



DEPARTMENT OF THE TREASURY
FINANCIAL CRIMES ENFORCEMENT NETWORK

March 15, 2006

The Honorable Richard C. Shelby
Chairman
U.S. Senate Committee on Banking, Housing and
Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Re: *BSA Direct*

Dear Chairman Shelby:

On March 6, 2006, I began my responsibilities as the Director of the Financial Crimes Enforcement Network, and commenced an assessment of FinCEN's ongoing projects and an evaluation of its core capabilities. Overall, FinCEN continues to provide critical services and support to its customers in law enforcement and other federal agencies. However, I have identified a pressing concern relating to the Retrieval and Sharing Component of FinCEN's BSA Direct project that requires prompt action.

This component is a project that was undertaken to improve authorized users' ability to analyze and access Bank Secrecy Act (BSA) data. It is intended to apply data warehousing technology to structure the data in a single, integrated, secure web-based environment, and provide sophisticated business intelligence and other analytical tools in a user-friendly web portal. Successful implementation of this initiative would ensure that law enforcement and regulatory agencies would gain more robust data access and enhanced ability to query and analyze the BSA data. This project should also aid FinCEN's ability to network agencies with overlapping interests, and augment its ability to audit and assess the usage of the BSA data.

Although I believe that the fundamental goals of this component of BSA Direct are worthy and attainable, I am issuing today a temporary "stop work" order concerning this project and instructing FinCEN staff and Electronic Data Systems (EDS) contractors to pause for up to a 90-day period. I am taking this action because I am concerned that this project has failed repeatedly to meet its performance milestones.

I want to emphasize that this decision should be seen for what it is -- an opportunity to perform an assessment that will ensure we develop the best product, at the best price, while also taking advantage of already developed technology. In the meantime, we are working closely with the IRS to ensure continuity of service to our customers.

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I look forward to briefing you and other members of the Committee at your earliest convenience.

Sincerely,

Robert W. Werner