

Financial Crime Fighters' Huge Tech Revamp Is More Urgent Than Ever. Here's What's Needed to Finish It

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Russia's brutal war against Ukraine makes clear why the U.S. needs to prioritize rooting out money laundering and other illicit financial crimes. As is well-reported, Vladimir Putin's war is enabled by kleptocrats shielding ill-gotten money in mega-yachts and luxury condos using anonymous shell companies. A recent federal law, the [Anti-Money Laundering Act of 2020](#), gives the government – specifically, Treasury's Financial Crimes Enforcement Network – the targeted, modernized tools it needs to tackle these threats head-on. But FinCEN now needs experts to wield those tools to maximum effect.

As the first modernization to the [Bank Secrecy Act](#) of 1970, the anti-money laundering overhaul was long overdue and, because it's a comprehensive update to the U.S. AML-CFT framework, is a heavy lift to implement. Threats to the financial system have evolved at a rapid pace since 1970, with criminals now using sophisticated conduits like cryptocurrencies and ransomware to evade safeguards, but the regulatory tools to target them were largely stuck in an era when ATMs and debit cards were cutting-edge financial technology. That's why [AMLA](#) is both urgently necessary and complex to put in place.

AMLA BENEFITS TO LAW ENFORCEMENT AND NATIONAL SECURITY ARE YET TO BE REALIZED

[AMLA](#) tasks FinCEN with creating and managing a key tool to combat anonymous shell companies: a directory of companies' beneficial owners. This tool will help law enforcement see behind the curtain of complicated shell corporations that oligarchs and other bad actors use to buy up apartment buildings, businesses or boats to launder their assets. Without [AMLA](#), investigators would need to continue to devote countless hours to determine even just one personal name associated with an opaque corporate structure.

While FinCEN is working diligently to implement the law, it currently lags behind in rulemaking deadlines and has yet to finalize any of its proposed rules. Notably, it lacks a key resource: a specialized workforce of the size required to implement this massive, technologically demanding upgrade.

CALLING ALL EXPERTS

Currently, FinCEN would be able to hire about [four new full-time employees](#), while [AMLA](#) implementation calls for 80. The necessary experts range from information security specialists to innovation experts and international liaisons. Without more experts on staff, it faces severe constraints on its ability to fight the financial crime enabling Russia's war, not to mention other urgent global threats.

Getting the beneficial ownership directory right is also critical, for law enforcement fighting financial crimes, banks identifying illicit actors, and the integrity of the U.S. financial system. The directory must contain "information that is highly useful" to law enforcement – a goal that requires significant work from FinCEN, on top of its mandate to combat money laundering and other illicit uses of the financial system. If the directory stood up by FinCEN doesn't function effectively, or holds questionable information, law enforcement officials, banks and regulators simply won't use it – a huge waste and an effective gutting of the legislation.

FinCEN has a clear blueprint in front of it to fortify America’s anti-money laundering framework. All it needs are more builders.

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