



# Audit Report



OIG-26-015

**ANTI-MONEY LAUNDERING/TERRORIST FINANCING**

## **Audit of FinCEN's Management of BSA Data—User Access and System of Records Notice**

February 17, 2026

**Office of Inspector General  
Department of the Treasury**

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## Abbreviations

BSA	Bank Secrecy Act
CTR	Currency Transaction Report
FinCEN	Financial Crimes Enforcement Network
GAO	Government Accountability Office
Green Book	<i>Standards for Internal Control in the Federal Government</i>
Handbook	<i>Privacy Act Handbook</i>
JAMES	Joint Audit Management Enterprise System
LE	law enforcement
MOU	memorandum of understanding
OCC	Office of the Comptroller of the Currency
OIG	Office of Inspector General
OMB	Office of Management and Budget
Privacy Act	The Privacy Act of 1974
SAR	Suspicious Activity Report
SOP	Standard Operating Procedure
SORN	System of Records Notice
Treasury	Department of the Treasury



# Audit Report

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February 17, 2026

Andrea Gacki  
Director  
Financial Crimes Enforcement Network

This report is the third in a series of reports presenting the results of our audit of the Department of the Treasury's (Treasury) Financial Crimes Enforcement Network's (FinCEN) management of Bank Secrecy Act (BSA)<sup>1</sup> data. Our audit objective was to determine if FinCEN manages BSA data access, use, and retention in compliance with laws, regulations, and Treasury policies and procedures (hereinafter referred to as standard operating procedures (SOPs)). We previously issued two audit reports, the first regarding FinCEN's management of BSA data retention, including suppression of certain sensitive records,<sup>2</sup> and the second regarding FinCEN's management of BSA data access, specifically granting and revoking access to FinCEN Portal.<sup>3 4</sup> This audit report also addresses results from our audit of FinCEN's management of BSA data access, specifically FinCEN's processes for (1) granting bulk data access,<sup>5</sup> (2) maintaining a compliant system of records

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<sup>1</sup> Titles I and II of P.L. 91-508, Currency and Foreign Transactions Reporting Act (commonly referred to as the "Bank Secrecy Act" or "BSA") (October 26, 1970), requires U.S. financial institutions to retain records and file reports to assist U.S. government agencies in detecting and preventing money laundering. The BSA is codified at 12 U.S.C. 1829b and 1951-1960 and 31 U.S.C. 5311-5314 and 5316-5336, and includes notes thereto. FinCEN is responsible for implementing, administering, and enforcing compliance with the BSA and associated regulations.

<sup>2</sup> Treasury OIG, *Anti-Money Laundering/Terrorist Financing: Audit of FinCEN's Management of BSA Data – Suppression Report*, OIG-23-030 (August 31, 2023)

<sup>3</sup> Treasury OIG, *Anti-Money Laundering/Terrorist Financing: Audit of FinCEN's Management of BSA Data – User Access Report*, OIG-24-030 (August 1, 2024)

<sup>4</sup> FinCEN Portal is a web-based application that allows authorized users access to the BSA database. Portal users can access the BSA data through queries (FinCEN Query application).

<sup>5</sup> Bulk data is the transfer of entire copy sets of FinCEN BSA data to an external agency. While FinCEN previously used the term "bulk data" during our audit scope period, it now uses the term "Agency Integrated Access."

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notice (SORN), and (3) establishing and maintaining memoranda of understanding (MOUs) with external agencies that use BSA data. Publication of the fourth and final report in this series, addressing FinCEN's management of BSA data use, specifically FinCEN's monitoring processes, will conclude our audit of FinCEN's management of BSA data.

As mandated by the BSA, FinCEN maintains a government-wide data access service that includes reports or records,<sup>6</sup> collectively referred to as BSA data. This data is useful in a range of governmental efforts to combat money laundering, including criminal, tax, or regulatory investigations and risk assessments; intelligence or counterintelligence activities to protect against terrorism; and to facilitate the tracking of money that has been sourced through criminal activity or is intended to promote criminal or terrorist activity. To comply with its mandate, FinCEN maintains the BSA data filed in its BSA database. FinCEN provides BSA database access to employees from FinCEN and certain external intelligence, law enforcement (LE), and regulatory agencies, consistent with the requirements and purposes of the BSA.

To accomplish our objective as it relates to this audit report, we reviewed applicable laws, regulations, directives, SOPs, and guidance; interviewed personnel from FinCEN, Treasury, and external agencies; and non-statistically selected and tested whether FinCEN properly executed and maintained agencies' MOUs and related documents. The scope of our audit, related to this report, covered FinCEN's bulk data decisions in 2019, BSA data SORN updated in April 2014 and related actions taken in 2017, and MOU process for agencies with BSA data access in 2019. We conducted fieldwork related to this audit report from June 2019 through April 2024. Appendix 1 provides a more detailed description of our audit objective, scope, and methodology.

## Results in Brief

FinCEN did not manage aspects of BSA data access in compliance with applicable laws, regulations, directives, SOPs, or government-wide standards. Specifically, FinCEN did not

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<sup>6</sup> 31 U.S.C. 310, *Financial Crimes Enforcement Network*

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(1) document its assessments or conduct reevaluations of the need for bulk data access, (2) update its BSA SORN, (3) execute a bulk data MOU with one agency, (4) execute platform program MOUs with 11 agencies, (5) update its BSA data MOUs, (6) accurately track agencies with BSA data MOUs, (7) properly maintain its BSA data MOUs, or (8) properly execute its BSA data MOUs.

Accordingly, we are making 14 recommendations to improve FinCEN's management of BSA data access. We recommend that the Director of FinCEN (1) conduct and document an assessment of FinCEN's decision to offer bulk data access, including the potential risks and how those risks are being mitigated; (2) update FinCEN's bulk data access SOP to specify how to conduct and document reviews of requests and periodic reevaluations of agencies' need for bulk data access, including which personnel are responsible for conducting these reviews and approving access; (3) conduct and document a reevaluation of the basis for granting each agency access to bulk data, in accordance with the bulk data SOP, to determine whether the overall benefits of continuing to provide such access outweigh the potential downsides and whether those downsides can be mitigated effectively; (4) review and update the BSA data SORN to ensure it identifies all routine uses and accurately details its administrative practices; (5) ensure FinCEN, going forward, complies with SORN requirements in applicable laws, regulations, directives, and Office of Management and Budget (OMB) guidance; (6) update FinCEN's BSA data SOPs to require verification that an MOU has been executed with an agency before its users are granted access to BSA data; (7) ensure SOPs specifically cover platform program access and require the execution of an MOU with external agencies before providing their users platform program access; (8) update FinCEN's BSA data SOPs to clearly specify the types of access to which they apply; (9) execute MOUs with all agencies participating in the platform program; (10) immediately review BSA data MOUs to determine which require updates and execute updated MOUs with those external agencies; (11) update FinCEN's BSA data SOPs to require that FinCEN personnel periodically review MOUs to determine if they require an update, and if so, execute updated MOUs with those external agencies; (12) update FinCEN's BSA data SOPs to ensure accurate tracking and consistent documentation of BSA data MOUs; (13) update FinCEN's BSA data SOPs to specify that FinCEN personnel appropriately maintain decision matrices, and

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also require a review to ensure FinCEN personnel appropriately maintain MOUs and related documentation; and (14) update FinCEN's BSA data SOPs to require that FinCEN identify and permit designees to sign MOUs in lieu of FinCEN's Director and FinCEN personnel and external agency officials record the execution date on MOUs.

In a written response, included in its entirety as appendix 2, FinCEN management concurred with our recommendations and provided their planned and taken corrective actions. In response to recommendations 1 and 3, management stated they implemented these recommendations by individually assessing the mission, expertise, and potential risks and mitigating controls for new bulk data access MOUs signed in the last year, and requiring reassessments every 5 years, and they will continue to implement these recommendations as they update all existing MOUs. For recommendations 2, 6, 8, and 11 through 14, management stated they are updating their SOPs. For recommendations 4 and 5, management stated they are revising the SORN to reflect current agency practice and provide additional information about bulk data access. For recommendations 7 and 9, management stated they terminated the platform program. Lastly, for recommendation 10, management stated they updated and executed more than 70 percent of their BSA data MOUs, and the MOU refresh effort remains ongoing. We have not verified FinCEN management's corrective actions taken; however, the stated corrective actions generally meet the intent of our recommendations.

Management stated they implemented corrective actions for recommendations 7 and 9 and anticipate completing corrective actions for recommendations 2, 4 through 6, 8, and 11 through 14 in 2026. Management should specify when they will complete corrective actions for recommendations 1, 3, and 10. Management should include its stated corrective actions and expected completion dates in the Joint Audit Management Enterprise System (JAMES), Treasury's audit recommendation tracking application.

## Background

FinCEN is responsible for maintaining a government-wide data access service for BSA records, which include Suspicious Activity

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Reports (SARs),<sup>7</sup> Currency Transaction Reports (CTRs),<sup>8</sup> and other BSA reports (collectively referred to as “BSA data”), in its BSA database. Our report refers to FinCEN’s data access service as the BSA database. Individuals with access to the BSA database retrieve BSA data by personal identifier(s). Since the BSA data contains information about individuals and that information is retrieved by a personal identifier, FinCEN is required to publish a SORN in the Federal Register.<sup>9</sup> A SORN explains how federal agencies collect, maintain, use, and disseminate records about individuals. FinCEN may disclose BSA data if permitted by a routine use identified in its SORN.<sup>10</sup>

Filers of BSA data submit approximately 88,000 BSA records to FinCEN per day. Filers of BSA data are mostly businesses. The most common business sector entities filing BSA data are financial institutions, most of which are required to file SARs and CTRs. However, other BSA reports are also filed with FinCEN, including by filers that are not businesses. For example, U.S. Customs and Border Protection, a federal government LE agency of the U.S. Department of Homeland Security, collects Reports of International Transportation of Currency or Money Instruments from individuals and provides that information to FinCEN. In addition, individuals file reports of foreign bank and financial accounts to FinCEN. FinCEN allows its authorized employees and certain external LE, intelligence, and regulatory agency users to access the BSA database to conduct official agency business consistent with the BSA. The external users have access to BSA data under the terms of an MOU between FinCEN and each user’s agency.

To gain access to the BSA database, an agency submits a written request to FinCEN, and FinCEN personnel determine if the agency has sufficient need, consistent with BSA purposes, to access the data. If FinCEN approves the request, it will execute an MOU with

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<sup>7</sup> SARs must be filed with FinCEN to report known or suspected violations of law or regulation or suspicious activity observed by financial institutions for transactions exceeding \$5,000; money service businesses must report any such transactions exceeding \$2,000.

<sup>8</sup> CTRs must be filed with FinCEN when a financial institution receives transactions in currency over \$10,000, or multiple transactions that total more than \$10,000 in a single day, conducted by or on behalf of one person.

<sup>9</sup> 5 U.S.C. 552a(e)(4), *Agency Requirements*

<sup>10</sup> The Privacy Act of 1974 states “routine use” means, with respect to the disclosure of a record, the use of such record for a purpose which is compatible with the purpose for which it was collected.

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the agency. Once an MOU is in place, FinCEN personnel will coordinate with an Agency Coordinator, who represents the agency in fulfilling obligations under, and compliance with, the MOU. In particular, the Agency Coordinator is responsible for authorizing agency employee access to FinCEN Portal, a web-based application that allows authorized users offsite access to the BSA database. As of September 2019, FinCEN executed 468 MOUs with approximately 450 external agencies.<sup>11</sup> Agencies are typically provided BSA data by either obtaining direct access to FinCEN Portal or by receiving bulk data. FinCEN personnel use a case management system to manage BSA data MOUs and related documentation, such as request letters.

### Direct Access

Agencies' users can directly retrieve BSA data through FinCEN Query, an online database query application within FinCEN Portal that allows users to access, search, and analyze the data. FinCEN provided direct access to the BSA database to approximately 450 agencies and 14,000 external users. A variation of direct access is platform program access, in which external agencies' users must physically go to FinCEN's office to conduct their searches on FinCEN-provided computers.

### Bulk Data Access

FinCEN may authorize an external governmental agency to incorporate bulk data into their system(s) based upon a well-founded request demonstrating why the agency's needs cannot be met by FinCEN Query. Most agencies with bulk data access retrieve BSA data by downloading an encrypted file(s) from FinCEN Portal,<sup>12</sup> which agencies then import into their respective databases. Bulk data access allows agencies with critically

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<sup>11</sup> FinCEN executed multiple MOUs with some agencies for different types of BSA data access, which is why the number of MOUs differs from the number of agencies with MOUs. Also, while FinCEN provided us with a list of agencies that they thought had an MOU with FinCEN as of September 2019, as reported in findings 3 and 6, FinCEN did not have an MOU with one external agency on that list and did not accurately track external agencies with BSA data MOUs. See footnote 14.

<sup>12</sup> Two agencies physically received encrypted hard drives instead of downloading bulk data from FinCEN Portal.

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sensitive missions, including but not limited to combating terrorism and drug trafficking and securing the nation's borders, to develop technologies to further utilize extracted BSA data. As of 2019, FinCEN shared such access with 11 agencies, which then granted access to approximately 35,000 external users.

## Audit Results

This report relates only to the BSA data access portion of our audit objective, specifically whether FinCEN managed its bulk data access, SORN, and MOU processes in compliance with laws, regulations, and Treasury SOPs. As previously reported, FinCEN maintains a government-wide direct data access service and has related SOPs, as mandated by the BSA.<sup>13</sup> However, FinCEN did not document its assessments or conduct reevaluations of the need for bulk data access. While FinCEN published a BSA data SORN in 2014 identifying aspects of its BSA data use, FinCEN did not properly update the SORN. FinCEN also did not manage other aspects of BSA data access in compliance with applicable SOPs or government-wide standards. We non-statistically tested 62 of 469 external agencies with BSA data access<sup>14</sup> and found that FinCEN did not properly maintain and execute all its MOUs. Additionally, FinCEN provided platform program access to users from 11 agencies without executing MOUs with those agencies. Lastly, FinCEN did not update its MOUs or accurately track agencies with MOUs.

### **Finding 1      FinCEN Did Not Document Its Assessments or Conduct Reevaluations of the Need for Bulk Data Access**

FinCEN did not document its decision to begin offering BSA data in bulk form and FinCEN personnel did not document their review of

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<sup>13</sup> Treasury OIG, *User Access Report*, p. 6

<sup>14</sup> FinCEN employees told us they had executed MOUs with 469 external agencies as of September 2019; however, as reported in finding 3, one such MOU was, in fact, not executed. This reduced the total number of executed MOUs to 468, and while we selected 62 agencies with BSA data access for our sample to determine if an MOU existed, only 61 MOUs in our sample were available for further testing to verify if they were properly executed and maintained (see findings 7 and 8). Appendix 1 provides a more detailed description of our sample and testing.

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each agency's request for bulk data access. In addition, FinCEN did not conduct periodic reevaluations of agencies' continued need for bulk data access.

### FinCEN Did Not Document Its Decision To Begin Offering BSA Data in Bulk Form

FinCEN did not document its decision to begin offering BSA data in bulk form, despite the requirement for federal agencies to document their decisions and preserve those records.<sup>15</sup> FinCEN did not know why this decision was not documented and preserved because it was made by previous FinCEN senior leadership. Without documentation of the rationale behind the decision to offer bulk data, FinCEN may not be fully aware of any associated risks and mitigating controls that may have been identified and may not be able to substantiate that the benefits outweigh those risks.

### FinCEN Did Not Document Its Review of Agencies' Requests for Bulk Data

Although FinCEN began to execute MOUs to provide bulk data access starting in 2005, FinCEN personnel did not document their review of each agency's request for such access. FinCEN's bulk data SOP<sup>16</sup> required FinCEN personnel to review agencies' bulk data access requests to determine whether the overall benefits of providing the access outweighed the risks; however, it did not specifically require documentation of the reviews or specify which personnel are responsible for conducting them. The Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* (Green Book) Principle 10, *Design Control Activities*, states management should design control activities to achieve objectives and respond to risks and explains in greater detail that management should clearly document internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination.<sup>17</sup> Without a documented review, FinCEN is unable to provide a

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<sup>15</sup> 44 U.S.C. 3101, *Records management by agency heads; general duties*

<sup>16</sup> *The Financial Crimes Enforcement Network Data Access Policy* (March 18, 2014)

<sup>17</sup> GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G, (Sept. 2014), pp. 45, 48

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historical account of when access was approved, if the requesting agency met all FinCEN's requirements for access, and the individuals involved in the approval process.

### **FinCEN Did Not Reevaluate Agencies' Continued Need To Access Bulk Data**

FinCEN did not conduct periodic reevaluations of agencies' continued need for bulk data access in accordance with the bulk data SOP. The SOP required them to periodically, not to exceed five years, reevaluate the basis for granting bulk data access to an agency. FinCEN employees told us they started sending questionnaires to agencies with bulk data access for reevaluation purposes in 2019; however, we found no evidence that FinCEN used the questionnaire responses or any other method to evaluate agencies' continued need for bulk data access. FinCEN's bulk data SOP did not specify how to conduct and document a formal reevaluation of agencies with bulk data access or who was responsible for performing the reevaluation. Green Book Principle 12.01, *Implement Control Activities*, states that management should implement control activities through policies. The Green Book further explains that those policies need to be documented in the appropriate level of detail to allow management to effectively monitor those activities.<sup>18</sup>

Without a documented periodic reevaluation, FinCEN cannot demonstrate that agencies continue to meet all FinCEN's requirements for bulk data access. Further, FinCEN's data security risks could be increased if they provide bulk data access to agencies that do not need it.

### **Recommendations**

We recommend that the Director of FinCEN:

1. Conduct and document an assessment of FinCEN's decision to offer bulk data access, including the potential risks and how those risks are being mitigated.

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<sup>18</sup> GAO, Green Book, p. 56

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### Management Response

FinCEN management concurred with our recommendation. Management stated they implemented this recommendation by individually assessing the mission, expertise, and potential risks and mitigating controls for new bulk data access MOUs signed in the last year, and requiring reassessments every 5 years, and they will continue to implement this recommendation as they update all existing MOUs.

### OIG Comment

We have not verified FinCEN management's corrective actions taken; however, the stated corrective actions partially meet the intent of our recommendation. Management should conduct and document an assessment of their decision to offer bulk data access on a programmatic basis, not just agency-specific assessments. Management should include its revised corrective actions and the expected completion date(s) in JAMES.

2. Update FinCEN's bulk data access SOP to specify how to conduct and document reviews of requests and periodic reevaluations of agencies' need for bulk data access, including which personnel are responsible for conducting these reviews and approving access.

### Management Response

FinCEN management concurred with our recommendation. Management stated they are updating their SOPs to specify how to conduct and document reviews of requests and reevaluations of bulk data access, including which personnel are responsible for conducting these reviews and approving access. Management expects to complete this work in 2026.

### OIG Comment

FinCEN management's stated corrective actions meet the intent of our recommendation. Management should include its stated corrective actions and the expected completion date(s) in JAMES.

3. Conduct and document a reevaluation of the basis for granting each agency access to bulk data, in accordance with the bulk

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data SOP, to determine whether the overall benefits of continuing to provide such access outweigh the potential downsides and whether those downsides can be mitigated effectively.

#### Management Response

FinCEN management concurred with our recommendation. Management stated they implemented this recommendation by individually assessing the mission, expertise, and potential risks and mitigating controls for new bulk data access MOUs signed in the last year, and requiring reassessments every 5 years, and they will continue to implement this recommendation as they update all existing MOUs.

#### OIG Comment

We have not verified FinCEN management's corrective actions taken, however the stated corrective actions meet the intent of our recommendation. Management should include its stated corrective actions and specify the expected completion date(s) in JAMES.

## **Finding 2**

### **FinCEN Did Not Comply With System of Records Notice Requirements or Guidance**

FinCEN's BSA data SORN did not clearly and specifically identify bulk data sharing with external agencies. Additionally, FinCEN did not ensure its personnel reviewed records when retrieved by external agencies in accordance with its SORN. Lastly, FinCEN did not republish the SORN since 2014, despite it requiring significant revision.<sup>19</sup>

#### FinCEN Did Not Identify Bulk Data Access in Its BSA SORN

FinCEN shared bulk data with 11 external agencies but did not clearly and specifically identify this practice in its BSA data SORN. FinCEN also did not clearly and specifically state the purpose of

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<sup>19</sup> In September 2023, FinCEN issued a non-BSA data SORN related to its collection and use of businesses' beneficial ownership information.

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providing bulk data or describe how the data would be used by external agencies. Treasury Directive Publication 25-04, *Privacy Act Handbook* (Handbook), states that the SORN must be as simple and clear as possible while achieving the objective of informing the public of the nature and purpose of the system of records, and further that routine uses should be clearly and specifically stated so that they are understandable to the reader.<sup>20</sup> Further, OMB Circular A-108, *Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act*, states that overly broad or ambiguous language would undermine the purpose of the routine use notice requirement and shall be avoided.<sup>21</sup>

A FinCEN official told us the SORN did not specifically identify bulk data access as a routine use of BSA data, but it is described in two routine uses of its SORN that encompass broad information sharing:

1. To provide information or records relevant to the enforcement, regulatory, and supervisory programs, and operations of a user
2. To provide information or records to any appropriately authorized domestic governmental agency or self-regulatory organization that, among other things, administers law, investigates or prosecutes violations of law, or enforces or implements a statute, rule, regulation, order, or policy, when relevant to the responsibilities of that agency or organization

Since FinCEN officials told us these routine uses only broadly encompass bulk data access, and we determined not all bulk data would be relevant to the programs, operations, or responsibilities of agencies with such access, we concluded FinCEN did not provide sufficient detail about bulk data access in its SORN.

FinCEN has a duty to inform the public how it shares BSA data. However, since bulk data access is not clearly and specifically identified in FinCEN's SORN, the public may not be aware of this

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<sup>20</sup> Treasury, Directive Publication 25-04, *Privacy Act Handbook* (September 28, 2023), pp. 20, 67

<sup>21</sup> Office of Management and Budget, Circular No. A-108, *Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act* (December 23, 2016), p. 11

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use, and is therefore unable to comment on it or exercise their rights under the Privacy Act of 1974 (Privacy Act).<sup>22</sup>

### FinCEN Did Not Review Records When Retrieved

FinCEN personnel did not review records when retrieved by external agencies in accordance with its BSA data SORN. The SORN for the FinCEN Investigation and Examinations System<sup>23</sup> states that FinCEN personnel shall review records in its system each time a record is retrieved, and on a periodic basis thereafter, to see whether the record should be retained or modified. The Privacy Act requires agencies to make reasonable efforts to ensure that records are accurate, complete, timely, and relevant for agency purposes prior to their dissemination.

FinCEN employees told us they intend to delete the review requirement from their SORN. Nonetheless, FinCEN did not properly design or implement internal controls to ensure FinCEN personnel reviewed records as specified in their SORN nor republish the SORN to reflect current practices. FinCEN's failure to perform the SORN's records review provision increased the risk that it did not remove or modify records in its systems as required.

### FinCEN Did Not Republish Its BSA SORN

FinCEN has not published an amended BSA data SORN since 2014 despite the SORN requiring significant revision. The Privacy Act, Treasury regulations, and OMB guidance require a SORN to be republished for any new or significantly revised system of records.<sup>24</sup> Initially, FinCEN officials told us they did not identify any significant changes that would warrant an update to the SORN. However, during our audit, FinCEN officials told us they should have deleted the SORN provision to review records when retrieved,

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<sup>22</sup> P.L. 93-579, The Privacy Act of 1974 (December 31, 1974); codified at 5 U.S.C. 552a. The Privacy Act requires agencies that maintain a system of records to permit an individual to review any records in the system pertaining to them. The individual can request an amendment if they believe the records are not accurate, relevant, timely, or complete.

<sup>23</sup> FinCEN's BSA data SORN lists three systems containing BSA data: FinCEN Investigations and Examinations System, the SAR System, and the BSA System.

<sup>24</sup> Until its revision in November 2022, 31 CFR 1.23 required Treasury to republish its SORNs in the Federal Register at least every three years. Afterwards, the regulations only require a SORN to be republished if significant revisions were made to the covered system of records.

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and that change was likely to be considered significant. Accordingly, and notwithstanding required clarity and specificity regarding bulk data, a significant SORN update was required.

FinCEN lacked proper internal controls to ensure its SORN review process identified required changes. FinCEN's failure to republish its SORN leaves them non-compliant with Federal guidance and requirements. Considering that BSA data is highly sensitive, it is imperative that FinCEN comply with the Privacy Act public notice requirements to limit its related risk of civil liability.

### **Recommendations**

We recommend that the Director of FinCEN:

1. Review and update the BSA data SORN to ensure it identifies all routine uses and specifically and clearly describes the purpose of bulk data and how external agencies will use the data. Also, ensure FinCEN accurately details its administrative practices.

### **Management Response**

FinCEN management concurred with our recommendation. Management stated they are revising the SORN to reflect current agency practice and provide additional information about bulk data access. Management expects to issue the revised SORN in 2026.

### **OIG Comment**

FinCEN management's stated corrective actions meet the intent of our recommendation. Management should include its stated corrective actions and the expected completion date(s) in JAMES.

2. Ensure that FinCEN, going forward, complies with SORN requirements in the Privacy Act, Treasury regulations, OMB guidance, and Treasury's Handbook.

### **Management Response**

FinCEN management concurred with our recommendation. Management stated they are revising the SORN to reflect current agency practice and provide additional information about bulk data access. Management expects to issue the revised SORN in 2026.

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### OIG Comment

FinCEN management's stated corrective actions meet the intent of our recommendation. Management should include its stated corrective actions and the expected completion date(s) in JAMES.

## **Finding 3**

### **FinCEN Did Not Execute a Bulk Data MOU With One Agency**

FinCEN did not execute a bulk data MOU with the Office of the Comptroller of the Currency (OCC), 1 of the 11 agencies that received bulk data access, and 1 of the 9 agencies included in our testing. This violated FinCEN's BSA data SOPs,<sup>25</sup> which required FinCEN to enter into a formal written agreement<sup>26</sup> with all agencies before they are allowed to access BSA data.

The SOPs reviewed did not require FinCEN personnel to coordinate with each other to verify that an MOU was executed before providing an agency with BSA data access. Since an MOU communicates the mutually accepted expectations of each party, failure to fully execute one can result in misunderstandings as to an agency's responsibilities, including those regarding information security, documentation, and training, as well as limitations on re-dissemination of BSA information. Resultantly, OCC had access to bulk data for over 10 years without a written agreement documenting both parties' responsibilities. In 2022, FinCEN disabled OCC's bulk data access.

### **Recommendation**

We recommend that the Director of FinCEN:

1. Update FinCEN's BSA data SOPs to require verification that an MOU has been executed with an agency before its users are granted access to BSA data.

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<sup>25</sup> *The Financial Crimes Enforcement Network Data Access Policy* (March 18, 2014) and *The MOU Process for Bank Secrecy Act Data* (n.d.)

<sup>26</sup> FinCEN's practice is to execute written agreements in the form of MOUs.

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### Management Response

FinCEN management concurred with our recommendation. Management stated they are updating their SOPs to require verification that an MOU has been executed before providing access. Management expects to complete this work in 2026.

### OIG Comment

FinCEN management's stated corrective actions meet the intent of our recommendation. Management should include its stated corrective actions and the expected completion date(s) in JAMES.

## **Finding 4**

### **FinCEN Did Not Execute Platform Program MOUs with 11 Agencies**

As of 2019, FinCEN granted platform program access to users from 11 agencies without executing related MOUs with those agencies. FinCEN's BSA data SOPs required FinCEN to execute an MOU with an agency before it is allowed to access BSA data; however, the SOPs did not specify whether they governed platform program access. Green Book Principle 12.01, *Implement Control Activities*, states that management should implement control activities through policies. The Green Book further explains that those policies need to be documented in the appropriate level of detail to allow management to effectively monitor those activities.<sup>27</sup> Platform program users directly retrieve BSA data through FinCEN Portal, as do users with direct access, but they do so at FinCEN offices on FinCEN-provided computers. As platform program access is procedurally similar to direct access, FinCEN officials told us, during fieldwork, they are developing SOPs for platform program access and will extend agreements to those agencies.

FinCEN's direct access MOUs state important terms and conditions including, but not limited to, search limitations, records maintenance, and FinCEN's right to conduct inspections and review an agency's documentation. The MOU also explains an agency's key responsibilities, such as oversight of its users' activities and a

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<sup>27</sup> GAO, Green Book, p. 56

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requirement to notify FinCEN if the agency revokes a user's access privileges. Without executing MOUs for platform program access, FinCEN cannot reasonably ensure that agencies fully understand and agree to the terms by which their employees access BSA data.

## **Recommendations**

We recommend that the Director of FinCEN:

1. Ensure SOPs specifically cover platform program access and require the execution of an MOU with external agencies before providing their users platform program access.

### **Management Response**

FinCEN management concurred with our recommendation. Management stated our recommendation is resolved as they have terminated the platform program and transitioned all users to alternative access options.

### **OIG Comment**

We have not verified FinCEN management's corrective actions taken; however, the stated corrective actions resolve our recommendation. Management should record its stated corrective actions and the actual completion date(s) in JAMES.

2. Update FinCEN's BSA data SOPs to clearly specify the types of access to which they apply.

### **Management Response**

FinCEN management concurred with our recommendation. Management stated they are updating their SOPs to clearly specify the types of access to which the SOPs apply. Management expects to complete this work in 2026.

### **OIG Comment**

FinCEN management's stated corrective actions meet the intent of our recommendation. Management should include its stated corrective actions and the expected completion date(s) in JAMES.

- 
3. Execute MOUs with all agencies participating in the platform program.

Management Response

FinCEN management concurred with our recommendation. Management stated our recommendation is resolved as they have terminated the platform program and transitioned all users to alternative access options.

OIG Comment

We have not verified FinCEN management's corrective actions taken; however, the stated corrective actions resolve our recommendation. Management should record its stated corrective actions and the actual completion date(s) in JAMES.

**Finding 5**

**FinCEN Did Not Update Its BSA Data MOUs**

FinCEN did not update any BSA data MOUs after their execution because its SOPs did not require MOUs be updated. However, Green Book Principle 12.01, *Implement Control Activities*, states that management should implement control activities through policies.<sup>28</sup>

FinCEN employees told us, in 2020, no updates were necessary because the "substantive language of the MOUs remained consistent," but we disagree with that assertion. The terms of FinCEN's older MOUs are significantly different than newer MOUs. For example, newer MOUs (1) permit FinCEN to conduct on-site inspections to assess an agency's compliance with MOU terms; (2) require users to sign acknowledgement agreements; and (3) require external agencies to notify FinCEN when users' access was revoked. Older MOUs do not have these requirements, but they are found in the security and re-dissemination protocols, which were updated in 2018 and with which agencies had to comply. The Green Book further explains that if there is a significant change in an entity's operational process, management

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<sup>28</sup> GAO, Green Book, p. 56

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should determine that the control activities are designed and implemented appropriately.<sup>29</sup>

As of September 2019, FinCEN granted BSA data access to external agencies based on 32 MOUs executed prior to 2001. By not updating its MOUs, FinCEN increases the risk that agencies are not aware of or compliant with newer requirements. Outdated MOUs may also result in inconsistent administration of BSA data access.

### **Recommendations**

We recommend that the Director of FinCEN:

1. Immediately review BSA data MOUs to determine which require updates and execute updated MOUs with those external agencies.

### **Management Response**

FinCEN management concurred with our recommendation. Management stated they updated and executed more than 70 percent of their BSA data MOUs, and the MOU refresh effort remains ongoing.

### **OIG Comment**

We have not verified FinCEN management's corrective actions taken; however, the stated corrective actions meet the intent of our recommendation. Management should include its stated corrective actions and specify the expected completion date(s) in JAMES.

2. Update FinCEN's BSA data SOPs to require that FinCEN personnel periodically review MOUs to determine if they require an update, and if so, execute updated MOUs with those external agencies.

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<sup>29</sup> GAO, Green Book, pp. 56–57

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### Management Response

FinCEN management concurred with our recommendation. Management stated they are updating their SOPs to require that FinCEN personnel periodically review MOUs to determine if they require an update. Management expects to complete this work in 2026.

### OIG Comment

FinCEN management's stated corrective actions meet the intent of our recommendation. Management should include its stated corrective actions and the expected completion date(s) in JAMES.

## **Finding 6**

### **FinCEN Did Not Accurately Track Agencies With BSA Data MOUs**

FinCEN did not accurately track external agencies with BSA data MOUs. In 2019, FinCEN provided us four records listing the agencies with BSA data access. However, the records were inconsistent as they each identified a different number of agencies with BSA data access because of inaccuracies, including omissions. For example, one FinCEN record identified 13 agencies had bulk data access, while another record identified 14 agencies. However, we found that only 11 of the 13 and 14 agencies had that type of access. Additionally, one record erroneously omitted four direct access MOUs.

FinCEN's BSA data SOPs did not require FinCEN employees to track which agencies had MOUs. The SOPs also did not require FinCEN employees to review MOU documentation to ensure consistency. Green Book Principle 12.01, *Implement Control Activities*, states that management should implement control activities through policies.<sup>30</sup> Inconsistent tracking and documentation of MOUs can result in workflow inefficiencies. Further, without an accurate record of MOUs, FinCEN may be less likely to effectively monitor agencies' compliance with the use of BSA data.

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<sup>30</sup> GAO, Green Book, p. 56

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## **Recommendation**

We recommend that the Director of FinCEN:

1. Update FinCEN's BSA data SOPs to ensure accurate tracking and consistent documentation of BSA data MOUs.

## **Management Response**

FinCEN management concurred with our recommendation. Management stated they are updating their SOPs to ensure accurate tracking of agencies with BSA data MOUs. Management expects to complete this work in 2026.

## **OIG Comment**

FinCEN management's stated corrective actions meet the intent of our recommendation. Management should include its stated corrective actions and the expected completion date(s) in JAMES.

## **Finding 7**

### **FinCEN Did Not Properly Maintain Its BSA Data MOUs**

FinCEN did not maintain MOU documentation in accordance with its BSA data SOPs and stated practices. Of the 62 agencies with BSA data access in our sample, 53 of those agencies had direct access MOUs, and 8 had bulk data MOUs. As reported in finding 3, one agency, OCC, did not have a bulk data MOU, despite having access to bulk data.

We tested 53 direct access MOUs and found FinCEN did not maintain the following documents in its case management system:

- One MOU (2 percent)
- 21 request letters (40 percent)
- 45 decision matrices<sup>31</sup> (85 percent)

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<sup>31</sup> An external agency is required to write a letter to FinCEN requesting access to the BSA database, which must include, among other things, information about how access to BSA information would be useful to the mission of the requesting agency. After receiving a request letter, FinCEN must complete a decision matrix to determine if the agency's need for access is sufficient.

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Additionally, we tested the documentation associated with 8 agencies with bulk data MOUs and found that FinCEN did not maintain 7 request letters (88 percent) in its case management system, as required by its SOPs.<sup>32</sup>

FinCEN's SOPs required FinCEN personnel to enter each external agency's request letter and executed MOU into the case management system, and to complete a decision matrix.<sup>33</sup> However, FinCEN did not have sufficient quality control measures in place to ensure its personnel properly maintained these documents. Green Book Principle 10.01, *Design Control Activities*, states that management should design control activities to achieve objectives and respond to risks.<sup>34</sup> Improperly maintained MOUs may impede FinCEN's ability to ensure BSA data access was appropriately granted and to demonstrate that the requesting agency met all FinCEN's requirements for access.

### **Recommendation**

We recommend that the Director of FinCEN:

1. Update FinCEN's BSA data SOPs to require a review to ensure FinCEN personnel appropriately maintain MOUs and related documentation. Ensure the update specifies that decision matrices are appropriately maintained.

### **Management Response**

FinCEN management concurred with our recommendation. Management stated they are updating their SOPs to ensure proper maintenance of BSA data MOUs. Management expects to complete this work in 2026.

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<sup>32</sup> FinCEN's bulk data SOP did not require the use of a decision matrix when evaluating requests for bulk data access.

<sup>33</sup> The SOP did not state decision matrices should be uploaded to the case management system, but it was FinCEN's stated practice to do so.

<sup>34</sup> GAO, Green Book, p. 45

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### OIG Comment

FinCEN management's stated corrective actions meet the intent of our recommendation. Management should include its stated corrective actions and the expected completion date(s) in JAMES.

## **Finding 8                      FinCEN Did Not Properly Execute Its BSA Data MOUs**

FinCEN did not execute BSA data MOUs in accordance with its SOPs and government-wide guidance. We tested 61 MOUs and found:

- 6 MOUs (10 percent) were signed by FinCEN's Deputy Director instead of FinCEN's Director.
- 26 MOUs (43 percent) lacked execution date(s).

FinCEN's BSA data SOPs required FinCEN's Director to sign MOUs. They did not require FinCEN personnel or the signee from the external agency to record the execution date on MOUs; however, Green Book Principle 10.01, *Design Control Activities*, states that management should design control activities to achieve objectives and respond to risks. The Green Book further explains that management should design appropriate types of control activities for the entity's internal control system so that all transactions are completely and accurately recorded.<sup>35</sup> FinCEN personnel told us they want to permit the Deputy Director as a designee to sign the MOU, so they need to update their SOPs. Otherwise, an improper designee could sign an MOU on behalf of FinCEN. Also, without recording MOU execution dates, FinCEN may be unable to provide a historical account for when access was approved and identify outdated MOUs.

### **Recommendation**

We recommend that the Director of FinCEN:

1. Update FinCEN's BSA data SOPs to require that FinCEN identify and permit designees to sign MOUs in lieu of FinCEN's Director

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<sup>35</sup> GAO, Green Book, pp. 45, 48

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and FinCEN personnel and external agency officials record the execution date on MOUs.

Management Response

FinCEN management concurred with our recommendation. Management stated they are updating their SOPs to ensure proper execution of BSA data MOUs, including signatory designation processes. Management expects to complete this work in 2026.

OIG Comment

FinCEN management's stated corrective actions meet the intent of our recommendation. Management should include its stated corrective actions and the expected completion date(s) in JAMES.

\* \* \* \* \*

We appreciate the cooperation and courtesies provided to our staff during this audit. If you wish to discuss the report, you may contact me at (202) 607-7851 or Nick Slonka, Audit Manager, at (202) 486-1721. Major contributors to this report are listed in appendix 3.

Gregory J. Sullivan /s/

Audit Director

## Appendix 1: Objective, Scope, and Methodology

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The objective of our audit was to determine if the Financial Crimes Enforcement Network (FinCEN) manages Bank Secrecy Act (BSA) data access, use, and retention in compliance with laws, regulations, and Department of the Treasury (Treasury) standard operating procedures (SOPs). We previously issued two audit reports, the first addressing FinCEN's management of BSA data retention, which specifically addressed suppression, and the second addressing FinCEN's management of BSA data access, which specifically addressed granting and revoking access to FinCEN Portal. This report addresses FinCEN's management of BSA data access, specifically FinCEN's processes for (1) granting bulk data access, (2) maintaining a compliant system of records notice (SORN), and (3) establishing and maintaining memoranda of understanding (MOUs) with external agencies that use BSA data. We plan to issue an additional audit report, the fourth and final in the series, addressing FinCEN's management of BSA data use, specifically FinCEN's monitoring processes, which will conclude our audit of FinCEN's management of BSA data. The scope of our audit, related to this report, covered FinCEN's bulk data decisions in 2019;<sup>36</sup> BSA data SORN as of its last update on April 14, 2014, and related actions taken in 2017 to determine if it should be updated; and MOU process for agencies with BSA data access in 2019. We conducted fieldwork from June 2019 through April 2024.

To accomplish our objective, we reviewed laws, regulations, directives, SOPs, and guidance related to BSA data access, including

- Titles I and II of P.L. 91-508, Currency and Foreign Transactions Reporting Act, (October 26, 1970); codified at 12 U.S.C. 1829b and 1951-1960 and 31 U.S.C. 5311-5314 and 5316-5336 (including notes thereto)
- P.L. 93-579, The Privacy Act of 1974 (December 31, 1974); codified at 5 U.S.C. 552a

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<sup>36</sup> As reported in finding 1, FinCEN did not document its decision to begin offering bulk data or to grant bulk data to specific agencies; therefore, there was nothing for us to review regarding those aspects of FinCEN's process for granting bulk data access.

## Appendix 1: Objective, Scope, and Methodology

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- 31 CFR § 1.23, *Publication in the Federal Register - Notices of systems of records, general exemptions, specific exemptions, review of all systems* (2022)
- 31 CFR Chapter X, *Financial Crimes Enforcement Network, Department of the Treasury* (2023)
- 31 U.S.C. 310, *Financial Crimes Enforcement Network* (December 27, 2021)
- 44 U.S.C. 3101, *Records management by agency heads; general duties* (November 26, 2014)
- Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G; Sept. 2014)
- Office of Management and Budget, Circular No. A-108, *Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act* (December 23, 2016)
- Office of Personnel Management, *System of Records Notice Guide* (April 2010)
- Treasury, Order 180-01, "Financial Crimes Enforcement Network" (January 14, 2020)
- Treasury, Directive 25-04, "The Privacy Act of 1974, As Amended" (September 28, 2023)
- Treasury, Directive Publication 25-04, "Privacy Act Handbook" (September 28, 2023)
- Treasury, Directive 80-05, "Department of the Treasury Records Management" (January 31, 2018)
- FinCEN, *MOU Process for Bank Secrecy Act Data* (n.d.)
- FinCEN, *Bank Secrecy Act Information Access Security Plan* (August 10, 2018)
- FinCEN, *Data Access Policy* (March 18, 2014)
- FinCEN, *Inspection Program* (August 19, 2019)

We interviewed FinCEN employees involved in the management of the BSA database, including employees from

- Enforcement Division
- Office of Chief Counsel
- Strategic Operations Division

## Appendix 1: Objective, Scope, and Methodology

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- Technology Division

Additionally, we interviewed Treasury employees involved in the BSA data SORN process, including employees from

- Office of the Assistant General Counsel for General Law, Ethics and Regulation
- Office of Privacy, Transparency, and Records

Lastly, we interviewed employees from external agencies that use BSA data, including

- Drug Enforcement Administration
- Federal Bureau of Investigation
- Internal Revenue Service – Exam Case Selection and Criminal Investigation Divisions
- National Counterterrorism Center
- Office of the Comptroller of the Currency
- Organized Crime Drug Enforcement Task Forces
- U.S. Customs and Border Protection
- U.S. Immigration and Customs Enforcement
- U.S. Secret Service

We reviewed FinCEN's BSA data SORN republished on April 14, 2014, the most recent update, to determine if FinCEN complied with publication requirements from The Privacy Act of 1974, Treasury regulations and directives, and Office of Management and Budget guidance. We also reviewed whether FinCEN complied with specific provisions within its SORN, such as the requirement to review records when retrieved. Lastly, we interviewed Treasury personnel regarding FinCEN's determination not to update the SORN in 2017, including actions taken between January and September 2017, to determine if the SORN should be updated.

We interviewed Treasury personnel regarding FinCEN's decisions to begin offering bulk data, offer bulk data to specific agencies, and reevaluate the basis for granting access. Since FinCEN's decisions to begin offering bulk data and to grant bulk data to specific agencies were not documented, there was nothing for us to review. Because FinCEN employees claimed they reevaluated the

basis for granting access as part of their bulk data questionnaire process, we reviewed nine agencies' 2019 bulk data questionnaire responses and found no evidence that FinCEN used them to evaluate the agencies' continued need for bulk data access (see finding 1). We did not determine if bulk data agencies appropriately gave users access to their databases containing BSA data as FinCEN relied entirely on those agencies to manage bulk data user access and FinCEN did not maintain a list of such users or their related justifications for access and eligibility information. Since FinCEN did not collect any bulk data user access documentation from the external agencies, we excluded further testing of that process from our audit scope.

Because FinCEN did not execute MOUs with platform program agencies, we identified that as a finding (see finding 4) and did not further test the MOU process for platform program access. We gathered testimonial evidence to determine whether FinCEN updated any MOUs after execution. After FinCEN employees told us that they did not update existing MOUs and that MOU updates were unnecessary, we compared an MOU executed in 2019 to MOUs executed prior to 2010 to determine which provisions changed over time and the significance of the changes (see finding 5).

We non-statistically selected 62 of 469 agencies that FinCEN employees told us had executed MOUs for direct and bulk data access as of September 2019. This included 53 agencies with direct access and 9 with bulk data access. We reviewed these agencies to determine if FinCEN properly adhered to its MOU SOPs and processes. We first tested to see if the agencies had an MOU. FinCEN did not execute a bulk data MOU with one agency (see finding 3). Thus, there were 61 executed MOUs in our sample. For the 61 executed MOUs, we reviewed them to determine if they were properly executed and if the MOUs and their related required documents, such as request letters and decision matrices, were maintained in FinCEN's case management system (see findings 7 and 8). The MOUs tested, including related requests for access, were executed from April 1992 through August 2019. The results of our non-statistical samples are not projected to the total population.

To assess the reliability of FinCEN's data used in this MOU testing, we analyzed the lists of agencies with MOUs FinCEN provided to

us for errors in accuracy and completeness, compared the data against corroborating sources, and worked closely with FinCEN employees to discuss the data issues found. In 2019, FinCEN provided us with four records listing the agencies with BSA data access from different sources. These lists were effective between February 2019 and September 2019. We were unable to verify the September 2019 list's completeness or the completeness of the other three lists (see finding 6). That said, we found the data used to test our sample to be reliable strictly for the purpose of assessing whether those MOUs were properly executed and maintained.

We assessed internal controls and compliance with laws and regulations necessary to conclude on our audit objective. Specifically, we determined that the Control Activities component in Government Accountability Office's *Standards for Internal Control in the Federal Government*, including the following principles, were significant to our audit objective as it relates to this report:

- Principle 10: Management should design control activities to achieve objectives and respond to risks.
- Principle 12: Management should implement control activities through policies.<sup>37</sup>

We assessed management's design, and when applicable, implementation and operating effectiveness of internal controls related to FinCEN's execution of BSA data MOUs, granting of bulk data access, and republishing of its BSA data SORN primarily by reviewing FinCEN's SOPs and conducting interviews and tests, as necessary. Because our review was limited to these aspects of internal control, our audit may not disclose all internal control deficiencies that may have existed at the time of this audit. The internal control deficiencies are stated in the findings of this report.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the

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<sup>37</sup> GAO, Green Book, pp. 45, 51, 56, 62

## Appendix 1: Objective, Scope, and Methodology

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evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## Appendix 2: Management Response

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Financial Crimes Enforcement Network  
U.S. Department of the Treasury

Office of the Director

Washington, D.C. 20220

January 26, 2026

Pauletta Battle  
Acting Assistant Inspector General for Audit  
Department of the Treasury – Office of Inspector General  
1500 Pennsylvania Avenue  
Washington, DC 20220

Dear Ms. Battle:

I write regarding the Office of Inspector General's (OIG's) draft report entitled *Audit of FinCEN's Management of BSA Data – User Access and System of Records Notice* (Draft Report), the third in a series relating to the Financial Crimes Enforcement Network's (FinCEN's) management of Bank Secrecy Act (BSA) data. As OIG is aware, since the end of the scope of the audit period in 2019, FinCEN has implemented numerous process improvements to address items discussed in this draft and the two prior reports. Among other things, FinCEN has substantially improved its standard operating procedures for external access to BSA Data and has made notable progress in updating its agreements with interagency partners governing access to BSA Data, including executing updated versions of more than 70 percent of those agreements. FinCEN appreciates OIG's efforts to support FinCEN's work to improve its management of BSA Data, including through the recommendations set out in this Draft Report.

### Background

FinCEN maintains a statutorily mandated, government-wide data access service that includes reports and records filed with FinCEN pursuant to the Treasury Department's BSA authorities, collectively referred to herein as "BSA Data." As set forth in the BSA, these reports and records are highly useful in a range of governmental efforts to combat money laundering and other forms of illicit finance, including, but not limited to, criminal, tax, or regulatory investigations; intelligence or counterintelligence activities, including analysis, to protect against terrorism; and facilitation of the tracking of money that has been sourced through criminal activity or is intended to promote criminal or terrorist activity. FinCEN maintains these reports and records in its secure computer systems, also referred to herein as the "BSA Systems."

The BSA requires FinCEN to provide access to BSA data for authorized users from intelligence, law enforcement, and regulatory agencies (Agencies). FinCEN provides such access consistent

## Appendix 2: Management Response

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Ms. Pauletta Battle, Acting Assistant Inspector General for Audit  
January 26, 2026

with the BSA, FinCEN's implementing regulations, and Memoranda of Understanding (MOU) that Agencies enter with FinCEN before accessing BSA Data. As noted in the Draft Report, Agencies currently may access BSA Data through two principal mechanisms. First, Agencies can directly access BSA Data through the BSA Portal, an online database query application through which users can directly access and search BSA Data. Second, and much more rarely, FinCEN may — after a thorough review process to ensure that, among other things, such access is appropriate and consistent with an Agency's mission and authorities — authorize Agency Integrated Access (or AIA),<sup>1</sup> through which the Agency will incorporate BSA Data into their system. Agency Integrated Access generally allows highly sophisticated Agencies with critical national security and law enforcement missions (ranging from combating terrorism, fraud, cybercrime, drug trafficking, transnational organized crime, and financial crimes to cryptology and securing the nation's borders) to develop technologies to fully utilize BSA Data by integrating it and analyzing it alongside other data sets held by these agencies. As of January 2026, FinCEN has granted 12 agencies AIA access.

FinCEN is committed to ensuring that its management of user access to BSA Data complies with all relevant laws, regulations, policies, and procedures. Indeed, as part of a recent agency-wide reorganization, FinCEN is centralizing its BSA audit and monitoring functions within a newly enhanced Office of BSA Security and Audit (BSEC) to more efficiently identify and address concerns that may relate to safeguarding and appropriate use of sensitive information with respect to both internal FinCEN and external agency users.

### **OIG's Recommendations**

FinCEN has already addressed, or is in the process of addressing, most of OIG's 14 recommendations. Half of these recommendations generally call for FinCEN to update its standard operating procedures to provide additional clarity and specificity with respect to BSA Data access. As OIG is aware, FinCEN agrees with these recommendations, and is in the process of completing a significant update to and comprehensive compilation of existing standard operating procedures into a new Standard Operating Procedure: Bank Secrecy Act (BSA) External Agency Access & Audit Handbook (BSA Handbook) this year that will address all of OIG's recommended updates to the relevant standard operating procedures. These include specifying how to conduct and document reviews of requests and reevaluations of Agency Integrated Access, including which personnel are responsible for conducting these reviews and approving access (Recommendation 2); requiring verification that an MOU has been executed before providing access (Recommendation 6); clearly specifying the types of access to which the standard operating procedures apply (Recommendation 8); requiring that FinCEN personnel periodically review MOUs to determine if they require an update (Recommendation 11); and

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<sup>1</sup> Agency Integrated Access previously was referred to as "bulk data"; however, this is an outdated legacy term that is no longer used by FinCEN.

## Appendix 2: Management Response

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Ms. Pauletta Battle, Acting Assistant Inspector General for Audit  
January 26, 2026

ensuring accurate tracking of agencies with, proper maintenance of, and proper execution of BSA Data MOUs, including signatory designation processes (Recommendations 12, 13, and 14).

Two additional recommendations relate to Agency Integrated Access, calling for FinCEN to conduct an assessment of FinCEN's decision to offer such access, including the potential risks and mitigation (Recommendation 1), and to conduct and document a reevaluation of the basis for granting AIA, including considering overall benefits against potential downsides and whether risks can be mitigated effectively (Recommendation 3). FinCEN agrees with and has already implemented both recommendations on a forward-looking basis with respect to new AIA MOUs signed in the last year, by (1) conducting an individualized assessment of each new agency request for AIA, including considering the specific mission and expertise of the requesting agency, as well as any potential risks associated with integrated access and mitigating controls; and (2) including a provision in new MOUs and in SOPs to require periodic re-evaluation of these criteria at a set time period, as each MOU is now set to expire (or be renewed) every five years. FinCEN will continue to work to implement these recommendations as it works to update all existing MOUs.

Two recommendations call on FinCEN to review and update its BSA Systems SORN to ensure "it identifies all routine uses and specifically and clearly describes the purpose of bulk data and how external agencies will use the data," as well as "accurately details its administrative practices," and ensure FinCEN complies with SORN requirements in applicable laws, regulations, and guidance (Recommendations 4 and 5). FinCEN agrees and is already in the process of revising the SORN to reflect current agency practice and provide additional information about Agency Integrated Access, with anticipated issuance later this year.

Two recommendations call on FinCEN to make improvements to the platform program (Recommendations 7 and 9). While FinCEN agrees with these recommendations in principle, as FinCEN has previously communicated to OIG, we have terminated the platform program and transitioned all users to alternative access options, which should resolve these recommendations.

Finally, OIG recommends that FinCEN immediately review its BSA Data MOUs to determine which require updates and execute MOUs with those external agencies (Recommendation 10). FinCEN agrees and, pursuant to FinCEN's ongoing MOU refresh effort, it has already updated and fully executed more than 70 percent of these MOUs. Refreshed MOUs have a five-year expiration date and will be re-evaluated upon expiry. As OIG acknowledged in the Draft Report, while older MOUs lacked certain requirements, FinCEN in 2018 updated its security and re-dissemination protocols — the documents that accompany the MOUs and provide legally binding requirements as to security procedures and the onward sharing of BSA Data. Updating these documents was a critical interim step to impose additional safeguards on the use of and access to BSA Data while the MOU refresh effort remains ongoing. Completion of the MOU refresh effort will reinforce these enhanced compliance requirements.

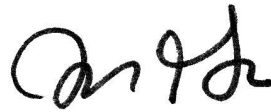
## Appendix 2: Management Response

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Ms. Pauletta Battle, Acting Assistant Inspector General for Audit  
January 26, 2026

We appreciate the opportunity to comment on the Draft Report.

Sincerely,

A handwritten signature in black ink, appearing to read 'AGacki', written in a cursive style.

Andrea Gacki  
Director, Financial Crimes Enforcement Network

## **Appendix 3: Major Contributors to This Report**

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Nick Slonka, Audit Manager  
Justin Summers, Auditor-in-Charge  
Gerald Kelly, Auditor  
Darren Wright, Auditor  
Katie Flowers, Referencer

## **Appendix 4: Report Distribution**

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### **Department of the Treasury**

Secretary  
Deputy Secretary  
Under Secretary, Office of Terrorism and Financial Intelligence  
Office of Strategic Planning and Performance Improvement  
Office of the Deputy Chief Financial Officer, Risk and Control  
Group

### **Financial Crimes Enforcement Network**

Director  
Office of Inspector General Audit Liaison

### **Office of Management and Budget**

Office of Inspector General Budget Examiner

### **U.S. Senate**

Chairwoman and Ranking Member  
Committee on Appropriations

Chairman and Ranking Member  
Committee on Banking, Housing, and Urban Affairs

Chairman and Ranking Member  
Committee on Finance

Chairman and Ranking Member  
Select Committee on Intelligence

### **U.S. House of Representatives**

Chairman and Ranking Member  
Committee on Appropriations

Chairman and Ranking Member  
Subcommittee on Oversight and Investigations  
Subcommittee on National Security, Illicit Finance, and  
International Financial Institutions  
Committee on Financial Services

Chairman and Ranking Member  
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