

Department of the Treasury
Office of Terrorism and
Financial Intelligence

Congressional Budget
Justification and Annual
Performance Report and Plan

FY 2019

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Section I – Budget Request

A – Mission Statement

Strengthen national security by using targeted financial measures to combat threats and protect the integrity of the financial system.

B – Summary of the Request

The Department of the Treasury’s (Treasury) strategic plan guides program and budget decisions for the Office of Terrorism and Financial Intelligence (TFI). The FY 2019 Budget Request supports two of Treasury’s FY 2018-2022 Strategic Goals: Enhance National Security and Achieve Operational Excellence.

TFI requests \$159.000 million, which is a \$36.835 million increase from the FY 2018 Annualized Continuing Resolution. The budget prioritizes funding for Treasury’s targeted financial tools that protect the U.S. and international financial system from abuse, as well as counter the financial networks that support terrorists, weapons proliferators, organized transnational crime, rogue regimes, and other threats.

Over the last several years, TFI’s role in protecting our national security has grown dramatically, which is reflected in this request for additional resources. TFI’s economic authorities have become one of this Administration’s and Congress’ top non-kinetic tools of choice with TFI deploying our economic authorities at a rapid pace to address some of our greatest national security threats. In addition to cutting off funding for terrorist groups, TFI’s authorities and actions proactively implement U.S. policy towards North Korea, Iran, ISIS and other terrorist organizations, Venezuela, Russia, human rights abusers, narcotics traffickers, and in other areas.

In order to achieve maximum impact, and meet strategic and operational objectives, TFI requires the additional resources of this request. These resources will ensure that TFI has sufficient staff, remains agile, innovative, and strategic, enhances its infrastructure and analytic capability, and is able to support new initiatives and expanded authorities.

1.1 – Appropriations Detail Table

Dollars in Thousands

Terrorism and Financial Intelligence Appropriated Resources	FY 2017		FY 2018		FY 2019		FY 2018 to FY 2019			
	Enacted		Annualized CR		Request		Change		% Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Terrorism and Financial Intelligence	395	\$123,000	421	\$122,165	518	\$159,000	97	\$36,835	23.04%	30.15%
Subtotal New Appropriated Resources	395	\$123,000	421	\$122,165	518	\$159,000	97	\$36,835	23.04%	30.15%
Other Resources										
Reimbursables	33	\$6,491	36	\$8,000	36	\$8,000	0	\$0	0.00%	0.00%
Subtotal Other Resources	33	\$6,491	36	\$8,000	36	\$8,000	0	\$0	0.00%	0.00%
Total Budgetary Resources	428	\$129,491	457	\$130,165	554	\$167,000	97	\$36,835	21.23%	28.30%

Notes:

1. FY 2017 FTE are actuals.
2. The FY 2017 Enacted column reflects levels appropriated in H.R. 255, the Consolidated Appropriations Act of 2017. For further details on the execution of these resources see the 2019 Budget *Appendix* chapter for the Department of the Treasury.

1.2 – Budget Adjustments Table

Dollars in Thousands

Terrorism and Financial Intelligence	FTE	Amount
FY 2018 Annualized Continuing Resolution	421	\$122,165
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$1,423
Pay Annualization	0	\$284
Non-Pay	0	\$1,139
Subtotal Changes to Base	0	\$1,423
Total FY 2019 Base	421	\$123,588
Program Changes:		
Program Increases:		
Terrorist Financing Targeting Center	15	\$12,392
North Korea	69	\$15,209
Iran/Syria Sanctions	4	\$1,565
Russia/Ukraine Sanctions	4	\$1,069
Committee on Foreign Investment in the United States	3	\$859
TFI Data Discovery	0	\$2,000
Financial Action Task Force	0	\$1,788
Terrorist Finance and Financial Crimes	2	\$530
Total FY 2019 Request	518	\$159,000

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) +\$1,423,000 / +0 FTE

Pay Annualization +\$284,000 / +0 FTE

Funds are requested for annualization of the January 2018 pay-raise. The budget assumes no pay raise for civilian employees in FY 2019.

Non-Pay +\$1,139,000 / +0 FTE

Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Program Increases +\$35,412,000 / +97 FTE

Terrorist Financing Targeting Center +\$12,392,000 / +15 FTE

On May 21, 2017, the United States and the six Gulf Cooperation Council countries signed an historic agreement announcing a joint commitment to establish the Terrorist Financing Targeting Center (TFTC). The TFTC's efforts support the Administration's priorities to fight terrorism in new and innovative ways through a multilateral initiative that will dramatically increase the ability to curb terrorist financing. The TFTC has already resulted in greater regional cooperation as evidenced by the joint designations by the seven participating members of TFTC on October 25, 2017, that targeted terrorist leaders, financiers, and facilitators. The TFTC will continue to disrupt the finances and operations of terrorist organizations by identifying, tracking, and sharing information regarding terrorist financial networks; coordinating joint disruptive actions, like sanctions; and offering support to countries in the region that need assistance building capacity to counter terrorist finance threats.

North Korea +\$15,209,000 / +69 FTE

Recent provocations by the Democratic People's Republic of Korea (DPRK) presents an urgent threat to our national security. Treasury has served a critical role in the Administration's maximum economic pressure campaign. This has included the use of unilateral designations and other economic authorities, analytic efforts to map out the front companies and other evasions schemes used by the Kim Jong-un regime, working closely with other countries to increase multilateral economic pressure, and communications with the financial sector through advisories and engagement to cut off North Korea's access to the international financial system. Given the nature and urgency of the threat, this request is necessary to continue to maximize economic pressure and support the Administration's priorities to fight nuclear proliferation. It is specifically aimed at countering and neutralizing the DPRK's efforts to undermine U.S. national security. This initiative expands TFI's DPRK program and will have an immediate and strong impact in FY 2019.

Iran/Syria Sanctions +\$1,565,000 / +4 FTE

The Administration remains committed to countering the threat posed by Iran by using Treasury's economic authorities to deny the regime and the Islamic Revolutionary Guard funding for malign activities. TFI seeks to significantly increase its designations targeting Iran's ballistic missile programs, terrorist activities, regional destabilization (Yemen, Syria), and human rights violations. In addition to targeting Iran's financing of the brutal Assad regime in Syria, TFI designated hundreds of Syria-related targets and has more than doubled the number of designated Syria targets since the start of the Syrian conflict. This request would provide dedicated resources needed to maintain pressure on Syria and target the financial networks that support Syria's production or use of chemical weapons. Syria is a top White House priority and is also of particular interest to the legislative branch, with multiple sanctions-related bills in various stages of consideration.

Russia/Ukraine Sanctions +\$1,069,000 / +4 FTE

TFI requests additional resources to support sanctions programs related to the Russian energy sector, Russia's malign activities in the Ukraine, and its corruption, cyber activity, and support to the Government of Syria. These resources would also support the significant mandatory reporting requirements of the Countering America's Adversaries Through Sanctions Act.

Committee on Foreign Investment in the United States (CFIUS) +\$859,000 / +3 FTE

CFIUS is an inter-agency committee authorized to review transactions that could result in control of a U.S. business by a foreign person ("covered transactions"), in order to determine the effect of such transactions on the national security of the United States. Additional TFI resources are required to meet the increase in the CFIUS caseload.

TFI Data Discovery +\$2,000,000 / +0 FTE

TFI requests funding for the creation of a cross-TFI data discovery and analysis platform, which would enable analysts, investigators, and other appropriate staff from across the TFI enterprise to properly leverage Treasury's unique data holdings to execute TFI's mission more efficiently and effectively. Currently, TFI does not have an intra-enterprise IT system to enable the five TFI components to collaborate and exchange information in near real time. This effort would reduce redundancy and increase the efficiency and effectiveness of the TFI workforce.

Financial Action Task Force +\$1,788,000 / +0 FTE

The Financial Action Task Force (FATF) is the global standard-setting body for Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT). Organized by the G7 in 1989 to focus on money laundering, the FATF has grown to include nearly 40 members and its mandate has expanded to include terrorist financing and proliferation financing as well as money laundering. There are also nine FATF-style regional bodies that, together with the FATF, can claim almost every country in the world as a member. There has been increased recognition of the FATF's significance as an international body and of the relevance of the FATF's work and its recommendations for both the public and private sectors. Treasury, TFI's Office of Terrorist Financing and Financial Crimes (TFFC) specifically, was asked to assume Presidency of the FATF in 2019 on behalf of the United States. Assuming the FATF presidency provides a unique opportunity for the U.S. to lead the FATF during a time of considerable transition in the organization – the U.S. last held the FATF presidency in 1996. This opportunity positions the U.S. exceptionally well to ensure that the FATF's strategic direction is in line with U.S. priorities for the organization: demonstrating the value of AML/CFT regulation; holding countries accountable for compliance failures; and restricting FATF budget increases.

Terrorist Finance and Financial Crimes +\$530,000 / +2 FTE

TFI requests two FTEs to develop and build global capacity to combat terrorist financing in the international arena. These FTEs will be responsible for establishing strategies and employing targeted financial measures to disrupt and dismantle the financial networks that support terrorism, proliferation of weapons of mass destruction, and organized crime.

1.3 – Operating Levels Table

Dollars in Thousands

Terrorism and Financial Intelligence Object Classification	FY 2017 Enacted	FY 2018 Annualized CR	FY 2019 Request
11.1 - Full-time permanent	46,250	45,936	60,080
11.3 - Other than full-time permanent	200	199	556
11.5 - Other personnel compensation	1,000	993	1,078
11.9 - Personnel Compensation (Total)	47,450	47,128	61,714
12.0 - Personnel benefits	15,405	15,300	19,613
Total Personnel and Compensation Benefits	\$62,855	\$62,428	\$81,327
21.0 - Travel and transportation of persons	1,872	1,859	2,077
22.0 - Transportation of things	278	276	809
23.1 - Rental payments to GSA	136	135	139
23.2 - Rental payments to others	246	244	251
24.0 - Printing and reproduction	118	117	120
25.1 - Advisory and assistance services	13,266	13,176	15,887
25.2 - Other services from non-Federal sources	8,924	8,863	10,802
25.3 - Other goods and services from Federal sources	31,609	31,396	43,818
25.7 - Operation and maintenance of equipment	388	385	396
26.0 - Supplies and materials	2,204	2,189	2,248
31.0 - Equipment	1,104	1,097	1,126
32.0 - Land and structures	0	0	0
Total Non-Personnel	\$60,145	\$59,737	\$77,673
New Budgetary Resources	\$123,000	\$122,165	\$159,000
FTE	395	421	518

Notes:

1. FY 2017 FTE are actuals.
2. Included in BOC 25.3, \$28,000 in FY 2017 and \$27,810 in FY 2018 were transferred to DO Salaries and Expenses for administrative support. For FY 2019, DO proposes to move administrative services to the Treasury Franchise Fund. TFI has reserved \$33,497 for administrative support from the Franchise Fund in FY 2019.
3. The FY 2017 Enacted column reflects levels appropriated in H.R. 255, the Consolidated Appropriations Act of 2017. For further details on the execution of these resources see the 2019 Budget *Appendix* chapter for the Department of the Treasury.

D – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
<p style="text-align: center;">DEPARTMENT OF THE TREASURY OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE <i>Federal Funds</i> SALARIES AND EXPENSES</p> <p><i>For the necessary expenses of the Office of Terrorism and Financial Intelligence to safeguard the financial system against illicit use and to combat rogue nations, terrorist facilitators, weapons of mass destruction proliferators, money launderers, drug kingpins, and other national security threats, \$159,000,000: Provided, That of the amounts appropriated under this heading, \$10,000,000 shall remain available until September 30, 2020.</i></p> <p>Note.—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.</p>	

E – Legislative Proposals

Sec. 129 - Amounts made available under the heading "Office of Terrorism and Financial Intelligence" shall be available to reimburse the "Departmental Offices—Salaries and Expenses" account for expenses incurred in such account for reception and representation expenses to support activities of the Financial Action Task Force.

Section II – Annual Performance Plan and Report

A – Strategic Alignment

TFI programs support the following Department of the Treasury’s Strategic Plan for FY 2018-2022. Strategic objectives for Strategic Goal 3, to enhance national security:

- Objective 3.1 – Strategic Threat Disruption: Identify, dismantle, and disrupt priority threats to the U.S. and international financial system.
- Objective 3.2 – AML/CFT Framework: Identify and reduce vulnerabilities in the U.S. and international financial system to prevent abuse by illicit actors.
- Objective 3.3 – Economic Strength and National Security: Advance American prosperity and security through growth, investment, trade, and expanding the American industrial base while protecting national security.

TFI programs support the following strategic objectives for Strategic Goal 5, to achieve operational excellence:

- Objective 5.1 – Workforce Management: Foster a culture of innovation to hire, engage, develop, and optimize a diverse workforce with the competencies necessary to accomplish our mission.
- Objective 5.2 – Treasury Infrastructure: Better enable mission delivery by improving the reliability, security, and resiliency of Treasury’s infrastructure.

B – Budget and Performance by Budget Activity

2.1.1 Terrorism and Financial Intelligence Resources and Measures

Dollars in Thousands

Resource Level	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Actual	Annualized CR	Request
Appropriated Resources	\$96,116	\$101,305	\$112,160	\$112,754	\$121,580	\$122,165	\$159,000
Other Resource	\$30,832	\$31,293	\$6,966	\$6,329	\$6,491	\$8,000	\$8,000
Budget Activity Total	\$126,948	\$132,598	\$119,126	\$119,083	\$128,071	\$130,165	\$167,000
FTE	388	376	385	414	428	457	554

Measure	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Impact of TFI Programs and Activities	8.3	8.5	8.8	8.7	8.5	8.5	8.5	8.5

Terrorism and Financial Intelligence Budget and Performance

(\$159,000,000 from direct appropriations, \$8,000,000 from reimbursable resources):

TFI serves a distinct role in enhancing national security by deploying Treasury’s tools and authorities to protect the U.S. and international system from abuse and by combating rogue regimes, terrorist facilitators, weapons proliferators, money launderers, drug kingpins, human rights abusers, cyber criminals and other illicit finance and national security threats. TFI does this by strategically applying the policy, law enforcement, intelligence, and regulatory tools, and authorities of its components in a calibrated manner to achieve maximum impact. In FY 2017, TFI successfully applied its diverse targeted financial measures, including financial sanctions

and regulatory tools that address major national security challenges. These challenges include North Korea, Iran, Syria, Venezuela, Russia, Sudan, ISIS, al-Qai'da, Hizbollah and others. In an effort to identify, disrupt, and dismantle these threats, TFI was able to deny revenue sources to these illicit actors.

In the past year, TFI has played a lead role in pressuring terrorist groups and rogue regimes through its use of powerful U.S. sanctions authorities. For example, there are now six North Korea-related executive orders, in addition to robust congressional authorities, that we use to target key North Korean financial middlemen and others who support the regime. Over the last year, Treasury's Office of Foreign Asset Control (OFAC) designated over 100 individuals and entities related to North Korea as part of our concerted effort to pressure the regime. Our focus on depriving North Korea of its ability to earn and move revenue through the international financial system means that we must work with other countries to achieve this goal. In addition to coordinating our domestic sanctions programs, TFI engages with leaders across the world to stress the importance of implementing United Nations Security Council Resolutions (UNSCRs). TFI also works bilaterally with governments and through the Financial Action Task Force (FATF) to ensure that countries have the regulatory framework in place to detect and freeze assets linked to North Korea.

On Iran, TFI has ramped up pressure on Iran and the Islamic Revolutionary Guard Corps (IRGC) for its malign activity, issuing seven tranches of sanctions, designating more than 70 targets in China, Iran, Lebanon, and Ukraine in connection with the IRGC, Iran's ballistic missile program, human rights abuses, and support of terrorism through the financing groups such as Hizballah and Hamas and a host of Shi'a militant groups in Bahrain, Iraq, Syria and Yemen. Like Northern Korea, Iran uses deceptive financial practices to generate revenue. As just one example, in November 2017, TFI sanctioned an Islamic Revolutionary Guards Corps-Qods Force (IRGC-QF) network involved in a large-scale scheme to counterfeit Yemeni bank notes worth hundreds of millions of dollars to support its destabilizing activities.

The IRGC's pervasiveness in the Iranian economy, Iran's systemic corruption, large-scale counterfeiting scheme, and Iran's lack of transparency throughout the economy continues to be a primary concern. TFI has continued working through FATF to hold Iran accountable to its commitments in addressing its weak controls.

Also, in FY 2017, as Head of Delegation to the FATF, TFI through TFFC, worked with international partners to advance other key U.S. AML/CFT priorities, including improving the effectiveness of FATF international standards, as well as identifying and addressing global AML/CFT typologies. TFI served as the co-chair of the FATF Inter-Cooperation Review Group, which publicly identifies countries with significant AML/CFT regulation and implementation deficiencies. TFI staff served as a financial or legal assessor on several FATF Mutual Evaluations and participated in or reviewed approximately 19 mutual assessment reports of FATF countries' compliance with international AML/CFT standards, leading to substantive changes in some countries' AML/CFT standards and laws.

TFI protected the U.S. and international financial systems from abuse by illicit actors by issuing global targeting orders and financial advisories to the financial community on AML risks; engaging in public-private dialogues with banks and foreign regulators to discuss AML/CFT

trends; and leading illicit finance strategic dialogues, working groups, and public-private partnerships that seek to improve information sharing and advance systemic reforms. This work is a critical part of TFI's efforts to address the constantly evolving risks to the U.S. and international financial system.

To advance the fight against terrorist financing, all of the components of TFI worked to establish the Terrorist Financing Targeting Center (TFTC), as announced by President Trump during his May 2017 visit to Saudi Arabia. The TFTC is a key Administration and Treasury priority, co-lead by TFI, which brings together six Gulf nations for the purpose of concurrently addressing terrorist financing threats through joint designations and advancing AML/CFT systemic reforms. This effort has already produced results. On October 25, 2017, OFAC imposed sanctions against eight leaders, financiers, and facilitators of ISIS in Yemen and al-Qa'ida in the Arabian Peninsula along with one affiliated entity. All member states of the TFTC took concurrent actions against those individuals and entity, marking a major and historic step forward in the TFTC's efforts to disrupt the finances and operations of terrorist organizations.

Throughout FY 2018 and FY 2019, TFI will focus heavily on strategically deploying its tools and authorities for maximum impact against national security and foreign policy challenges, as well as addressing risks to and vulnerabilities within the U.S. and international financial system. TFI will continue to focus on applying targeted financial measures against North Korea, Iran, and Russia, in addition to identifying, disrupting, and dismantling terrorist organizations, drug kingpins, transnational criminal organizations, and other threats to the U.S. and our international partners.

The increased resources in this request will provide the necessary staff and supporting infrastructure to meet TFI's strategic objectives and performance requirements in critical mission areas. Included as new funding initiatives for FY 2018 and FY 2019 are resources to support the TFTC and increase cooperation with the GCC to counter the financing of terrorism. This request also funds the duties and responsibilities of TFI's upcoming term as FATF President beginning in June 2018. This will allow Treasury and TFI to advance key U.S. AML/CFT priorities, including an increased focus on effective implementation of international AML/CFT standards; AML/CFT and counter proliferation prosecutions; domestic and international information sharing on terrorist financing; examination of digital solutions to strengthening the Customer Due Diligence requirements; and holding countries accountable for AML/CFT compliance failures.

Other TFI FY 2018 and FY 2019 priorities include:

- Collecting, analyzing, and disseminating information concerning illicit financing and national security threats.
- Assisting partner countries in the development and implementation of AML/CFT standards.
- Identifying opportunities for Treasury to increase its use of authorities to combat terrorist financing in Africa, Asia, and the Middle East.
- Modernizing, streamlining, and simplifying the regulatory framework to more effectively address national security priorities.
- Coordinating analysis of available information sources obtained through Treasury administration authorities or foreign partners.

- Expanding current and facilitating new information sharing between governments, law enforcement, financial institutions, and international partners to address threats to and vulnerabilities within the U.S. and international financial system.
- Increasing Treasury's ability to deter, detect, and mitigate insider threats by leveraging counterintelligence, security, information assurance, and other relevant resources.
- Assessing and improving Treasury's security clearance processes.
- Increasing focus on cybersecurity and intellectual property activities.

Terrorism and Financial Intelligence Offices Supporting the AML/CFT Mission

This budget request supports three of the four components within TFI that exercise AML/CFT authorities and responsibilities. The fourth component, Financial Crimes Enforcement Network (FinCEN), reports directly to the Under Secretary for TFI but is budgeted separately as a bureau within the Treasury.

Office of Terrorist Financing and Financial Crimes (TFFC)

TFFC is responsible for formulating and coordinating comprehensive strategies to target national security and foreign policy threats and safeguard the U.S. and international financial systems from abuse. In performing its mission, TFFC works across TFI, as well as interagency and law enforcement, to ensure that Treasury's tools are strategically applied and calibrated for maximum impact against global threats such as North Korea, Iran, Venezuela, Russia, ISIS and Hizballah, among others. TFFC also leads the development of AML/CFT regulatory and outreach initiatives and collaborates with Federal law enforcement on financial crime methodology analysis. Domestically, TFFC performs a critical role in working with key stakeholders to increase the security of our financial systems, leading public-private sector dialogues, financial experts meetings, and other strategic initiatives to identify and address potential vulnerabilities. TFFC also serves as the primary interlocutor with international partners whether on a bilateral basis or in multi-lateral fora to enhance information sharing, advance systemic reforms, synchronize targeted actions, and increase pressure on other countries to address specific illicit finance concerns in line with U.S. national security priorities. TFFC serves as the head of the U.S. Delegation to the Financial Action Task Force, the international body that sets standards and promotes effective implementation of AML/CFT legal, regulatory and operational measures that protect the integrity of the international financial system. TFFC is also leading Treasury's efforts to operationalize the Terrorist Financing Targeting Center.

Office of Intelligence and Analysis (OIA)

As one of 17 members of the U.S. Intelligence Community, the OIA is responsible for producing all-source intelligence analysis that identifies threats to and vulnerabilities within the international financial system; driving and delivering intelligence that meets the needs of all Treasury decision makers; and providing the security infrastructure to protect Treasury's physical and information security apparatus. OIA executes this mission by producing expert intelligence analysis on support networks of terrorists, proliferators of weapons of mass destruction, transnational criminal organizations, and other key national security risks. OIA works with the Director of National Intelligence and other IC agencies to help ensure better IC integration and drive priority collection for Treasury. OIA security personnel also ensure that all necessary Treasury personnel are properly trained to safeguard information systems and infrastructure, as well as maintaining a robust and effective counterintelligence program

designed to detect and disrupt foreign intelligence threats directed at the Department of the Treasury. Finally, OIA also provides timely, accurate, and focused intelligence on the full range of economic, political, and security issues, including key Treasury priorities such as assessments for the Committee on Foreign Investment in the United States (CFIUS). OIA also leads Treasury's Insider Threat Program on the classified network system.

Office of Foreign Assets Control (OFAC)

The Office of Foreign Assets Control administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against over 40 targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy, or economy of the United States. OFAC acts under Presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction. Many of the sanctions are based on United Nations and other international mandates, are multilateral in scope, and involve close cooperation with allied governments. OFAC vigorously enforces the sanctions programs it administers, and conducts civil enforcement investigations against U.S. and non-U.S. individuals and entities who threaten the integrity of its sanctions programs. OFAC's enforcement actions and activities – including civil monetary penalties, non-public disruptive intervention, and public outreach – illuminate evasion schemes and enlist the private sector in its sanctions efforts. Additionally, OFAC administers a licensing program through which it reviews and then authorizes or denies requests to conduct certain transactions or activities that would otherwise be prohibited. OFAC is continually evaluating and adjusting its sanctions programs to ensure that it is prohibiting illicit activity, while allowing activity that is consistent with or advances U.S. national security and foreign policy.

Description of TFI's Performance:

Impact of TFI Programs and Activities: To gauge its performance, TFI created a composite measure consisting of three program office focus areas related to its mission and strategic goals, including customer outreach, increasing production and dissemination of intelligence products, and implementing IT modernization projects. In FY 2017, TFI met its performance goal of 8.5 and expects to achieve its FY 2018 and FY 2019 target of 8.5.

With the publication of the Treasury Strategic Plan for FY 2018-2022, TFI will work this year to baseline performance for the new strategic objectives, as well as update TFI's Strategic Plan to ensure Treasury and Administration priorities are accurately reflected. As part of Treasury's Strategic Planning process, TFI established strategic objectives focused on key Treasury priorities including strategic threat disruption and strengthening the AML/CFT framework. TFI then built out robust strategies and support strategies that work toward achieving our goals within one, three, and five year time frames. These strategies reflect specific Treasury and Administration priorities that include the strategic use of Treasury's tools and authorities to disrupt the capability of targets to raise, use, and move funds, identifying threats from known and emerging threats; expanding current and facilitating new information sharing and collaboration with domestic and international partners (an Agency Priority Goal); coordinating analysis of all available information sources obtained through Treasury authorities or foreign partners; applying a risk-based approach to identifying and vulnerabilities within the financial system; and

modernizing and streamlining the national security regulatory framework. This will likely result in changes to performance measures in the FY 2020 budget.

Section III – Additional Information

A – Summary of Capital Investments

A summary of capital investment resources, including major information technology and non-technology investments can be found at:

<http://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>

This website also contains a digital copy of this document.