



Costs Associated with Establishing the Homeland Security Investigations Cross- Border Financial Crime Center

October 24, 2024

Fiscal Year 2024 Report to Congress



**Homeland
Security**

U.S. Immigration and Customs Enforcement

Message from the Deputy Director and Senior Official Performing the Duties of the Director

October 24, 2024

I am pleased to present the “Costs Associated with Establishing the Homeland Security Investigations Cross-Border Financial Crime Center” report prepared by U.S. Immigration and Customs Enforcement (ICE).

This report was compiled pursuant to Senate Report 118-85, which accompanies the Fiscal Year 2024 Department of Homeland Security Appropriations Act (P.L. 118-47).



Pursuant to congressional guidelines, this report is being provided to the following Members of Congress:

The Honorable Mark Amodei
Chairman, House Appropriations Subcommittee on Homeland Security

The Honorable Lauren Underwood
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable Chris Murphy
Chair, Senate Appropriations Subcommittee on Homeland Security

The Honorable Katie Britt
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

Please direct inquiries to the ICE Office of Congressional Relations at (202) 732-4200.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Patrick J. Lechleitner', with a stylized flourish at the end.

Patrick J. Lechleitner
Deputy Director and
Senior Official Performing the Duties of the Director
U.S. Immigration and Customs Enforcement

Executive Summary

The purpose of this report is to provide details concerning the anticipated costs associated with establishing ICE's Homeland Security Investigations (HSI) Cross-Border Financial Crime Center (CBFCC).

HSI established the CBFCC in 2023 to enhance HSI's efforts to combat transnational criminal organizations (TCO) and the illicit money laundering networks supporting them. The CBFCC is expected to convene federal law enforcement agencies, partner nation authorities, banks and financial institutions, and financial technology companies to promote collaboration on cross-border financial crime. The CBFCC is an integral component of HSI's *Strategy for Combating Illicit Opioids* and leads agency efforts to attack TCOs, oligarchs, Chinese money laundering organizations (CMLO), and other criminal actors engaged in illicit cross-border financial activity.

The CBFCC directly supports the implementation of Executive Order 14060, *Establishing the United States Council on Transnational Organized Crime* (December 15, 2021), which calls on federal agencies to enhance efforts to combat TCOs, including by collaborating with private sector entities to combat transnational organized crime.

The primary objectives of the CBFCC are to:

- Support the prosecution, disruption, and dismantlement of kleptocrats, oligarchs, TCOs, professional money laundering organizations, and other criminal actors engaged in illicit cross-border financial activity.
- Strengthen the anti-money laundering infrastructure of the United States by educating private sector stakeholders on trends and techniques used to facilitate illicit cross-border financial activity.
- Enhance information sharing between the U.S. Government and the private sector regarding techniques and trends used in crimes involving illicit cross-border financial activity.
- Increase cooperation between domestic and foreign law enforcement agencies with respect to combating such crime.

This report will provide an overview of proposed CBFCC operations as well as the costs associated with establishing and maintaining the CBFCC.



Costs Associated with Establishing the Homeland Security Investigations Cross-Border Financial Crime Center

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I. Legislative Requirement

This report was compiled in response to legislative language in Senate Report 118-85 that accompanies the Fiscal Year (FY) 2024 Department of Homeland Security (DHS) Appropriations (P.L. 118-47).

Senate Report 118-85 states:

Cross Border Illicit Finance Center.—Within 30 days of the date of enactment of this act, HSI shall provide a report to the Committee that examines the costs associated with establishing a formal Cross Border Illicit Finance Center which would formalize and centralize efforts around illicit cross border financial activity into the interior of the United States. Ideally, the center would leverage public-private partnerships, coordinate training for best practices, develop metrics, and support the lawful seizure of proceeds with a cross border nexus. The Center would also work and coordinate with other Federal law enforcement partners, but would be focused on criminal cross border conduct.

II. Background

It is the mission of U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) to disrupt and dismantle transnational criminal organizations (TCO), terrorist networks, and other criminal elements that threaten the United States. HSI conducts investigations to gather evidence to interdict contraband, arrest criminal violators, execute search warrants, and seize and forfeit criminally linked proceeds and assets.

In FY 2023, HSI made over 33,000 criminal arrests and seized approximately \$950 million in criminally derived proceeds and assets.

Most, if not all, cases that HSI investigates have some form of a financial nexus. HSI actively pursues financial crime angles to identify and seize illicit proceeds and to target financial networks and third-party facilitators that launder and hide illegal financial gains. With customs authorities and access to financial and trade data, HSI is uniquely positioned to disrupt the operations of TCOs profiting from cross-border crime.

The establishment of the Cross-Border Financial Crime Center (CBFCC) reaffirms HSI's commitment to combatting financial crime and money laundering networks. The CBFCC intends to formalize and centralize HSI's efforts to combat illicit cross border financial activity by leveraging public-private partnerships, coordinating training for best practices, and supporting investigative efforts throughout the country.

A. HSI Efforts to Target Illicit Finance Networks

- Traditionally, U.S. law enforcement investigations have prioritized targeting the underlying predicate offenses, to include drug trafficking, contraband smuggling, human trafficking, and fraud.
- Efforts to disrupt and dismantle TCOs require law enforcement to prioritize targeting criminal proceeds and the illicit money laundering networks that place, layer, and integrate criminal revenue into the lawful economy.
- HSI's commitment to investigating the criminal proceeds and financial infrastructures supporting TCOs significantly enhances HSI's efforts to disrupt and dismantle transnational criminal activity.
- In FY 2023, HSI initiated 3,483 financial investigations and made 2,474 criminal arrests, resulting in 842 criminal convictions and over \$456 million in seizures.
- HSI efforts also assisted over 4,200 victims of financial crime – a threefold increase from FY 2022.

B. Establishment of the HSI Cross-Border Financial Crime Center

- The CBFCC was established in 2023 and centralizes investigative efforts to combat illicit cross-border financial activity. The CBFCC intends to leverage public-private sector partnerships, coordinate the efforts of law enforcement agencies, provide training on investigative best practices, develop metrics for analyzing the impact of cross-border financial crime, and support investigations, prosecutions, and forfeiture proceedings with a cross-border nexus.
- In January 2024, HSI executive leadership consolidated existing HSI headquarters programs governing financial investigations, financial intelligence, asset forfeiture, bulk cash smuggling, and fraud into the CBFCC. HSI executive leadership designated a Deputy Assistant Director who serves as a member of the Senior Executive Service as the Director of the CBFCC.
- In March 2024, HSI headquarters programs assigned to the CBFCC moved to a shared agency facility in the National Capital Region (NCR). These programs were previously located in different facilities across the NCR. Currently, more than 70 HSI personnel are assigned to the CBFCC. The new facility has space for external law enforcement partner agencies and private sector partners.
- As a public-private collaboration center, much of the CBFCC staffing will consist of detailees assigned, at least part time, from government agencies with specific expertise in combatting cross-border illicit finance. This will involve extending invitations to other agencies within DHS, as well as the Departments of Treasury, Justice, Commerce, State, and Defense, and other stakeholders, including, but not limited to, the U.S. Postal Inspection Service, the National Security Agency, the Office of the United States Trade Representative, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Federal Trade Commission, and the Commodity Futures Trading Commission.
- Given the cross-border mission of the CBFCC, consideration will be given to extend invitations to key foreign law enforcement agencies with expertise in combating financial crime, including Five Eyes partners. The CBFCC will employ a scalable model, whereby the addition of new stakeholders – for short-term initiatives or more permanently – can be implemented as deemed appropriate by the CBFCC leadership team. Once fully staffed, HSI envisions the CBFCC housing more than 100 personnel.

C. Anticipated Costs Associated with Establishing the HSI CBFCC

- HSI CBFCC is funded under HSI's Domestic Investigations sub-program, project, and activity (PPA), but does not have dedicated funding to support its operations.
- The HSI Asset Forfeiture Unit (AFU) and Financial Crimes Unit (FCU) are primarily funded with forfeiture revenues that are distributed on an annual basis to HSI by the Treasury Executive Office for Asset Forfeiture (TEOAF).
 - AFU is fully funded by TEOAF. This includes personnel salaries. AFU also administers salaries for Asset Forfeiture Specialists and Seized Property Specialists assigned to HSI field offices. In addition to covering salary expenses for personnel assigned to asset forfeiture work, TEOAF provides AFU with funding to support national programs governing seized property, virtual asset

investigations, victim restitution, equitable sharing, international asset sharing, real property seizures, asset forfeiture and financial investigations training, and financial management.

- FCU personnel salaries are funded with appropriations, though program functions are reliant on TEOAF funding. In FY 2024, FCU received approximately \$4 million in forfeiture funds to support HSI financial programs and field investigations through September 30, 2024.
- HSI identified an existing agency facility in the NCR to house the CBFCC.
- The initial cost associated with fully operationalizing the CBFCC will provide for salary expenses for assigned personnel, general expenses, and facility costs. Below, please find a scaled three-year (FY 2025 – FY 2027) cost breakout. Tables I-III provide the position and general expense funding breakout for Year 1, Year 2, and Year 3.
- The scaled three-year approach provides the new positions and general expense and/or facilities funding required each year. It does not account for the annualization of positions, recurring pay and non-pay costs, or out-year inflated general expense costs.
- This request does not appear in the FY 2025 President's Budget (PB) and should not be construed as a request for resources in excess of the PB.

Table I: Fiscal Year 2025 Costs (Year 1)			
Positions	Job Series / Grade	Number of Positions	Cost
Supervisory Special Agent	GS-15-1811	1	\$256,191
Supervisory Special Agent	GS-14-1811	1	\$256,191
Program Manager	GS-14-1811	3	\$768,572
Management Program Analyst	GS-13/14-0343	1	\$146,909
Forensic Accountant	GS-13-0510	2	\$278,279
Position Total		8	\$1,706,142
GE Description			Cost
TDY/Travel	O&S	TDY field agents for agents, Outreach to external partners, case support to field, training for field	\$100,000
Training	O&S	Asset forfeiture and financial investigations training	\$150,000
Contract Support	O&S	Contracts for forensic accounting support	\$350,000
Services/Contract Support	O&S	Software, licensing, contractor/engineering support for automation development	\$500,000
Contract Support	O&S	Document scanning and translation services	\$25,000
Facilities Maintenance	O&S	Parking, cleaning	\$40,000
Supplies	O&S	Symbols/Branding (EDTF/CBFCC), office supplies	\$40,000
Equipment	O&S	IT/Non-IT commodities	\$60,000
Facilities Buildout	PC&I	Running lines, communication lines, cubicles, walled off rooms, infrastructure	\$2,500,000
GE Total			\$3,765,000
FY 2025 Total Cost (Year 1)			\$5,471,142

*Based on the FY 2025 Modification Cost

Table II: Fiscal Year 2026 Costs (Year 2)			
Positions	Job Series / Grade	Number of Positions	Cost
Forensic Accountant	GS-13-0510	2	\$276,635
Mission Support Specialist	GS-12/13-0301	1	\$138,318
Position Total		3	\$414,953
GE Description			Cost
TDY/Travel	O&S	TDY field agents for agents, Outreach to external partners, case support to field, training for field	\$100,000
Training	O&S	Asset forfeiture and financial investigations training	\$300,000
Training	O&S	Outreach and private sector engagement	\$75,000
Contract Support	O&S	Contracts for forensic accounting support	\$1,000,000
Services/Contract Support	O&S	Software, licensing, contractor/engineering support for automation development	\$500,000
Contract Support	O&S	Document scanning and translation services	\$50,000
Facilities Maintenance	O&S	Parking, cleaning	\$30,000
Supplies	O&S	Symbols/Branding (EDTF/CBFCC), office supplies	\$20,000
Equipment	O&S	IT/Non-IT commodities	\$60,000
GE Total			\$2,135,000
FY 2026 Total Cost (Year 2)			\$2,549,953

*Based on the FY 2026 Modification Cost

Table III: Fiscal Year 2027 Costs (Year 3)			
Positions	Job Series / Grade	Number of Positions	Cost
Data Scientist	GS-13-1560	1	\$138,318
Management and Program Analyst	GS-13-0343	1	\$138,318
Position Total		2	\$276,636
GE Description			Cost
TDY/Travel	O&S	TDY field agents for agents, Outreach to external partners, case support to field, training for field	\$100,000
Training	O&S	Asset forfeiture and financial investigations training	\$300,000
Training	O&S	Outreach and private sector engagement	\$125,000
Contract Support	O&S	Contracts for forensic accounting support	\$850,000
Services/Contract Support	O&S	Software, licensing, contractor/engineering support for automation development	\$500,000
Contract Support	O&S	Document scanning and translation services	\$125,000
Facilities Maintenance	O&S	Parking, cleaning	\$30,000
Supplies	O&S	Symbols/Branding (EDTF/CBFCC), office supplies	\$15,000
Equipment	O&S	IT/Non-IT commodities	\$30,000
GE Total			\$2,075,000
FY 2027 Total Cost (Year 3)			\$2,351,636

*Based on the FY 2026 Modification Cost, as the FY 2027 Modification Cost has not been released.

Table IV: Total FY 2025 PPA Allocation (Year 1)	
PPA	FY 2025
HSI Domestic	\$2,484,011
Mission Support Enterprise Services	\$487,131
Procurement, Construction, and Improvements (PC&I)	\$2,500,000
Total	\$5,471,142

Table V: Total FY 2026 PPA Allocation (Year 2)	
PPA	FY 2026
HSI Domestic	\$2,436,239
Mission Support Enterprise Services	\$113,714
Total	\$2,549,953

Table VI: Total FY 2027 PPA Allocation (Year 3)	
PPA	FY 2027
HSI Domestic	\$2,275,827
Mission Support Enterprise Services	\$75,809
Total	\$2,351,636

III. Conclusion

Appropriated funding to operationalize and staff the CBFCC will enhance the ability of the United States to identify, disrupt, and dismantle CMLOs and other TCOs engaged in financial crimes and money laundering activity. Specifically, the creation of a base budget for the CBFCC will allow HSI and partner agencies to more effectively support and coordinate complex, multi-jurisdictional financial investigations targeting CMLOs and other illicit finance networks operating in or with a nexus to the United States; provide training on advanced money laundering typologies; and procure mission critical equipment to support high impact field investigations. Additionally, appropriated funding will enable the United States to enhance information sharing and expand partnerships with the private sector regarding techniques and trends used in crimes involving illicit cross-border financial activity. Cumulatively, these engagements will result in being better able to safeguard the U.S. financial system from emerging and evolving threats posed by adversarial nation states, TCOs, and other criminal actors.

IV. Appendix: Abbreviations

Abbreviation	Definition
AFU	Asset Forfeiture Unit
CBFCC	Cross-Border Financial Crime Center
CMLO	Chinese Money Laundering Organizations
EDTF	El Dorado Task Force
FCU	Financial Crimes Unit
FY	Fiscal Year
HSI	Homeland Security Investigations
ICE	U.S. Immigration and Customs Enforcement
IT	Information Technology
NCR	National Capitol Region
PB	President's Budget
PC&I	Procurement, Construction, and Improvements
PPA	Program, Project, Activity
O&S	Operations and Support
TCO	Transnational Criminal Organization
TDY	Temporary Duty Assignment
TEOAF	Treasury Executive Office for Asset