

U.S. Department of the Treasury
Financial Crimes Enforcement Network

FinCENnews

FinCEN's web site is located at: <http://www.fincen.gov>



FOR IMMEDIATE RELEASE
July 13, 2006

(703) 905-3770

FinCEN Halts BSA Direct Retrieval and Sharing Project

The Financial Crimes Enforcement Network (FinCEN) today announced it will permanently halt the current BSA Direct Retrieval and Sharing Component (BSA Direct R&S) project. The project has repeatedly missed program milestones and performance objectives and the current performance of the system does not meet the needs of FinCEN's users. The level of effort and costs to complete BSA Direct R&S, address all remaining defects of the system, and operate and maintain the system, are likely to be much greater than originally projected. Going forward, FinCEN will inventory its capacity, assess its needs and the needs of its customers, and begin planning for future capabilities for retrieval, sharing and enhanced analysis of the Bank Secrecy Act data.

"I am disappointed that this part of the BSA Direct project, which was an ambitious one, could not be completely salvaged," said Robert W. Werner, Director of the FinCEN. "However, in good conscience, I could not devote further resources to the project when I can find no guarantee that any amount of added spending would ever produce the desired result. This decision is in the best interest of the government, of the taxpayers, and of our law enforcement customers."

Currently BSA Direct R&S is a partially-built system that integrates a number of best-in-class products that, at this point, do not function well together. Neither FinCEN nor its three external, expert consultants can definitively predict how close the system is to meeting its requirements or the time, resources, and risks involved in completing the system. As a result, FinCEN has decided that the best course of action is to terminate this contract for the convenience of the Government. FinCEN reached this conclusion in consultation with outside technology experts.

In March, Director Werner notified Congress that he was issuing a 90-day "stop-work" order to Electronic Data Systems (EDS), the contractor hired to build the system, because of his concerns that the project had failed repeatedly to meet its program milestones and performance objectives. An assessment was then undertaken to evaluate the future viability of this system. In May the stop-work period was extended an additional 30 days.

The original cost estimate of \$8.9 million for the contract increased to \$15.1 million. Of that amount, \$14.4 million has been spent. Also, the scheduled delivery date slipped from October 2005. At least \$8 million would likely be needed before the system could be completed and an additional \$2.5 million per year more for Operations and Maintenance. As the attached report indicates, even this additional investment would not ensure a reliable schedule or a usable product.

FinCEN launched BSA Direct R&S, a data warehouse and information retrieval system, in July 2004 as a component of BSA Direct, an umbrella project with several components including retrieval and sharing, electronic filing, and secure access. The electronic filing and secure access components have been operational for a number of years. The development of BSA Direct R&S was aimed to improve authorized users' ability to analyze and access Bank Secrecy Act (BSA) data. It was intended to apply data warehousing technology to structure the data in a single, integrated, secure web-based environment, and provide more sophisticated business intelligence and other analytical tools in a user-friendly web portal.

FinCEN's law enforcement customers are not significantly impacted by the decision to halt BSA Direct R&S. They can continue to use FinCEN's Secure Outreach system to access BSA data, and soon will transition to the IRS' Web CBRS for retrieval and online analysis of BSA information.

Attachment: [FinCEN BSA Direct Retrieval and Sharing Assessment Report](#).