

May 27, 2022

The Honorable Mike Quigley  
Chairman, House Subcommittee on Financial Services and General Government  
House Committee on Appropriations  
2078 Rayburn House Office Building  
Washington, DC 20515

The Honorable Steve Womack  
Ranking Member, House Subcommittee on Financial Services and General Government  
House Committee on Appropriations  
2412 Rayburn House Office Building  
Washington, DC 20515

Dear Chair Quigley and Ranking Member Womack,

On behalf of Transparency International U.S., we write to urge you to support increased funding in the amount of \$210.3 million for the Financial Crimes Enforcement Network (“FinCEN”) in the FY2023 appropriations process. This is the amount that FinCEN has requested<sup>1</sup> in order to effectively fulfill its mission.

[Transparency International U.S.](#) is a U.S.-based nonprofit organization that is part of the largest global network of organizations dedicated to combating corruption. One of our top priorities is stemming the flow of corrupt and other criminal funds into and through the U.S. financial system.

Corruption causes serious and widespread harm. The wealth drain from victimized countries robs people of access to healthcare<sup>2</sup> and basic public services. It drives away private investment and economic development opportunities<sup>3</sup> that are necessary for sustainable economies. It props up authoritarian regimes<sup>4</sup> that engage in human rights abuses and undermine democratic values,

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<sup>1</sup> The Office of Management and Budget, “Budget of the U.S. Government Fiscal Year 2023,” the White House, March 2022, available at [https://www.whitehouse.gov/wp-content/uploads/2022/03/budget\\_fy2023.pdf](https://www.whitehouse.gov/wp-content/uploads/2022/03/budget_fy2023.pdf).

<sup>2</sup> Karen Hussmann, “Health Sector Corruption,” U4 Anti-Corruption Resource Center, June 2020, available at <https://www.u4.no/publications/health-sector-corruption.pdf>.

<sup>3</sup> Shamim Adam, Laurence Arnold and Yudith Ho, “How Malaysia’s 1MDB Scandal Shook the Financial World,” The Washington Post, July 28, 2020 available at [https://www.washingtonpost.com/business/energy/how-malysias-1mdb-scandal-shook-the-financial-world/2020/07/28/dade64d6-d094-11ea-826b-cc394d824e35\\_story.html](https://www.washingtonpost.com/business/energy/how-malysias-1mdb-scandal-shook-the-financial-world/2020/07/28/dade64d6-d094-11ea-826b-cc394d824e35_story.html).

<sup>4</sup> Natasha Hall, Karam Shaar, and Munqeth Othman Agha, “How the Assad Regime Systematically Diverts Tens of Millions in Aid,” Center for Strategic & International Studies, October 20, 2021, available at <https://www.csis.org/analysis/how-assad-regime-systematically-diverts-tens-millions-aid>.

institutions, and practices. And, as demonstrated in the current crisis in Ukraine, corruption has played a central role<sup>5</sup> in emboldening Russian leadership to threaten global security.

Our collective understanding of transnational corruption has been enhanced in recent years through a series of blockbuster reports<sup>6</sup> by teams of investigative journalists and others who've exposed the global architecture of illicit financial flows. We now know that effective enforcement of our anticorruption laws—the ability to “follow the money”—is nearly impossible without a well-resourced financial intelligence unit.

In the U.S. that entity is FinCEN. In a new report, *Up to the Task*, released on May 24, 2022, Transparency International U.S., in collaboration with our global network, wrote that:

Financial intelligence units (FIUs) are one of the most important government agencies tasked with combatting financial crime. Their core function is to receive and analy[z]e suspicious [activity] reports (SARs) and produce financial intelligence for further investigation by law enforcement and other authorities, where relevant. They also support and coordinate the exchange of information with foreign FIU counterparts. In some countries, FIUs have additional responsibilities as they function as the primary regulators and/or anti-money laundering supervisory bodies.

A key finding of the report is that compared to several financial intelligence counterparts that have joined the U.S. to form the Russian Elites, Proxies, and Oligarchs (“REPO”) Task Force, **FinCEN resources are woefully insufficient to address the current crisis in Ukraine and to meet the longer-term mission of protecting the U.S. financial system from abuse by corrupt officials and other criminals.** As a proxy for the relative size of the covered financial sectors among REPO participating countries, consider the following: Germany and France’s financial intelligence agencies each receive fewer than 600 suspicious activity reports per staff person, per year. In contrast, FinCEN, even with an additional allocation this past year, receives more than 10,000 such reports per staff person, per year.

FinCEN’s ability to work with federal, state, territorial, tribal, and local law enforcement agencies and to respond to Congress and financial institutions with anti-money laundering obligations is clearly hampered by a lack of resources.<sup>7</sup> The bureau we ask to safeguard our \$20-plus trillion economy has a staff that is smaller than the staff of the financial intelligence unit of Australia. Additionally, the bureau has outdated equipment and software, and limited funds for licenses to access other data to do proper and necessary analysis—frustrating partners in law enforcement and the private sector.

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<sup>5</sup> Amanda Taub, “To Keep Putin and His Oligarchs Afloat, It Takes a System,” The New York Times, May 11, 2022, available at <https://www.nytimes.com/2022/05/11/world/europe/putin-russia-corruption.html>.

<sup>6</sup> Michael Hudson, et al., “Offshore havens and hidden riches of world leaders and billionaires exposed in unprecedented leak,” the International Consortium of Investigative Journalists, October 3, 2021, available at <https://www.icij.org/investigations/pandora-papers/global-investigation-tax-havens-offshore/>.

<sup>7</sup> Himamauli Das, “Statement by Himamauli Das Acting Director Financial Crimes Enforcement Network United States Department of the Treasury before the Committee on Financial Services U.S. House of Representatives,” Financial Crimes Enforcement Network, April 28, 2022, available at <https://financialservices.house.gov/uploadedfiles/hhrg-117-ba00-wstate-dash-20220428.pdf>.

The invasion of Ukraine and the subsequent search for sanctioned funds is a stark reminder of why a robust financial intelligence bureau is so important. The bipartisan call for an effective response to the crisis has led to an important bipartisan agreement<sup>8</sup> to increase funding for asset tracing and other improvements to our defenses against financial crime. We urge your continued support for increasing the FinCEN budget to a level at which the bureau can effectively and efficiently manage the data analysis, legally mandated rulemakings, and timely support to public and private sector partners.

Thank you for your consideration of our views. If you have questions, please contact Scott Greytak, Director of Advocacy for Transparency International U.S., at [sgreytak@transparency.org](mailto:sgreytak@transparency.org).

Sincerely,

Gary Kalman  
Executive Director

Scott Greytak  
Director of Advocacy

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<sup>8</sup> Senator Sheldon Whitehouse and Senator Charles Grassley, “Whitehouse, Grassley Lead Senators in Call to Fully Fund FinCEN’s Anti-Money Laundering Operations,” the office of Senator Sheldon Whitehouse, May 17, 2022, available at <https://www.whitehouse.senate.gov/news/release/whitehouse-grassley-lead-senators-in-call-to-fully-fund-fincens-anti-money-laundering-operations>.