

Program Summary

Departmental Offices

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses	158.9	162.4	181.8	19.4	11.9%
Treasury Buildings and Annex Repair and Restoration	22.7	30.9	32.9	2.0	6.5%

Explanation of FY 2002 Request

The Departmental Offices (DO) budget request responds to three areas of interest with regard to technology: 1) security of financial and economic information; 2) management oversight responsibility in response to the Occupation Safety and Health Act of 1970; and 3) rebuilding of the records management program based upon recommendations from a National Archives and Records Administration report.

The DO request is expected to maintain the direction of essential program components and support Treasury's strategic goals, while promoting fiscal discipline by achieving greater efficiency in the management of resources. The request will also annualize the program augmentation in the Office of Foreign Assets Control begun in FY 2001.

The FY 2002 request also supports continuation of the repair and restoration of the Treasury buildings. Additional funds have been requested due to significant unforeseen site conditions.

Purpose of Program

This appropriation supports the policy and oversight activities of the Secretary and his staff for Treasury Department areas of responsibility. These areas include the implementation and management of domestic and international financial services, tax, economic, and enforcement policies that may pertain to either the Department or the Federal Government.

Program Description and Benefits

Activities of the Departmental Offices funded by this appropriation include:

- Economic Policy:** Monitoring current and prospective macro and micro-economic developments; collecting and analyzing international financial data including foreign credits and credit guarantees; and supporting consistency of government-wide economic programs; executing U.S. international financial policies; analyzing international trade and investment functions and researching financial issues;

Departmental Offices

- ❑ **Financial Policy:** Developing tax policies and programs; officially estimating all governmental receipts; reviewing regulations and rulings to administer the Internal Revenue Code, negotiating tax treaties for the United States; and providing economic and legal policy analysis; overseeing domestic finance, banking and financial institutions, financial markets; community development; government asset privatization; public debt financing, daily government cash flow, and the Debt Collection Improvement Act;
- ❑ **Enforcement Policy and Oversight:** Setting policy and overseeing policies and operations of Treasury enforcement bureaus to: combat money laundering and other financial crime, interdict illegal drugs, enforce trade laws, implement the Nation's economic sanctions policies, reduce violent crime, protect national leaders, and provide quality training for enforcement personnel;
- ❑ **Treasury-wide Management Policy:** Implementing the functions of the Chief Financial Officer (CFO), the Government Performance and Results Act (GPRA), and the Information Technology Management Reform Act which includes efficient and effective use of the Treasury's assets and resources.

Program Performance

During FY 2002, DO will continue its emphasis on achievement of Treasury's policymaking and oversight responsibilities. Domestically, DO will be tracking, among other things, its impact on the growth and stability of domestic financial institutions and markets, community development efforts, fair and efficient taxation, the index of borrowing policies and borrowing requirements to financial market participants, and the development of sound and effective economic policies. Internationally, DO will be working to maintain or improve the economic conditions in developing countries, developing debt reduction agreements for poor countries, and meeting current U.S. financing commitments, including paying all arrears to multilateral development banks. DO will also track its progress towards achievement of Treasury's enforcement goals, including implementation of the National Money Laundering Strategy, enhanced use of the regulatory process and partnership with industry to prevent, deter and detect financial and trade crimes, and enhanced efforts to combat violent crime and narcotics trafficking.

Internally, DO will work to improve bureau and departmental management operations and performance through improving the quality and timeliness of financial systems information, effectively monitoring the investment and tracking of assets, and implementing an integrated human resources information system.

Department-wide Systems and Capital Investments Program

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or	
				Millions	percent
HR Connect:					
Development	10.5	10.3	6.7	-3.6	-35.0%
Deployment	1.2	1.8	2.7	0.9	48.0%
Infrastructure	4.9	8.4	6.8	-1.6	-18.6%
Operation and Maintenance (incl. IRS)	4.6	5.3	9.6	4.3	80.9%
Subtotal, HR Connect:	21.2	25.8	25.8	0.0	0.0%
Integrated Treasury Network (ITN--"Wireless"):					
Program Management	0.0	3.3	3.3	0.0	0.0%
Systems Development	0.0	8.8	8.8	0.0	0.0%
Infrastructure	0.0	3.5	3.5	0.0	0.0%
Subscription Equipment	0.0	14.2	9.3	-4.9	-34.5%
Subtotal, ITN	0.0	29.8	24.9	-4.9	-16.4%
Public Key Infrastructure *	0.0	3.5	0.0	0.0	0.0%
International Trade Data System **	5.4	0.0	0.0	0.0	---
Treasury-wide Information Technology Architecture	0.2	0.2	0.2	0.0	0.0%
Treasury-wide Management of Y2K	2.5	0.0	0.0	0.0	---
Departmental Offices Y2K	1.8	0.0	0.0	0.0	---
Departmental Offices Systems Modernization ***	3.8	0.0	0.0	0.0	---
State/Local Money Laundering Investigation Grants ***	2.9	0.0	0.0	0.0	---
Treasury-Wide Back-up Capacity	0.0	0.0	8.7		
Treasury Vehicle Management System	0.0	0.0	0.2		
Critical Infrastructure Protection	1.0	3.0	11.0	8.0	266.7%
TOTAL, Net Appropriation Level	38.8	62.2	70.8	3.1	5.0%
* Transfer to General Services Administration in FY 2002.					
** Transfer to U.S. Customs Trade Modernization Account in FY 2001.					
*** Transfer to Departmental Offices Salaries and Expenses in FY 2001.					

Explanation of FY 2002 Request

- Human Resources:** Continue developing, and commence operating, a 21st century capability for rational, efficient management of human skills and talents, by adopting proven information systems approaches to integrating personnel information.
- Integrated Treasury Network (ITN - "Wireless"):** Compliance with National Telecommunications and Information Administration (NTIA) and Presidential Decision Directives. Includes an entire array of wireless communications infrastructure and end-user devices. Supports Treasury's compliance with narrow bandwidth system requirements by the December 2004 deadline,

Department-wide Systems and Capital Investments Program

while increasing communications security and interoperability among enforcement bureaus. Intermediate regional deadlines are also critical, including reliable enforcement communications for the 2002 Olympics.

- ❑ **Critical Infrastructure**: Expansion of the Treasury Critical Infrastructure program is necessary to provide protection to Treasury systems/networks in response to the potentially debilitating impact of both physical and cyber threats. The cost of restoring or replacing critical infrastructures would exceed the requested resources.
- ❑ **Treasury Back-up/Disaster Recovery Capacity**: A corporate approach is required to address the lack of adequate disaster recovery capabilities for the United States Customs Service and the Treasury Chief Information Officer organization. This initiative represents a commitment to safeguard IT infrastructure and to ensure consistencies through the planning and implementation phases of critical efforts.
- ❑ **Treasury Motor Vehicle Management System Enhancement**: A Motor Vehicle Management System was developed to better track and analyze Treasury's resources. Enhancements are necessary to link five bureaus through a web-based interface and to connect the remaining bureaus with the GSA Fleet data system.

Purpose of Program

The Department-wide Systems and Capital Investments Program budget addresses issues having Departmental stature because they are cross-cutting among Treasury bureaus or involve Treasury interface with other government agencies.

Program Performance

Bureaus deriving support from this appropriation reflect its beneficial results within their respective performance measures.

Treasury Forfeiture Fund

Program Summary (dollars in millions)					
Appropriation Title	FY 2000	FY 2001	FY 2002	Increase or Decrease	
	Enacted	Enacted	Request	Smillions	percent
Law Enforcement Support (Discretionary)	0.0	0.0	0.0	0.0	n/a

Explanation of FY 2002 Request

There was no request for discretionary funding authority for FY 2002 for the Treasury Forfeiture Fund (TFF). TFF will fully support its activities through the permanent, indefinite appropriation. The permanent indefinite appropriation covers all personnel and administrative expenses associated with the operations of the Fund.

Purpose of Program

The program consolidates all Treasury asset forfeitures under one fund which is used to pay or reimburse expenses of Treasury law enforcement bureaus related to seizures of property involved in criminal activity. The Fund uses the ill-gotten gains of criminals to cover the costs of the asset forfeiture activities of Treasury law enforcement bureaus. Residual amounts are made available to meet priority spending needs of law enforcement bureaus that engage in asset forfeiture.

Program Description and Benefits

The following are the categories of expenses authorized for mandatory funding under the Treasury Forfeiture Fund Act of 1992, 31 U.S.C. §9703(a)(1):

- Equitable sharing payments made to Federal, state and local law enforcement agencies and foreign countries;
- Contract services in support of asset seizure and forfeiture, the employment of outside contractors, and reimbursement of any Federal, State or local agency for seizure-related tasks;
- Awards of compensation to informants (moiety claims) under section 619 of the Tariff Act of 1930, as well as purchase of evidence or information leading to a seizure;
- All proper expenses of seizure, including investigative costs leading to a seizure, or the costs of forfeiture and sale, such as expenses of detention, inventory, security, maintenance, advertisement, or disposal of property, and certain costs taxed by the court;
- Salaries of forfeiture program personnel and administrative costs of Fund operations;
- Overtime salaries, travel, fuel, training, equipment, and other similar costs of state and local enforcement officers that are incurred in joint operations with Treasury;

Treasury Forfeiture Fund

- Necessary and direct seizure and forfeiture expenses for automatic data processing systems, training, printing, as well as contracting for services related to identifying forfeitable assets, processing and accounting for forfeitures, and storing, maintaining, protecting, and destroying controlled substances.
- Satisfaction of valid liens and mortgages against forfeited property;
- Amounts authorized by law with respect to remission and mitigation expenses; and
- The services of experts and consultants needed to carry out duties related to seizure and forfeiture.

Program Performance

- The performance goal of the Treasury Forfeiture Fund is the strategic use of asset forfeiture by Treasury law enforcement in a manner that results in a high-impact forfeiture program. Progress toward this goal will be gauged by measuring percentage of forfeited cash proceeds resulting from high-impact cases, with a proposed target of 75% for Fiscal Year 2002.

Office of Inspector General

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or Decrease	
				Smillions	percent
Salaries and Expenses	30.6	32.8	35.2	2.4	7.2%

Explanation of FY 2002 Request

The Office of Inspector General's request is expected to maintain the direction of essential program components and support Treasury's strategic goals and operations by achieving greater economy, efficiency, and effectiveness in the administration of the Department's programs and operations.

Purpose of Program

This appropriation is used to carry out the provisions of the Inspector General Act Amendments of 1988. Within this Act, the Office of Inspector General (OIG) is charged with conducting and supervising independent audits and investigations of the Department of the Treasury's programs and operations. This appropriation is also used to provide oversight and guidance to the Offices of Internal Affairs/Inspections of three of Treasury Law Enforcement bureaus.

Program Description and Benefits

The Office of Inspector General responsibilities funded by this appropriation include:

- Providing a means to keep the Secretary and the Congress fully and currently informed** about problems and deficiencies relating to the administration of the Department's programs and operations.
- Promoting Economy, Efficiency and Effectiveness in Treasury Programs and Operations:** The OIG's audit and investigative services and program help the Department and its bureaus identify more economic, efficient, and effective ways to fulfill their missions.
- Detecting and Preventing Fraud, Waste, and Abuse:** The OIG's audits and investigations protect against attempts to corrupt or threaten Treasury employees, programs, and operations; and promotes an effective integrity awareness and fraud deterrence.

Program Performance

The OIG has developed a Strategic Plan for FY 2001-2005, and is in the process of developing performance goals and measures that are consistent with the needs of the Department and the norms of the Inspector General community.

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Treasury Inspector General for Tax Administration

Program Summary (dollars in millions)					
Appropriation Title	FY 2000	FY 2001	FY 2002	Increase or Decrease	
	Enacted	Enacted	Request	Smillions	percent
Salaries and Expenses	111.8	118.2	122.3	4.1	3.5%

Explanation of FY 2002 Request

The Treasury Inspector General for Tax Administration (TIGTA) request is expected to maintain the direction of essential program components and support Treasury's strategic goals, while promoting fiscal discipline by achieving greater efficiency in the management of resources.

Purpose of Program

This appropriation, established in January 1999, is used to carry out the provisions of the Inspector General Act Amendments of 1988, the Chief Financial Officers Act of 1990, and the Government Management Reform Act of 1994, by conducting independent audits, investigations, and reviews to help the Internal Revenue Service: 1) accomplish its mission; 2) improve its programs and operations; 3) promote economy, efficiency, and effectiveness; and 4) prevent and detect fraud, waste, and abuse, including abuse of taxpayer rights.

Program Description and Benefits

The Treasury Inspector General for Tax Administration responsibilities funded by this appropriation include:

- Promoting Economic, Efficient and Effective Program Administration:** TIGTA's audit and investigative activities help the Internal Revenue Service accomplish its mission by identifying more economic, efficient, and effective methods to improve its programs and operations.
- Preventing and Detecting Fraud, Waste, and Abuse:** TIGTA's reviews and investigative services protect against attempts to corrupt or threaten the employees of the IRS, IRS Oversight Board, and the Chief Counsel of the IRS.
- Protecting Taxpayer Rights and Privacy:** TIGTA conducts performance and financial audits of IRS operations, focusing on strengthening the internal control environment, improving customer service, and increasing compliance and productivity.

Treasury Inspector General for Tax Administration

Program Performance

With the requested FY 2002 resources, TIGTA expects to achieve the following levels of performance in selected program areas:

- Identify \$140.0 million in potential monetary benefits resulting from corrective actions in response to audit recommendations.
- Increase to 14.0 million, the number of taxpaying entities for whom tax administration has improved as a result of audit recommendations made during the fiscal year.
- Increase the percentage of misconduct investigative reports referred to management for administrative adjudication within four months of case initiation to 64 percent.

Financial Crimes Enforcement Network

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses	27.8	37.5	45.2	7.7	20.4%
Violent Crime Reduction Trust Fund	1.8	0.0	0.0	0.0	0.0%
Net Appropriation Request	29.6	37.5	45.2	7.7	20.4%

Explanation of FY 2002 Request

This budget request will allow the Financial Crimes Enforcement Network (FinCEN) to maintain and strengthen support to law enforcement to combat money laundering and other financial crimes. FinCEN's FY 2002 request provides the resources necessary to meet the expectations and service levels demanded by FinCEN's law enforcement and regulatory partners. These services include additional strategic analysis products; specialized investigative support for the High Intensity Financial Crime Areas (HIFCAs); a comprehensive regulatory effort for non-bank financial institutions; and enhanced analytical capabilities using advanced technology. These increased efforts respond to tasking in the National Money Laundering Strategy and support Treasury's efforts to dismantle domestic and international money laundering networks.

Purpose of Program

FinCEN supports law enforcement investigative efforts and fosters interagency and global cooperation against domestic and international financial crime. FinCEN also provides U.S. policymakers with strategic analysis of domestic and worldwide money laundering developments, trends, and patterns. FinCEN works toward these ends through information collection, analysis, and sharing, as well as technological assistance, and innovative, cost-effective implementation of the Bank Secrecy Act and other Treasury authorities.

Program Description and Benefits

FinCEN's responsibilities funded by this appropriation include:

- Providing quality and timely investigative support and networking to FinCEN's customers;
- Providing useful information to law enforcement and regulatory partners about trends, patterns, and issues associated with money laundering and other financial crimes;
- Effectively administering the Bank Secrecy Act in order to support the prevention and detection of money laundering and other financial crimes; and

Financial Crimes Enforcement Network

- Establishing and strengthening mechanisms for the exchange of information globally, and engage, encourage, and support international partners in taking necessary steps to combat money laundering and other financial crimes.

Program Performance

FinCEN expects to achieve the following levels of performance in selected program areas in FY 2002 subject to requested funding:

- Expanding Gateway customer access to the BSA data through secure communication.
- Enhancing FinCEN's capacity to identify and disseminate trends and patterns analyses.
- Reporting preliminary estimates of the domestic magnitude of money laundering, as part of a multi-year contractual effort.
- Adopting programs to implement the expansion of SAR requirements to casinos, card clubs, and securities brokerage firms.
- Continuing to improve the timeliness in processing civil monetary referrals and other enforcement matters.
- Providing on-site support for designated High Intensity Financial Crime Areas (HIFCAs).
- Increasing investigative exchanges coordinated with foreign Financial Intelligence Units (FIUs).
- Increasing training and technical assistance efforts.
- Setting up new programs to improve capabilities to recruit and hire a high-caliber and diverse workforce.
- Continuing to strive for state-of-the-art information technology to support FinCEN's program objectives.



Counterterrorism Fund

Program Summary (dollars in millions)					
Appropriation Title	FY 2000	FY 2001	FY 2002	Increase or Decrease	
	Enacted	Enacted	Request	Smillions	percent
Counterterrorism Fund	- - -	54.9	44.9	-10.0	-18.2%

Explanation of FY 2002 Request

The request is expected to maintain the purpose of the Fund and support Treasury’s strategic goals, while promoting fiscal discipline by reflecting greater efficiency in the management of resources.

Purpose of Program

The Counterterrorism Fund can provide reimbursement to Treasury Bureaus for costs incurred in fulfilling important Counterterrorism-related responsibilities including, but not limited to: protecting the President; investigating arson, explosives and firearms incidents; conducting financial investigations relating to terrorism; preventing weapons of mass destruction from entering our country; and implementing sanctions against terrorist organization

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Federal Law Enforcement Training Center

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or Decrease	
				\$millions	percent
Salaries and Expenses	83.0	99.3	100.7	1.4	1.5%
Violent Crime Reduction Trust Fund	9.2	0.0	0.0	0.0	n/a
Acquisition, Construction, Improvement	21.2	54.1	21.9	-32.2	-59.5%
Net Appropriation Request	113.4	153.4	122.6	-30.7	-20.1%

Explanation of FY 2002 Request

The Federal Law Enforcement Training Center (FLETC) request supports law enforcement accreditation and Master Plan construction. The request also is expected to maintain the direction of essential program components and support Treasury's strategic goals, while promoting fiscal discipline by achieving greater efficiency in the management of resources.

Purpose of Program

FLETC conducts the training for the vast majority of the Federal Government's law enforcement personnel. It represents a partnership of federal law enforcement agencies working together to ensure the highest quality training for law enforcement professionals in the most cost effective manner.

Program Description and Benefits

Some of the specific activities of FLETC include:

- Provide high quality training for law enforcement:** FLETC has a permanent faculty of training instructors, experienced in the diverse responsibilities of federal law enforcement, as well as detailees from the agencies which FLETC trains. This strength manifests itself not only in quality classroom instruction, but also in a powerful program development potential that is possible only because of the unique synergism that a consolidated staff generates. In addition, FLETC conducts law enforcement research and development, tracks evolving trends and challenges to law enforcement, identifies and evaluates emerging technologies for training and law enforcement, and partners with other organizations to access resources and expertise in law enforcement training and law enforcement specialties.
- Develop, operate, and maintain state-of-the-art facilities and systems responsive to interagency training needs:** This is one of the original objectives of the consolidated training concept and a goal that continues to be vigorously pursued. State-of-the-art training facilities are expensive to develop and maintain. By themselves, none of the FLETC participating agencies could justify or afford the sophisticated facilities that now exists and are used by the 74 agencies. Joint, consolidated training results in cost avoidance and produces significant savings in many goods and services.

Federal Law Enforcement Training Center

- Effectively organize, develop, and lead FLETC's personnel in support of the Center's mission:**
FLETC is working to ensure that its organizational structure enhances training delivery, increases efforts toward achieving racial and cultural diversity, implements human resource and diversity plans, improves training support process and achieves effective communication at all levels.

Program Performance

FLETC expects to achieve the following levels of performance in selected program areas in FY 2002, subject to requested funding:

- Achieve a 90 percent rating on the Student Quality of Training Survey (basic and advanced training).
- Achieve a 90 percent rating of the Student Quality of Services Survey.
- Achieve an 80 percent rating on the Partner Organization satisfaction survey.
- Achieve an 80 percent rating on facilities utilization.

Financial Management Service

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or Decrease	
				Smillions	percent
Salaries and Expenses	200.6	206.4	211.6	5.2	2.5%

Explanation of FY 2002 Request

The Financial Management Service (FMS) request is expected to maintain the direction of essential program components and support Treasury's strategic goals, while promoting fiscal discipline by achieving greater efficiency in the management of resources.

Purpose of Program

FMS' activities encompass all work performed to improve the quality of government financial management and include implementing payment policy and procedures for the Federal Government, issuing and distributing payments, promoting the use of electronic methods in the payment process, assisting agencies in converting payments from paper checks to electronic funds transfer (EFT), centrally managing and collecting delinquent debts owed to the Federal Government, and providing government-wide accounting and reporting services.

Program Description and Benefits

FMS' responsibilities funded by this appropriation include:

- Produce accurate, accessible, and timely government-wide financial information and reports which contribute to improved quality of the Nation's financial decision making** by providing financial accounting and reporting services for the Government-at-large, collecting financial information from Federal program agencies and publishing government-wide financial reports (e.g., the Daily Treasury Statement and the Financial Report of the U.S. Government) that are used by the public and private sectors to monitor the Federal Government's financial status.
- Provide Federal payments timely and accurately, move toward an all electronic Treasury for payments, and determine the optimal payment processing environment for the future** by disbursing payments to Social Security beneficiaries, Federal employees, government vendors, and others and expanding the use of electronic funds transfers for these payments. These efforts support the Debt Collection Improvement Act of 1996 (DCIA) which require the Federal Government to make most payments electronically, except where waived.
- Provide timely collection of Federal Government receipts, at the lowest cost, through an all-electronic Treasury** by administering the world's largest collections system, collecting over \$2 trillion annually through both electronic and paper-based mechanisms. FMS develops and implements collections policies and procedures for the Federal Government, facilitates efficient collections by designing and administering state-of-the art collection systems, and promotes electronic collections to Federal program agencies.

Financial Management Service

- ❑ **Facilitate the achievement of a clean audit opinion on the *Financial Report of the U.S. Government* through FMS' internal operations and support to Government agencies** in support of the Government Management Reform Act of 1994, which requires annual financial statements for the 24 major agencies and the U. S. Government as a whole. As part of its government-wide accounting and reporting responsibilities, FMS is responsible for preparing and publishing a consolidated Financial Report of the U. S. Government annually.

- ❑ **Maximize collection on government delinquent debt by providing efficient and effective centralized debt collection services** by managing government-wide delinquent debt collections as required by the DCIA. This includes maintaining and operating the Treasury Offset Program (TOP), a centralized offset program developed by FMS designed to assist Federal agencies and states in the collection of delinquent debts: Federal non-tax debts, certain Federal tax debts, state tax debts, and child-support obligations and the Cross-servicing Program, a centralized debt collection process that manages delinquent debts referred from Federal program agencies.

- ❑ **Establish policies and processes to facilitate the integration of e-commerce technologies into the payments and collections infrastructure** by maintaining current systems that support the vast majority of Federal EFT payments and collections made via the Automated Clearing House (ACH), the Federal Reserve Fedwire System, and by credit card, and exploring emerging electronic commerce technologies to broaden options for delivering payments to and collecting funds from the public. These emerging technologies include smart cards, electronic checks, electronic cash and the Internet.

Program Performance

FMS expects to achieve the following levels of performance in selected program areas in FY 2002, subject to requested funding:

- ❑ Process paper check and EFT payments timely and accurately 100 percent of the time.
- ❑ Adjudicate 90 percent of forgery and non-receipt check claims within 14 days.
- ❑ Process 100 percent of EFT claims in one day.
- ❑ Make 73 percent of Treasury payments and associated information electronically.
- ❑ Collect electronically 80 percent of the total dollar amount of Federal government receipts.
- ❑ Increase debt collection through all available tools from the FY 1998 baseline of \$1.988 billion to \$2.4 billion.
- ❑ Increase to 75 percent the amount of delinquent debt referred to Treasury for collection, compared to the amount of delinquent debt that is eligible for referral.
- ❑ Issue timely and accurate Government-wide accounting reports.
- ❑ Achieve a clean/unqualified audit opinion on the *Financial Report of the U.S. Government*.

Bureau of Alcohol, Tobacco and Firearms

Program Summary (<i>dollars in millions</i>)					
Appropriation Title	FY 2000	FY 2001	FY 2002	Increase or Decrease	
	Enacted	Enacted	Request	\$millions	percent
Salaries and Expenses	564.8	771.1	803.5	32.4	4.2%
Violent Crime Reduction Trust Fund	39.8	0.0	0.0	0.0	0.0%
Net Appropriation Request	604.6	771.1	803.5	32.4	4.2%

Explanation of FY 2002 Request

The Bureau of Alcohol, Tobacco, and Firearms request is expected to maintain the direction of essential program components and support Treasury's strategic goals, while promoting fiscal discipline by achieving greater efficiency in the management of resources.

Purpose of Program

ATF plays an important role in the Federal government's efforts to reduce violent crime, collect revenue and protect the public. ATF enforces the federal laws and regulations pertaining to alcohol, tobacco, firearms, explosives and arson.

Program Description and Benefits

Specific responsibilities of ATF include:

- Reduce Violent Crime:** *To effectively contribute to a safer America by reducing firearms, explosives, and arson related violent crime, ATF investigates, arrests, and recommends for prosecution those criminals who violate firearms and explosives laws; investigates, arrests, and takes regulatory action against the sources of and participants in illegal trafficking in firearms; identifies and pursues the criminal misuse of explosives materials and fire; and encourages the prevention of violence by providing training and prevention strategies through community, law enforcement, and industry partnerships.*
- Collect the Revenue:** *To maintain a sound revenue management and regulatory system that continues reducing taxpayer burden, improves service, collect the revenue due, and prevents tax evasion and other criminal conduct, ATF is modernizing tax document processing to ensure that all eligible revenues are collected under Federal laws administered by ATF; developing systems in support of processes to ensure that revenues are received and paid out and are effectively and timely managed; and investigating and recommending for prosecution those involved in illegal diversion, smuggling of taxable commodities, and other tax evasion schemes.*

Bureau of Alcohol, Tobacco and Firearms

- Protect the Public:** *To protect the public and prevent consumer deception in ATF's regulated commodities, ATF ensures that commodities meet safety and product identity standards; prevents ineligible or prohibited persons from entering the regulated industry; and holds public seminars about regulated commodity, shares information via the publication and posting of reports on ATF's Internet website; and participates in educational programming.*

Program Performance

ATF intends to accomplish the following levels of performance in FY 2002, subject to requested funding:

- Reduce Violent Crime:**
 - Increase the cumulative total of crime-related costs avoided to \$2.65 billion through imprisonment of violent criminals.
 - Accomplish 215,000 firearms traces and an average trace response time of 10 working days.
 - Avoid 1,170,000 firearm-related crimes.
- Collect Revenue**
 - Collect \$13.6 billion in taxes and fees from the alcohol, tobacco, firearms and explosives industries.
 - Collect \$200 in taxes and fees for every \$1 of appropriated funding expended.
- Protect the Public**
 - Respond to and correct 850 discovered unsafe conditions related to explosives storage, and to all alcohol products found to be unsafe through various sampling programs.
 - Hold 175 public seminars about regulated alcohol, firearms and explosives by commodities.

Bureau of Engraving and Printing

Program Summary (dollars in millions)					
Appropriation Title	FY 2000	FY 2001	FY 2002	Increase or Decrease	
	Enacted	Enacted	Estimate 1/	Smillions	percent
Revenue	476.0	417.0	450.0	33.0	7.9%

1/ Estimate subject to change pending final orders from the customer agency.

Explanation of FY 2002 Request

The Bureau of Engraving and Printing (BEP) budget request maintains its capability to produce and deliver United States currency, postage stamps, and other government securities. The budget also provides the resources to enable a coordinated program of updated technology, workforce development, and improved streamlined work processes in preparation for the next generation currency design.

Purpose of Program

The BEP operates under authority conferred upon the Secretary of the Treasury by 31 U.S.C. 321 (a)(4) to engrave and print currency and security documents. The operations of the Bureau are financed by means of a revolving fund. The Bureau's fund is reimbursed by customer agencies through product sales for the direct and indirect costs of operations, including administrative expenses, and acquisition of capital equipment and working capital. This precludes requests for appropriations.

Program Description and Benefits

The BEP's responsibilities funded by this authority include:

- Design, manufacture, and supply U.S. currency, postage, and various government securities.
- Account for and destroy security waste products.
- Provide maintenance services for BEP's buildings, plants, machinery and equipment.
- Conduct research and development programs for improving the quality of products, reducing manufacturing costs, and strengthening deterrents to counterfeiting of government securities.

Bureau of Engraving and Printing

Program Performance

BEP expects to achieve the following levels of performance in selected program areas in FY 2002:

- Ensure that the current demand production of 7.5 billion currency notes is met. ^{1/}
- Ensure that the current demand production of 12.0 billion postage stamps is met. ^{1/}
- Reduce the number of counterfeit defective notes returned by the Federal Reserve by producing consistently high quality, counterfeit deterrent notes.
- Reduce the number of notes and stamps returned by the Federal Reserve and the U.S. Postal Service due to manufacturing defects.
- Maintain an accurate and cost effective system of accountability for Bureau products to ensure that products are accounted for during production and that customers receive the correct quantities of product by controlling shipment discrepancies for currency and postage stamps.
- Ensure proper stewardship, accountability of resources, and program integrity by continuing to receive an unqualified audit opinion on annual financial statements.

^{1/} Targets are subject to change pending on final orders from the customer agency.

United States Mint Public Enterprise Fund

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Estimate	Increase or Decrease	
				\$millions	percent
Revenue	1,423.0	1,170.0	1,236.0	66.0	5.6%

Explanation of FY 2002 Request

In FY 2002, the Mint plans to manufacture 2.39 billion circulating coins for sale to the Federal Reserve System. This year also marks the fourth year of the Fifty States Commemorative Coin Program, with the issuance of the next five coins in the ten-year series. FY 2002 will also feature the United States Military Academy Bicentennial Commemorative Coin and the 2002 Winter Olympics Commemorative Coin.

Purpose of Program

The U. S. Mint manufactures and delivers domestic circulating coinage and numismatic and bullion products, and provides security over assets, including the government's stock of gold and silver bullion, coins, and coinage metals. These activities are financed by the Mint Public Enterprise Fund, a revolving fund. This precludes requests for appropriations, however, an additional \$18 million in budget authority is being requested to fund capital investment needs over and above the Mint's ability to finance within its revolving fund.

Program Description and Benefits

The responsibilities of the United States Mint Public Enterprise Fund include:

- Manufacture and distribution of circulating coinage to meet the Federal Reserve demand;
- Manufacture, marketing, and distribution of numismatic and bullion coins, medals, and other products for sale to collectors and the general public; and
- Protection of Mint facilities including the government's stock of gold and silver bullion, coins, and coinage metals at Mint locations.

Program Performance

The Mint expects to achieve the following levels of performance in selected program areas in FY 2002:

- Meet the minimum, seasonal adjusted inventory level one hundred percent of the time.
- Minimize production cost and the average total cost of circulating coinage.

United States Mint Public Enterprise Fund

- Ship 98 percent of numismatic product orders within the Mint's published turnaround time standards.
- Pursue new customers, new market channels, and new product lines to increase the profitability of numismatic/bullion operations.
- Protect facilities and maintain security commensurate with changing threats and protects Mint human and physical resources and the assets of the United States.

United States Customs Service

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or Decrease	
				Smillions	percent
Salaries and Expenses	1,698.2	1,878.6	1,961.8	83.2	4.4%
Violent Crime Reduction Trust Fund	61.0	0.0	0.0	0.0	n/a
Air/Marine Operation and Maintenance	108.7	139.9	162.6	22.7	16.2%
Trade Modernization	0.0	257.8	257.8	0.0	0.0%
Harbor Maintenance Fee Collections	3.0	3.0	3.0	0.0	0.0%
Net Appropriation Request	1,870.9	2,279.3	2,385.2	105.9	4.6%

Explanation of FY 2002 Request

The U.S. Customs Service request will support the President's promise to increase spending to implement the Western Hemisphere Drug Elimination Act. The request also is expected to maintain the direction of essential program components and support Treasury's strategic goals, while promoting fiscal discipline by achieving greater efficiency in the management of resources.

Purpose of Program

These accounts fund U.S. Customs operations at air, land, and sea ports of entry, as well as at other locations around the country related to Customs mission. Customs is charged with ensuring that all goods entering and exiting the United States do so in accordance with all United States laws and regulations.

Program Description and Benefits

Customs responsibilities funded by this appropriation include:

- Protecting the American Public:** Customs inspection, examination, and investigative capabilities are responsible for discovery or seizure/interdiction of over two-thirds of all illegal narcotics encountered by federal agencies. Customs capabilities and jurisdiction also control the threat of hazardous products and dangerous substances to the environment and the public's health.
- Protecting Fair Trade and American Competitiveness:** Customs import/export examination capabilities ensure that foreign products introduced into the American economy conform to all tariff and trade provisions of U.S. law and international agreements.
- Facilitating a Robust International Trade:** Customs move to greater sophistication in the targeting of suspicious arriving goods and passengers allows expedited clearance of the vast majority of lawful commerce within prescribed U.S. laws and international agreements. Customs partnerships with industry allow rapid clearance of legitimate commerce without diminishing enforcement vigilance.

United States Customs Service

- Contributing to a Balanced Budget:** In FY 2000 Customs collected over \$20.5 billion in duties, taxes, fines and penalties on non-compliant entries, and fees that are deposited in the Treasury general fund, as well as nearly \$1.3 billion in user fees related to the cost of its operations.
- Providing Key Support to Coordinated Federal Law Enforcement, and Contributing to National Security:** Besides its principal role in federal drug control policy, Customs investigative capabilities are key in enforcing money laundering laws, by concentrating on the outbound movement of cash and negotiable instruments. Customs also protects against the export of material and technology that threaten U.S. national and economic security.

Program Performance

Customs expects to achieve the following levels of performance in selected program areas in FY 2002, subject to requested funding:

- An overall 90 percent compliance levels with the Harmonized Tariff Schedules of the United States.
- Over 99 percent revenue collection compliance rate.
- A 99 percent passenger compliance rates.
- A five-minute or less processing rate for 95 percent of arriving air passengers.
- Seizure of approximately 160 thousand pounds of cocaine, 1,370 thousand pounds of marijuana, and 2.6 thousand pounds of heroin, within a total of over 18,600 seizures.
- Seizure of \$240 million in currency, bank accounts and other financial instruments, and \$37.5 million in real property, involved in money laundering and contraband transactions.

Bureau of the Public Debt

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or Decrease	
				Smillions	percent
Administering the Public Debt	181.5	187.1	189.7	2.6	1.4%
Offsetting Maintenance Fees	-4.4	-4.4	-4.4	0.0	0.0%
Net Appropriation Request	177.1	182.7	185.3	2.6	1.4%

Explanation of FY 2002 Request

The Bureau of the Public Debt (BPD) request is expected to maintain the direction of essential program components and support Treasury's strategic goals, while promoting fiscal discipline by achieving greater efficiency in the management of resources. The request maintains a program level consistent with the current level of efforts necessary to borrow the money needed to operate the Federal Government and to account for the resulting public debt. The budget request reflects a modest increase for mandatory pay costs.

Purpose of Program

This appropriation is used to administer the laws and regulations pertaining to: public debt financing, accounting for the public debt and related interest costs, and the issuance, servicing, and retirement of public debt securities.

Program Description and Benefits

BPD's responsibilities funded by this appropriation include:

- Economic Policy - Savings Securities:** Issuing, servicing, and retiring of savings securities (Series HH/H, Series EE, and the I-bond), as well as marketing activities designed to increase the sale and retention of savings bonds, of which Series EE Savings Bonds constitute the major workload; providing comprehensive information about savings securities on Public Debt's Internet web site; and protecting investors by promptly replacing lost, stolen, or destroyed bonds;
- Economic Policy - Marketable Securities:** Implementing regulations governing the primary issuance of Treasury securities and secondary market transactions involving government securities; protecting the investor by adjudicating claims on lost, stolen, or destroyed securities;
- Fiscal and Financial Policy:** Issuing and servicing of marketable and special purpose securities which make up 97 percent of the outstanding public debt; conducting transactions on outstanding securities including exchanges, transfers, and redemptions; receiving, auditing, recording, storing, and destroying redeemed securities and interest coupons;

Bureau of the Public Debt

- Financial Policy - Accurate and Timely Information:** Establishing and maintaining accurate records of the sale and redemption of savings bonds; managing, issuing and accounting for investments on behalf of more than 200 Government agencies and Federal Trust Funds; conducting auctions, and announcing auction results in a timely manner; and recording and reporting accurate financial data concerning the public debt; and
- Management Policy - Customer Service:** Providing quality customer service and convenience to the investor by making savings securities available through a nationwide network of financial institution issuing and paying agents; and by issuing marketable securities directly and through the Federal Reserve Banks; and by enabling investors to request information and complete financial transactions using emerging electronic technologies.

Program Performance

BPD expects to achieve the following levels of performance in selected program areas in FY 2002, subject to requested funding:

- Providing quality service to purchasers of savings bonds by:*
 - issuing 95 percent of over-the-counter savings bonds in three weeks; and
 - completing 90 percent of customer service transactions in three weeks.
- Meeting the borrowing needs of the Federal Government by:*
 - conducting 100 percent of marketable securities auctions without error; and
 - announcing auction results within one hour 95 percent of the time.
- Providing quality service to investors in Treasury marketable securities by:*
 - completing 90 percent of *TreasuryDirect* customer service transactions within three weeks;
 - making *TreasuryDirect* interest and redemption payments timely and accurately;
 - making 100 percent of Commercial Book Entry interest and redemption payments timely and accurately; and
 - processing Government Securities Investment Program transactions timely and accurately.

Internal Revenue Service

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or Decrease	
				Smillions	percent
Processing, Assistance & Management	3,280.3	3,694.1	3,783.3	89.2	2.4%
Tax Law Enforcement	3,336.8	3,381.6	3,533.2	151.6	4.5%
Information System	1,455.4	1,548.8	1,563.3	14.5	0.9%
Business Systems Modernization	0	71.6	396.6	325.0	453.9%
Subtotal, Request w/o EITC	8,072.5	8,696.1	9,276.4	580.3	6.7%
EITC Compliance	144.0	144.7	146.0	1.3	0.9%
Total, Request w/ EITC	8,216.5	8,840.8	9,422.4	581.6	6.6%

Explanation of FY 2002 Request

The Internal Revenue Service (IRS) budget request for FY 2002 is predicated on the concept of organizational and technological modernization as directed in the IRS Restructuring and Reform Act of 1998 (RRA98). The organizational modernization has now been completed with the last two operating units, Small Business/Self Employed and Wage & Investment, being established in October, 2000. IRS will now be able to focus on measuring its success in terms of its effect on the people it serves as well as the taxes it collects. The Commissioner's three strategic goals: Service to Each Taxpayer, Service to all Taxpayers, and Productivity Through a Quality Work Environment reflect IRS' new approach to implementing the modernization concept and implementing the many mandates of RRA98.

IRS is moving forward with the technological modernization of the agency and its many systems through a prime contractor. To ensure that this effort stays on track until final completion, IRS is requesting \$396.6 million in FY 2002 for Information Technology Investments. To successfully meet the modernization challenges, IRS must stabilize its workforce and receive sufficient funding to achieve all of its strategic goals.

Purpose of Program

This program funds IRS operations nationwide in service centers, district offices, and telephone call sites. The IRS is charged with receiving Federal tax payments and is committed to doing this by providing top quality service by helping people comply with tax laws and applying the tax laws with integrity and fairness to all.

Program Description and Benefits

The IRS provides three primary services: Pre-Filing Services, Filing Services and Post-Filing Services.

- Pre-Filing Services** – These are services that are provided to a taxpayer before the return is filed to assist in filing a correct return. A very strong emphasis is being placed on pre-filing education and assistance of all customers. In general, the focus is on increasing time spent on education and

Internal Revenue Service

outreach, increasing volunteer support time and locations, expanding pre-filing agreements and rulings, and enhancing pre-filing customer support through electronic media.

- ❑ **Filing Services** - These are services provided to a taxpayer in the process of filing a return and paying taxes, including electronic filing and payment. The focus is on decreasing paper returns processed and increasing electronic returns, increasing the use of electronic payments, increasing telephone and in-person customer service levels and volume of calls answered.
- ❑ **Post-Filing Services** - Traditionally known as compliance, these services are provided to a taxpayer after a return is filed to identify underreporting, non-filing and nonpayment. The focus is on improving quality of examinations and investigations, increasing customer and employee satisfaction, increasing offers in compromise, and increasing case closures.

These activities include:

- Receiving and processing tax and information returns;
- Maintaining tax records for all U.S. corporate and individual taxpayers;
- Issuing refunds for taxpayers owed them;
- Protecting taxpayer's privacy and rights under the Taxpayer Bill of Rights;
- Helping taxpayers comply through education and assistance; and
- Determining the correct amount of taxes owed.

Program Performance

In working towards the new strategic goals, it is vital that the standards used to measure and evaluate performance encourage and require performance that advances those strategic goals. The IRS is building a set of balanced measures, based on the best practices of other organizations that will address three essential areas: customer satisfaction, employee satisfaction, and business results. FY 2000 program performance includes:

- ❑ **Administration of the U.S. Tax Code:** IRS administers the Internal Revenue Code - the basis of U.S. taxation. In doing so, IRS collects \$100 for each 39 cents expended while:
 - processing over 1.5 billion tax and information returns;
 - issuing 96 million refunds; and
 - assisting over 92 million taxpayers. (Does not include taxpayers assisted by the Automated Collection System and Tax Forms & Publication that were included in the total up through FY 1999).
- ❑ **Assisting Americans:** Through the Earned Income Tax Credit, some 19 million working Americans were able to receive \$30.7 billion in benefits both during the year and upon filing their tax year 1999 income tax return.
- ❑ **Balancing the Budget:** IRS collected \$2.1 trillion in Federal taxes -- 95 percent of all Federal revenues.

United States Secret Service

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or Decrease	
				Millions	percent
Salaries and Expenses	708.3	824.9	857.1	32.2	3.9%
Violent Crime Reduction Trust Fund	3.6	0.0	0.0	0.0	n/a
Acq., Constr., Improv., and Related Expenses	4.2	8.9	3.4	-5.6	-62.4%
Net Appropriation Request	716.1	833.8	860.5	26.7	3.2%

Explanation of FY 2002 Request

The Secret Service budget request continues to ensure protection of designated individuals, protection of the general public from terrorist attacks at designated National Special Security Events, and protection of payment and financial systems from various frauds and criminal schemes.

In addition, the Secret Service's request is expected to maintain the direction of essential program components and support Treasury's strategic goals, while promoting fiscal discipline by achieving greater efficiency in the management of resources.

Purpose of Program

These accounts fund Secret Service protective operations for the security of the President, the Vice President, other dignitaries and designated individuals, and citizens and visitors at events of national significance; enforcement of laws relating to obligations and securities of the United States, and of financial crimes such as financial institution fraud and other fraud; and uniformed protection of the White House and other buildings within Washington, D.C., as mandated by 18 U.S.C. 3056 and 3 U.S.C. 202.

Program Description and Benefits

The Secret Service's responsibilities funded by these appropriations include:

- Sustaining a secure physical environment for permanent protectees and visiting foreign heads-of-state/government;
- Designing, planning, and implementing security at events designated as "National Special Security Events" (NSSEs); and
- Suppressing the counterfeiting of obligations and securities of the United States, and other financial crimes.

United States Secret Service

Program Performance

The Secret Service expects to achieve the following levels of performance in selected program areas in FY 2002, subject to requested funding:

- Protection in a Constantly Changing World:** The USSS provides the highest level of physical security possible for persons authorized Secret Service protection. The Secret Service is internationally recognized for its expertise in accomplishing this mission. Specific benefits include:
 - maximum physical security for protectees of the Secret Service, whether they are in residence or a travel status;
 - protective intelligence supporting risk assessment and the determination of protective requirements; and
 - a secure environment at the White House/Treasury complex, the Vice President's residence, foreign missions, and other Secret Service controlled sites.

- Financial Crimes Investigation:** The Secret Service plays a leading role in maintaining public trust and confidence in the nation's financial systems. Specific benefits include:
 - maximize economic and community impact in financial crimes investigations; and
 - suppression of the counterfeiting of U.S. currency domestically and in foreign countries.

Interagency Crime and Drug Enforcement

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or Decrease	
				Smillions	percent
Interagency Law Enforcement	60.5	103.2	106.5	3.3	3.2%
Violent Crime Reduction Trust Fun	14.8	0.0	0.0	0.0	n/a
Net Appropriation Request	75.3	103.2	106.5	3.3	3.2%

Explanation of FY 2002 Request

The Interagency Crime and Drug Enforcement (ICDE) request is expected to maintain the direction of essential program components and support Treasury's strategic goals, while promoting fiscal discipline by achieving greater efficiency in the management of resources.

Purpose of Program

Under the leadership of the Department of Justice (DOJ), the Treasury Department administers the ICDE appropriation provided to Treasury bureaus. Jointly, these agencies establish law enforcement investigative case priorities. The Organized Crime Drug Enforcement Task Force (OCDETF) program was established in FY 1982. The primary goals of the program are to:

- Identify, investigate and prosecute individuals who organize, direct, finance, or otherwise engage in high-level illegal drug trafficking enterprises, including large-scale money laundering organizations; and
- Dismantle or disrupt the operations of those organizations.

To accomplish these goals, participating agencies coordinate their activities and cooperate within a national regional task force structure. There are nine regional task forces that consolidate the resources and expertise of Federal agencies in cooperation with state and local investigators and prosecutors. Consisting of a representative from each participating agency, regional task forces foster a spirit of cooperation among Federal, State and local law enforcement agencies and bring some of the best specialized investigative and prosecutorial talent of each agency to bear on cases which have qualified for referral under special criteria.

From FY 1988 until FY 1997, DOJ annually prepared a consolidated request for OCDETF on behalf of all participating agencies. Several agencies participated and received resources from the bill on a reimbursable basis. The Bureau of Alcohol, Tobacco, and Firearms, the U.S. Customs Service and the Internal Revenue Service are the Treasury bureaus that participated in this program. Prior to FY 1998, DOJ reimbursed the Treasury bureaus for salaries and expenses expended on the cases that were referred to and accepted by the task forces.

Interagency Crime and Drug Enforcement

Program Description and Benefits

Activities performed under this appropriation are core governmental functions that must continue on a day to day basis. Specific benefits include:

- Increase the safety of United States citizens by substantially reducing drug related crime and violence:** The OCDETF program's objective is to strengthen law enforcement efforts to combat drug-related violence, disrupt criminal organizations and arrest/prosecute the leaders of illegal drug syndicates; improve the ability of High Intensity Drug Trafficking Areas (HIDTA) to counter drug trafficking; and help law enforcement to disrupt money laundering and seize/forfeit criminal assets.
- Break foreign and domestic drug sources of supply:** OCDETF's objective is to disrupt and dismantle major international drug trafficking organizations and arrest, prosecute, and incarcerate their leaders. Treasury provides its capability to interdict illegal drugs through inspections at the borders.
- Improve the capacity to detect, investigate and prosecute money laundering:** The OCDETF program makes full use of financial investigative techniques, including tax law enforcement, enforcement of Title 18 and Title 31 currency laundering statutes and the related asset forfeiture provisions in order to identify, prosecute and convict high-level traffickers and dismantle money laundering operations, and to enable the government to seize and forfeit assets and profits derived from high-level trafficking.
- Build intergovernmental cooperation between Federal, State, and local law enforcement agencies:** OCDETF bridges the gaps in enforcement between efforts that are uniquely Federal and those that are successfully undertaken by State and local authorities. Through the combination of skills and resources, the OCDETF model offers the full range of investigative and prosecutorial tools, including seizure and forfeiture laws.

Program Performance

Treasury's performance is tied with requirements of the Department of Justice. Performance measures specific to the Treasury Department will be developed.

Community Development Financial Institutions Fund

Program Summary (dollars in millions)					
Appropriation Title	FY 2000	FY 2001	FY 2002	Increase or Decrease	
	Enacted	Enacted	Request	Smillions	percent
Community Dev. Financial Institutions Fund	95.0	117.7	67.9	-49.8	-42.3%

Explanation of FY 2002 Request

The Community Development Financial Institutions (CDFI) Fund request is expected to maintain the direction of essential program components and support Treasury's strategic goals, while promoting fiscal discipline by achieving greater efficiency in the management of resources. The request also supports the New Markets Tax Credit program.

Purpose of Program

The Community Development Financial Institutions (CDFI) Fund was created to expand the availability of credit, investment capital, and financial services in distressed urban and rural communities and to carry out the Community Development Banking and Financial Institutions Act of 1994. By stimulating the creation and expansion of diverse community development financial institutions (CDFIs) and by providing incentives to traditional banks and thrifts through the Bank Enterprise Award (BEA) Program, the Fund's investments work toward building private markets, creating healthy local tax revenues, and empowering residents. The CDFI Fund provides relatively small infusions of capital to institutions that serve distressed communities and low-income individuals. The Fund's activities leverage private-sector investments from banks, foundations, and other funding sources.

Program Description and Benefits

The CDFI Fund's responsibilities funded by this appropriation include:

- Promoting fair and efficient deliveries of credit and other financial services and helping to bring residents of distressed communities into the economic mainstream by:** Investing directly in CDFIs that satisfy quality standards and are able to raise private matching funds; providing training and technical assistance to improve the capacity of CDFIs; implementing secondary market initiatives which draw in new sources of private institutional capital to support the activities of CDFIs; providing incentives to traditional financial institutions to increase their support of CDFIs and increase the lending and financial services they provide in distressed communities; and develop tax incentives designed to improve the prospects for economic growth in distressed areas and increase job opportunities for low-income workers.

Community Development Financial Institutions Fund

Program Performance

CDFI expects to achieve the following performance objectives in selected program areas in FY 2002:

- Increase participation in the Fund's CDFI Program to facilitate local economic growth.
- Increase private sector investment in CDFIs.
- Increase diversity of CDFI awardees.
- Increase the number of CDFIs by providing assistance to small and emerging CDFIs.
- Increase the number of CDFIs and Financial Service Organizations that receive training in industry fundamentals.
- Increase the number and capacity of CDFIs serving primarily Native American, Alaska Native and Native Hawaiian communities.
- Increase participation in the Fund's Bank Enterprise Award (BEA) Program to facilitate local economic growth.
- Increase direct lending, investment and services by depository institutions in distressed communities.
- Increase depository support of CDFIs.
- Increase the diversity of financial service organizations participating in the BEA Program.
- Increase participation in the New Markets Tax Credits Program to facilitate local economic growth.
- Increase private sector investment in community development entities.

Community Adjustment and Investment Program

Program Summary (dollars in millions)					
Appropriation Title	FY 2000	FY 2001	FY 2002	Increase or Decrease	
	Enacted	Enacted	Request	Smillions	percent
Community Adjustment and Inv. Prog.	10.0	0.0	0.5	0.5	n/a

Explanation of FY 2002 Request

The Community Adjustment and Investment Program (CAIP) budget request helps communities affected by significant job losses connected to the North American Free Trade Agreement. This funding will permit CAIP to continue to play an administrative role in the economic adjustment of trade affected communities, working in partnership with local private sector lenders and with private sector businesses.

Purpose of Program

- CAIP increases resources available to communities with significant job losses connected to the North American Free Trade Agreement and with high unemployment rates.
- CAIP provides the financial resources for commercial projects in the form of loans, loan guarantees, grants, and technical assistance. The form of financial assistance depends on the individualized needs of the business. Grants are available only to nonprofit organizations and State and local governments.
- The majority of financing is done in participation with private sector lenders, and the business must satisfy appropriate underwriting criteria.

Program Description and Benefits

The CAIP's responsibilities funded by these appropriations include:

- Provide loans and loan guarantees to finance business creation or expansion, thus creating new job opportunities;
- Provide grants in trade affected communities to leverage private sector investments and to create new job opportunities for displaced workers; and
- Assist business through technical assistance initiatives to increase the capacity of entrepreneurs in trade affected communities to create new jobs.

Community Adjustment and Investment Program

Program Performance

CAIP expects to achieve the following levels of performance in FY 2002, subject to requested funding:

- Continue to administer CAIP which increases the number of private sector jobs created in trade affected communities.
- Continue to administer CAIP funding which implements an effective technical assistance targeted to new business projects.

Earned Income Tax Credit Compliance

Program Summary (dollars in millions)					
Appropriation Title	FY 2000 Enacted	FY 2001 Enacted	FY 2002 Request	Increase or Decrease	
				\$millions	percent
EITC Compliance	144.0	144.7	146.0	1.3	0.9%

Explanation of FY 2002 Request

The Earned Income Tax Credit Compliance (EITC) Initiative budget request is essentially a current services request that will allow the Internal Revenue Service (IRS) to continue to ensure that recipients are indeed eligible and protect significant additional revenue over the five-year period FY 1998 – FY 2002. The requested amount will cover increases due to pay raises.

Purpose of Program

This program funds IRS operations focusing on expanded customer service efforts with dedicated toll-free telephone assistance, continued public outreach, enhanced compliance research efforts, strengthened enforcement, and improved computer capabilities to identify and select questionable EITC claims.

Program Description and Benefits

The Internal Revenue Service's efforts associated with the EITC funded by this appropriation include:

- Expanded customer service including dedicated toll-free telephone assistance, increased community-based tax preparation sites and a coordinated marketing and educational effort.
- Improved compliance through increased staff and systemic improvements in submission processing, examination, and criminal investigation programs.
- Enhanced research activities and projects focused on EITC claimant characteristics and patterns of non-compliance.
- This appropriation also funds reimbursements to the Social Security Administration (SSA) for enhancements to the SSA numbering systems and cooperative efforts with state vital statistics offices.

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