

GAO Highlights

Highlights of [GAO-24-106301](#), a report to congressional requesters

Why GAO Did This Study

Criminal organizations launder illicit proceeds to facilitate and conceal crime. The Bank Secrecy Act, as amended, requires financial institutions to file SARs (which help law enforcement investigate crime) under certain conditions. FinCEN administers the act and maintains these reports in a database.

GAO was asked to review U.S. efforts to combat illicit finance. This report examines (1) financial institution suggestions to enhance SAR processes, (2) FinCEN communication of its progress implementing the Anti-Money Laundering Act, (3) FinCEN surveys on law enforcement satisfaction with its products and services, and (4) data collection on efforts to combat illicit finance.

GAO reviewed laws, guidance, and investigation data and interviewed FinCEN and federal law enforcement agencies. GAO also interviewed a nongeneralizable selection of 46 representatives of financial institutions and industry associations (such as banks, casinos, money services businesses, and broker-dealers).

What GAO Recommends

GAO recommends that FinCEN (1) communicate in full its progress in implementing the Anti-Money Laundering Act and (2) improve the reliability of its law enforcement surveys. GAO also recommends that (3) Justice coordinate with other agencies to develop a methodology to produce government-wide data on investigation outcomes. FinCEN did not comment on GAO's recommendations. Justice agreed with GAO's recommendation.

View [GAO-24-106301](#). For more information, contact Michael Clements at (202) 512-8678 or ClementsM@gao.gov, or Triana McNeil at (202) 512-8777 or McNeilT@gao.gov.

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ANTI-MONEY LAUNDERING

Better Information Needed on Effectiveness of Federal Efforts

What GAO Found

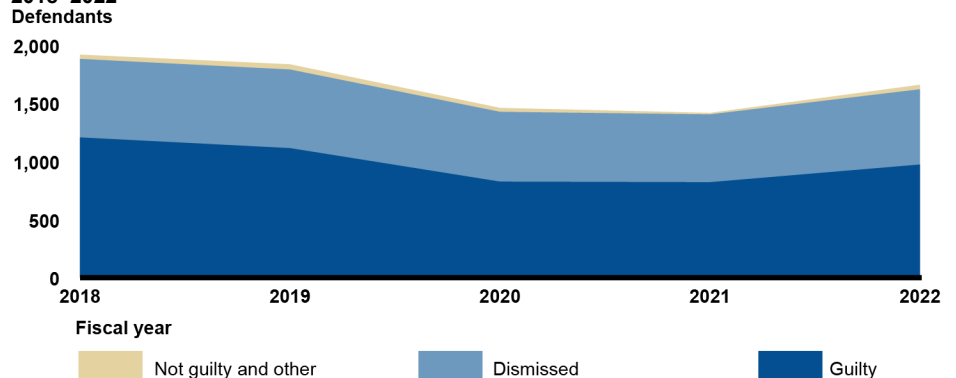
Financial institution representatives that GAO interviewed identified actions the Financial Crimes Enforcement Network (FinCEN) could take to enhance the institutions' ability to identify and report suspicious activity. These include more updates on priority threats and tips to improve suspicious activity reports (SAR), which institutions file if they identify potential criminal activity. FinCEN may cover some of these actions as it implements the Anti-Money Laundering Act of 2020, the aims of which include improving information sharing and technology.

GAO identified 31 sections in the Anti-Money Laundering Act of 2020 for which FinCEN is responsible for implementing. For example, FinCEN is to establish standards for financial institutions to test new anti-money laundering-related technology. As of November 2023, GAO found that FinCEN collectively had described its progress in implementing 19 sections through multiple publications and in varying detail. More complete disclosure of FinCEN's progress implementing the act would provide greater transparency and accountability.

FinCEN surveys law enforcement agencies about their use of and satisfaction with FinCEN's products and services, such as its database of SARs. However, the surveys may not provide reliable information. FinCEN's 2018–2022 surveys had low response rates (ranging from 2 to 10 percent), raising the risk of biased results that do not represent the views of all agencies. FinCEN also did not analyze and adjust, as needed, results for nonresponse bias. As a result, the surveys may not provide FinCEN with a complete and reliable picture of law enforcement's satisfaction with its products and services.

Federal agencies, including the Departments of Justice and Homeland Security, individually track outcomes of their illicit finance investigations (e.g., convictions and forfeitures). Some Justice data track these outcomes across multiple federal agencies (see figure). However, comprehensive, government-wide data do not exist because data collection is fragmented across multiple agencies and data may be incomplete. Developing a consistent methodology to comprehensively track outcomes would better inform federal agencies and Congress about the results and effectiveness of U.S. efforts to combat illicit finance.

Outcomes of Defendants Charged under Money Laundering-Related Statutes, Fiscal Years 2018–2022



Source: Executive Office for U.S. Attorneys' CaseView data. | GAO-24-106301