

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

FinCENnews



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For Immediate Release
May 28, 2002

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FinCEN Launches E-Filing System Will Allow for BSA Filing over Secure Internet

The Financial Crimes Enforcement Network (FinCEN) announced today that it has begun its pilot testing of the Patriot Act Communications System (PACS). PACS is designed to allow participating financial institutions to quickly and securely file Bank Secrecy Act (BSA) reports over the Internet. Phase one of the system will allow for the filing of the bank Suspicious Activity Report (Form TD F 90-22.47 or "SAR") and the Currency Transaction Report (Form 4789 or "CTR").

The electronic filing of BSA reports will expedite the reporting process and, thus, make the information available to law enforcement more rapidly. It is also designed to reduce a financial institution's costs in complying with the filing of BSA reports. More than 13 million BSA reports are filed with FinCEN each year through the IRS Detroit Computing Center, which processes the reports for FinCEN. Prior to the development of PACS, financial institutions could file their reports either on magnetic tape or on paper. The PACS system will provide the third option of electronic filing.

Approximately 30 financial institutions, ranging from large national banks to small credit unions, will pilot test the system over the next two months. All BSA information submitted to PACS is encrypted for protection.

"We are optimistic that financial institutions will employ the PACS system as their filing tool of choice," said James F. Sloan, Director of FinCEN. "Use of PACS will allow for BSA information to be processed and made available to law enforcement investigators on an expedited basis. It will also save the government considerable taxpayer dollars in processing costs associated with paper and magnetic filing."

Once the pilot-test phase is complete, FinCEN will evaluate the need to make adjustments to the system and identify opportunities for enhancement. When the system is deployed, financial institution personnel will be able to access PACS only after they have applied for and received a digital certificate from a Government-approved certificate authority. Financial institutions are not mandated to use PACS.

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The USA Patriot Act calls for the development of a highly secure network to allow for the electronic filing of BSA forms and to provide financial institutions with alerts comprised of control lists vetted by federal law enforcement agencies. In order to meet these requirements, FinCEN is working with a competitively selected team of contractors comprised of TRW Inc., Deloitte Consulting, and Deloitte & Touche.

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