

Why GAO Did This Study

BSA provisions for reporting suspicious financial transactions are intended to help law enforcement detect and investigate illicit finance activity. In [GAO-19-582](#), GAO reported that financial institutions wanted more feedback on the usefulness of the BSA reports they file with FinCEN.

The 2021 NDAA directs DOJ to annually report statistics on law enforcement agencies' use of BSA reports, and directs FinCEN to provide additional feedback. The 2021 NDAA also contains a provision for GAO to report on practices that could improve BSA-related feedback. Among its objectives, this report examines steps DOJ and FinCEN have taken to implement these provisions.

GAO reviewed applicable laws, regulations, and agency documents, and interviewed officials from FinCEN, DOJ, other law enforcement agencies, and industry associations.

What GAO Recommends

GAO recommends that DOJ (1) include data on the use of BSA reports in its ongoing agency-wide efforts to improve data collection, and (2) involve its Chief Information Officer and Statistical Official, in the design of its annual BSA statistical report. DOJ neither agreed nor disagreed with the recommendations.

View [GAO-22-105242](#). For more information, contact Michael E. Clements at (202) 512-8678 or ClementsM@gao.gov.

BANK SECRECY ACT

Action Needed to Improve DOJ Statistics on Use of Reports on Suspicious Financial Transactions

What GAO Found

The Financial Crimes Enforcement Network (FinCEN) is responsible for administering the Bank Secrecy Act (BSA), which requires financial institutions to file reports about suspicious financial transactions. FinCEN provides BSA report access to law enforcement agencies, which use those reports to support investigations. FinCEN receives limited data from law enforcement agencies on their use of BSA reports or the reports' impact on case outcomes because agencies largely do not collect such data. As a result, FinCEN cannot provide comprehensive feedback to financial institutions on the usefulness of the BSA reports they file.

Feedback Loop for Bank Secrecy Act (BSA) Reporting



Source: GAO analysis of agency documentation and interviews. | GAO-22-105242

The 2021 National Defense Authorization Act (NDAA) directs the Department of Justice (DOJ) to provide annual statistics, metrics, and other information to the Secretary of the Treasury on agencies' use of BSA reports, including how often reports contributed to arrests and convictions. But none of the agencies that DOJ contacted, including DOJ component agencies, provided the statistics described in the NDAA. DOJ's first annual report focused on qualitative information and statistics already available to FinCEN. DOJ stated that agencies faced challenges collecting data that connect their use of BSA reports to case outcomes using current data systems.

DOJ has opportunities to leverage existing initiatives and expertise to improve its annual statistical report on agencies' use of BSA reports.

- DOJ has been implementing a comprehensive, agency-wide data strategy to improve its data collection and infrastructure, but BSA-related data have not been included in the agencies' efforts. Including these data would give DOJ an opportunity to examine how to improve its component agencies' data collection on their use of BSA reports.
- DOJ's first annual statistical report on BSA reflected some methodological weaknesses. For example, it did not include data from two agencies that track some uses of BSA reports because DOJ did not have procedures for following up on its data requests. The DOJ office that drafted the report did not collaborate with DOJ's Chief Information Officer or Statistical Official in the report's design. By involving the expertise of these DOJ offices in the development of future annual reports, DOJ could better ensure a rigorous methodology for collecting and presenting the report's required statistics.