products. FinCEN agreed with our recommendation and in April 2010 outlined a number of steps it plans to take to better assess law enforcement needs, including ongoing efforts to solicit input from LEAs. Finally, liaisons from four of FinCEN's top five federal LEAs reported that their agencies do not have sufficient opportunities to provide input when FinCEN is considering regulatory changes because their comments often contain sensitive information that may compromise investigative techniques or strategies used in ongoing investigations. We recommended that FinCEN develop a mechanism to collect sensitive information regarding regulatory changes from LEAs. In April 2010, FinCEN reported that it developed an approach for collecting sensitive information without making the comments publicly available.