



FinCEN Accountability to Congress and Small Businesses

ISSUE

With the passage of the Corporate Transparency Act (CTA) of 2021, enacted into law as part of the National Defense Authorization Act for Fiscal Year 2021, the Financial Crimes Enforcement Network's (FinCEN) mission was expanded to include the collection of the personally identifiable beneficial ownership information of 30 million small business owners, according to FinCEN's estimates. FinCEN will now do much more than enforce the Bank Secrecy Act and monitor illicit activity in the financial system, it will have the authority to regulate Main Street businesses.

FinCEN will now collect and store the confidential information of most businesses with fewer than 20 employees in America. **However, FinCEN is not held accountable to Congress the same way as other intelligence and regulatory agencies.** Unlike the FBI and CIA - which have leaders nominated by the President and confirmed by the U.S. Senate - FinCEN's Director is merely appointed by the Treasury Secretary without the formal input of Congress and does not have the same level of accountability to the American people's representatives in Congress.

SOLUTION

NFIB supports **H.R. 7623, the *Financial Crimes Enforcement Network Improvements Act***, and urges Members of Congress to cosponsor this legislation.

This legislation would do the following:

- Provides for the appointment of the Director of FinCEN by the President of the United States, by and with the advice and consent of the Senate. Under current law, the Director is appointed by the Treasury Secretary.
- Establishes a special Deputy Inspector General for FinCEN with a substantial priority to help make sure that FinCEN protects the civil liberties and privacy of Americans.
- Establishes a Civil Liberties Protection Officer for FinCEN in Treasury's front office.
- Requires transparency in rulemaking from FinCEN.
- Requires FinCEN to provide Congress and the public with documents similar to the Freedom of Information Act.
- Requires the Director of FinCEN to regularly testify before Congress as well as promptly report to Congress on any unlawful activity by FinCEN employees.