



Highlights of [GAO-09-794](#), a report to the Committee on Finance, United States Senate

## Why GAO Did This Study

In 2004, Congress combined preexisting and newly created units to form the Office of Terrorism and Financial Intelligence (TFI) within the Department of the Treasury (Treasury). TFI's mission is to integrate intelligence and enforcement functions to (1) safeguard the financial system against illicit use and (2) combat rogue nations, terrorist facilitators, and other national security threats. In the 5 years since TFI's creation, questions have been raised about how TFI is managed and allocates its resources. As a result, GAO was asked to analyze how TFI (1) implements its functions, particularly in collaboration with interagency partners, (2) conducts strategic resource planning, and (3) measures its performance. To conduct this analysis, GAO reviewed Treasury and TFI planning documents, performance reports, and workforce data, and interviewed officials from Treasury and its key interagency partners.

## What GAO Recommends

GAO recommends, among other things, that the Secretary of the Treasury direct TFI to develop and implement (1) mechanisms to improve interagency collaborative efforts, (2) a process to improve strategic resource planning, and (3) performance measures that exhibit the key attributes of successful performance measures. Treasury commented that it plans to redouble some current efforts and undertake some new efforts that address GAO's recommendations.

View [GAO-09-794](#) or [key components](#). For more information, contact Loren Yager at (202) 512-4347 or [YagerL@gao.gov](mailto:YagerL@gao.gov).

# COMBATING ILLICIT FINANCING

## Treasury's Office of Terrorism and Financial Intelligence Could Manage More Effectively to Achieve Its Mission

### What GAO Found

TFI undertakes five functions, each implemented by a TFI component, in order to achieve its mission, as shown in the following table.

**TFI Components and Functions**

Main function	TFI component	Year formed
Build international coalitions	Office of Terrorist Financing and Financial Crime	2004
Analyze financial intelligence	Office of Intelligence and Analysis (OIA)	2004
Administer and enforce the Bank Secrecy Act	Financial Crimes Enforcement Network (FinCEN)	1990
Administer and enforce sanctions	Office of Foreign Assets Control	1950
Administer forfeited funds	Treasury Executive Office for Asset Forfeiture	1992

Source: Treasury.

TFI officials cite the analysis of financial intelligence as a critical part of TFI's efforts because it underlies TFI's ability to utilize many of its tools. They said that the creation of OIA was critical to Treasury's ability to effectively identify illicit financial networks. To achieve its mission, TFI's five components often work with each other, other U.S. government agencies, the private sector, or foreign governments. Officials from TFI and its interagency partners cited strong collaboration in many areas, such as effective information sharing between FinCEN and the Justice Department (Justice). Officials differed, however, about the quality of interagency collaboration involving international forums. Treasury officials who led this collaboration stated that it runs smoothly and that they were unaware of any significant concerns, while Justice and State officials reported declining collaboration and unclear mechanisms to enhance or sustain it.

While TFI and some of its components have conducted selected strategic resource planning activities, TFI as a unit has not fully adopted key practices that enhance such efforts. For example, TFI and its components have produced multiple strategic planning documents in recent years, but the objectives in some of these documents are not clearly aligned with resources needed to achieve them. As a result, it may be unclear whether TFI has sufficient resources to address its objectives. Also, though TFI has undertaken some workforce planning activities, it lacks a process for performing comprehensive strategic workforce planning. Thus, it is unclear whether TFI is able to effectively address persistent workforce challenges.

Also, TFI has not yet developed appropriate performance measures, changing their number and substance each year. Though TFI's current measures fully address many attributes of effective performance measures, they do not cover all TFI core program activities. TFI officials acknowledge the need for improvement and have worked since 2007 to develop one overall performance measure to assess TFI. Yet questions remain about when TFI will implement its new measure and whether it will effectively gauge TFI's performance.