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**FINCEN 2015 LAW ENFORCEMENT AWARDS CEREMONY**

**CASH ROOM  
U.S. DEPARTMENT OF THE TREASURY**

**MAY 12, 2015**

Good afternoon. I would like to thank the Color Guard from the Takoma Park Police Department, as well as Sgt. Charlotte Djossou of the Metropolitan PD for her beautiful rendition of our National Anthem. I would also like to thank our award recipients and distinguished guests for joining us for FinCEN's *first* Annual Law Enforcement Awards Ceremony. It is fitting that today's ceremony honoring law enforcement is taking place during National Police Week, a time when tens of thousands of law enforcement officers come to the Nation's Capital to honor those who have paid the ultimate sacrifice. It is also noteworthy that we are holding today's ceremony in the Cash Room, a room with great historical significance at the Treasury Department. Tomorrow, we will also be holding our semiannual Bank Secrecy Act Advisory Group (BSAAG) meeting here in the Cash Room. Our BSAAG meetings bring our law enforcement, regulatory, and financial industry partners together to discuss issues relevant to combating money laundering and terrorist financing. So at the very heart of both today's and tomorrow's events is how critical a strong public/private partnership is to all that we do at FinCEN.

I would like to begin today giving a brief overview of FinCEN, and also explain why the reports we receive under the Bank Secrecy Act (BSA) -- the provisions constituting our anti-money laundering laws -- are a cornerstone in all that we do. FinCEN is a part of the Treasury Department, and reports to the Office of Terrorism and Financial Intelligence. We serve as both the Financial Intelligence Unit for the United States and the lead anti-money laundering/countering the financing of terrorism (AML/CFT) regulator for the federal government. Our mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.

FinCEN carries out this mission by receiving and maintaining certain financial intelligence; analyzing and disseminating this financial intelligence to our many partners; and building global cooperation with counterpart organizations in other countries.

So, where does FinCEN get its data? A key aspect of our mission is to administer and issue regulations pursuant to the BSA. The BSA requires a broad range of U.S. financial institutions and others to assist U.S. government agencies in the detection and prevention of money laundering. Financial institutions do this by maintaining records and filing reports with FinCEN on suspicious or large cash transactions. When financial institutions are providing reporting to FinCEN, they are doing so pursuant to the BSA so we call the reporting stream “BSA reporting” or “BSA data.” And the term “financial institution” is quite broad. It includes:

- Traditional depository institutions like banks and credit unions;
- Money services businesses;
- Casinos and some card clubs;
- Insurance companies;
- Securities and futures brokers;
- Mutual funds;
- Operators of credit card systems;
- Dealers in precious metals, stones, or jewels; and
- Certain individuals and trades or businesses, transporting or accepting large amounts of cash.

I know this is a long list, but I think it illustrates of the ground we have to cover as we work to safeguard the entry points to the financial system.

I mentioned that financial institutions file certain reports with FinCEN, and I would like to discuss two of those reports briefly, as they are most relevant to today’s ceremony. The first is the Currency Transaction Report, known as the CTR. CTRs must be filed on all cash transactions exceeding \$10,000. In 2014, there were over 15 million CTRs filed by financial institutions around the country.

The second report is called the Suspicious Activity Report (SAR). SARs are reports of suspicious transactions. While the dollar thresholds differ slightly by industry, generally speaking, if a financial institution “knows, suspects, or has reason to suspect” that any transaction or attempted transaction is suspicious, and the transaction or attempted transaction involves or aggregates to funds of \$5,000 or more, a SAR is required. Last year, 1.7 million SARs were filed with FinCEN.

So with this background in mind, not long after arriving at FinCEN nearly three years ago, I began hearing questions from the financial industry about the value of the reporting they provide through CTRs and SARs. Questions like, “How is the data being used? Who is looking at all of the reports we file? Is there any way to know if all of the reports we file are actually being looked at? Are all of these reports just going into a black hole?”

From the financial institutions’ perspective, I can completely empathize with this perspective. Institutions spend a great deal of money and time to comply with their regulatory requirements, and so it is understandable that they want to know that their efforts are paying off. In addition to the value proposition, financial institutions are also genuinely interested in how they can be as helpful as possible to law enforcement. They want to understand the details of how law enforcement uses their reporting so that they can train their personnel on what is effective report writing and so they can tune their IT systems to better filter their internal data to identify suspicious activity.

From the law enforcement and regulatory perspective, we struggle at times to provide meaningful feedback. There are several reasons why. First, law enforcement investigations can take years to complete. And until a case is seen through to completion, investigative sources and methods must be safeguarded or the case could be jeopardized. Also, there are laws prohibiting the inappropriate disclosure of BSA reports. Not only to safeguard this confidential information for law enforcement purposes, but also to ensure the safety of financial institution employees and protect the financial institution from civil liability.

So needless to say, it’s a struggle to strike the right balance when taking all of these competing considerations to heart. And in thinking through these issues, the idea of an awards program to highlight the value of the Bank Secrecy Act was born. Launched within the last year, the goal of the program is to recognize criminal cases where BSA reporting played a significant role in the successful investigation and prosecution of a case. In this way, we are not only recognizing exemplary law enforcement achievements, but also providing meaningful feedback to the financial industry on the how the information they provided helped the case.

In order to be considered for an award, the nominees were asked to submit detailed explanations of exactly how the BSA reporting helped their case, even identifying the specific BSA reports. Financial institutions contributing BSA reporting that helped build these significant cases were provided information concerning their contributions. And it is my sincere hope that providing this feedback to the financial industry does not end with today’s ceremony. I strongly encourage our law enforcement partners to seek out opportunities for investigators to tell the story of the value of the BSA data. It is in all of our interest to foster a strong public/private relationship.

Before we turn to the awards and the specific cases being recognized today, I want to spend a few minutes discussing at a high level the value of this reporting. As our award recipients already well know, the BSA reports filed by our financial institutions provide some of the most important information available to law enforcement and other agencies safeguarding the United States. The data is used to confront serious threats, including terrorist organizations, rogue nations, WMD proliferators, foreign grand corruption, and increasingly serious cyber threats, as well as transnational criminal organizations, including those involved in drug trafficking, and massive fraud schemes targeting the U.S. government, our businesses, and our people.

Taken together, BSA data includes nearly 190 million records. The reporting contributes critical information that is routinely analyzed, resulting in the identification of suspected criminal activity and the initiation of investigations. For instance, approximately 100 SAR review teams across the country bring together investigators and prosecutors from different agencies to review reports related to their geographic area of responsibility and initiate investigations. The certainty of a Currency Transaction Report (CTR) filing and the mere possibility of a SAR filing force illicit actors to behave in risky ways that expose them to scrutiny and capture.

The reporting aids in expanding the scope of ongoing investigations by pointing to the identities of previously unknown subjects, exposing accounts and hidden financial relationships, or revealing other information such as common addresses or phone numbers that connect seemingly unrelated participants in a criminal or terrorist organization and, in some cases, even confirming the location of suspects.

Domestically, FinCEN grants more than 10,000 agents, analysts, and investigative personnel from over 350 unique agencies across the U.S. Government with direct access to the reporting so that it gets the broadest possible use. There are approximately 30,000 searches of the data taking place each day, and most of these searches return numerous BSA reports. So given that about 55,000 BSA reports are filed by financial institutions each day, it appears that more reports are actually reviewed by law enforcement and other users on any given day, than are actually filed by financial institutions.

Law enforcement also uses the BSA reporting for international information exchange and so we can get similar reporting from other countries. FinCEN facilitates the sharing of information internationally on both a bilateral and multilateral basis through the Egmont Group of Financial Intelligence Units (FIUs). The Egmont Group, currently comprised of 147 member jurisdictions, provides an unparalleled, preexisting platform for the secure exchange of financial intelligence. Egmont members exchange information pursuant to guidelines meant to encourage the widest range of international cooperation and dissemination of financial intelligence while at the same time protecting each jurisdiction's equities in security, confidentiality, and sovereignty.

Because each FIU around the world has an extensive network of public and private partners within its jurisdiction, the Egmont Group is also able to connect 147 FIU networks with one another. This ability to securely share information via the Egmont Group, places FinCEN, and member FIUs in a critical position to help solve the global information sharing challenges through the use of its preexisting and tested infrastructure for the benefit of member FIUs, and just as importantly, their many public and private partners. The potential benefits yet to be unlocked through this global public/private partnership are tremendous.

Finally, law enforcement uses the reporting to identify significant relationships, patterns and trends. The reporting unmask the relationships between illicit actors and their financing networks, enabling law enforcement to target the underlying conduct of concern, and to use forfeiture and sanctions to disrupt their ability to operate and finance their illicit conduct. The reporting also reveals trends and patterns on criminal, terrorist, and other emerging threats that enable law enforcement to focus its limited resources.

Indeed, the information sharing with domestic and international partners is central to carrying out FinCEN's mission. Every day, we see it being used by our partners in the counterterrorism and countering the financing of terrorism context to make our country safer. For example, the FBI reports that in 2014, approximately 16 percent of its total pending cases had related BSA filings. In particular, BSA filings were associated with about 42 percent of its pending drug cases, 33 percent of its pending transnational organized crime cases, 32 percent of its complex financial crime cases, and nearly 18 percent of its international terrorism cases.

I hope this overview of how the data is being used on a daily basis makes it abundantly clear that each and every report is valuable. I know that our nation's financial institutions work incredibly hard each and every day not just for the sake of compliance, but because they take their responsibilities seriously and they want to do their part. I have seen first-hand the sophisticated FIUs that some of our nation's financial institutions have stood up, staffed with incredibly talented employees devoted to monitoring and reporting suspicious transactions to FinCEN. And once the BSA data gets to FinCEN, we have an exceptional team working to make sure the data is made available to our partners, and also to our own analysts who use it on a daily basis to conduct their own analysis.

And our unique and strong public/private partnership, enhanced through forums such as the BSAAG, is equally critical to our efforts to ensure the BSA is being effectively administered. As threats to our financial system continue to evolve, the input we receive from law enforcement, our regulatory partners, as well as the financial industry is critical in order to stay one step ahead of illicit actors.

And it is because of this unique public/private partnership that I felt so strongly about having our industry trade association guests here today to help us in recognizing our award winning cases. I am pleased that we are joined today by the Securities Industry and Financial Markets Association, the American Gaming Association, the Independent Community Bankers of America, the American Bankers Association, the Florida International Bankers Association, and the Clearing House Association. We will also be conveying sentiments from the Financial Service Centers of America later in our program. These trade associations provide education, advocacy, and support to our nation's financial institutions on a daily basis. So it is very fitting that these associations are here to represent the contributions of all our reporting financial institutions.

None of what we are celebrating today would be possible without the financial institutions and their employees who filed BSA reports that ultimately aided these investigations. While we are limited in the level of detail that we can share about each of the 49 individual financial institutions who filed BSA reports tied to the winning cases, please know we are reaching out to their top leaders separately to recognize their valuable contributions of their staff. We shared some detail on the specific case their institutions supported and its impact. And, we asked those leaders, in turn, to share our grateful appreciation with their entire team.

Finally, I would like to thank our law enforcement executive guests for your leadership within your organization and for joining us for today's ceremony. The culture of a strong public/private partnership starts with you, and I am grateful for your continued support. And lastly, I extend my heartfelt congratulations to all of our award winners today. You are the ones who work with the BSA data each and every day and know its value first-hand. I commend you all for the work that you do not only to keep only our financial system safe, but also our country.

Without further delay, let's begin with our first award in the SAR Review/Task Force category.

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