Opening Statement of Andrea Gacki

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before the

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Subcommittee on National Security, Illicit Finance, and International Financial Institutions

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Chairman Davidson, Ranking Member Beatty, Chairman Hill, Ranking Member Waters, and distinguished Members of the Subcommittee, thank you for the opportunity to appear before you today to testify on behalf of the U.S. Department of the Treasury's Financial Crimes Enforcement Network, known as FinCEN.

Today, I would like to focus on providing an update on FinCEN's work to combat fraud schemes that take money away from hardworking Americans. I will also discuss our efforts to modernize the Bank Secrecy Act (BSA) regime to address the illicit finance threats of today and ensure we are well-positioned to adapt to new risks.

Protecting Americans from Fraud

Combatting fraud has long been a focus for FinCEN, given that it continues to be one of the largest sources of illicit proceeds in the United States.[1] FinCEN works closely with law enforcement and other partners to support the Administration's whole-of-government approach to unleash every available tool to stop criminal networks from exploiting American taxpayers and the Federal programs they rely on.

FinCEN's Rapid Response Program (RRP), a partnership between FinCEN, U.S. law enforcement, and foreign partners, helps cyber-enabled fraud victims and their financial institutions recover stolen funds sent abroad and repatriate the funds to U.S. victims. Since its inception in 2015, RRP has facilitated the interdiction of nearly $2 billion in stolen proceeds for 5,790 U.S. individuals and businesses.

In addition, FinCEN severed the Huione Group, responsible for laundering at least $4 billion in illicit proceeds, from the U.S. financial system in October 2025, using authorities granted to us by Congress. We took follow-on action last month against Huione Group's successor entities, guarding against Huione Group's attempts to circumvent being cut off from the U.S. financial system.

In support of the White House Task Force to Eliminate Fraud, and under the leadership of Secretary Bessent, FinCEN has taken decisive action to identify typologies associated with fraud schemes, including those being perpetrated by organized crime groups and transnational criminal organizations against government healthcare and other benefit programs. We have alerted financial institutions, the public, and law enforcement to these schemes; provided expert analysis

[1] *See* Treasury, "2026 National Money Laundering Risk Assessment" (Mar. 2026), at p. 3.

of potential fraudulent activity for law enforcement; trained government stakeholders on how to use BSA data in their investigations; and issued guidance making it clear how financial institutions can share information on fraud with each other in real-time.

Finally, FinCEN is taking action to fully operationalize its whistleblower program to reward whistleblowers who come forward with tips that lead to a successful enforcement action. In February, Secretary Bessent announced the launch of FinCEN's dedicated webpage to confidentially accept whistleblower tips from the public. This was followed in April by our Whistleblower Program proposed rule, setting forth the procedures and eligibility criteria for making awards, as well as confidentiality requirements. FinCEN is actively triaging incoming tips and directing them appropriately, and once the criteria for granting awards is determined through issuance of the final rule, FinCEN will be able to begin processing and paying awards.

Modernizing the Bank Secrecy Act Regime

As criminals evolve their methods of laundering money and hiding their illicit proceeds, a modernized BSA regime is critical to protecting our financial system against emerging threats. At the same time, we want to ensure that financial institutions are not spending their time and money reporting activity of little to no value to law enforcement.

FinCEN's Suspicious Activity Report (SAR) Frequently Asked Questions (FAQs) issued last October aim to strike this balance. The FAQs clarify certain SAR obligations to help financial institutions focus their resources on providing law enforcement with the most critical information needed to detect, combat, and deter criminal activity.

In April, FinCEN issued a proposed rule to fundamentally reform anti-money laundering and countering the financing of terrorism (AML/CFT) programs under the BSA. The proposed Program Rule refocuses AML/CFT programs on effectiveness, rather than mere technical compliance, leading to better outcomes for financial institutions, law enforcement, and national security agencies. Notably, the rule proposes a new role for FinCEN in the supervisory process to promote risk-based, reasonably designed programs and greater consistency in how banks are evaluated for effectiveness.

FinCEN has also issued two proposed rules to implement AML and customer identification program requirements for permitted payment stablecoin issuers (PPSIs) as required by Congress under the GENIUS Act. The proposed obligations are designed to be fit for purpose, assist law enforcement, and minimize unnecessary burden. The necessary resources for FinCEN to fulfill additional supervisory responsibilities, fully implement the GENIUS Act, address fraud, and tackle other priorities are included in FinCEN's FY 2027 Budget Request.

Conclusion

As I close my remarks today, I would again like to thank the Committee for its partnership and interest in FinCEN's work. I look forward to our continued engagement on these important issues and welcome your questions.