

Supporting Statement

1. Circumstances Necessitating Collection of Information.

The collection of the information contained on Currency Transaction Report (FinCEN Form 104) is authorized by statute (see 31 U.S.C. 5313(a)) and required by regulation (see 31 CFR 103.22(a)-(b)). The regulation requires the reporting of transactions in currency by, through, or to a financial institution in excess of \$10,000 during a single day.

Financial institutions as defined in 31 U.S.C. 5312(a)(2) and 31 CFR 103.11 are subject to the currency transaction reporting requirement. The Currency Transaction Report (FinCEN Form 104) is the form financial institutions use to comply with the currency transaction reporting requirements.

2. Method of Collection and use of data.

The information contained on FinCEN Form 104 is used by criminal investigators, as well as taxation and regulatory enforcement authorities, during the course of investigations that involve money laundering, tax violations, fraud and other financial crimes.

3. Use of Improved Information Technology to Reduce Burden.

Currently, 77% of these forms are filed using automated technology. FinCEN is working with the Internal Revenue Service's Detroit Computing Center to increase this figure.

4. Efforts to Identify Duplication.

There is no similar information available; thus, there is no duplication.

5. Methods to Minimize Burden on Small Businesses or other Small Entities.

This collection of information does not impact small entities.

6. Consequences to the Federal Government of not collecting the Information.

This collection of information occurs after a financial institution's customer conducts a currency transaction in excess of \$10,000 during a single day. A financial institution must file FinCEN Form 104 for each transaction in currency involving either currency received (Cash In) or currency disbursed (Cash Out) of more than \$10,000 during a single day. Were this collection to be reduced in frequency, the information collected would be of lesser use to law enforcement personnel.

7. Special Circumstances Requiring Data Collection Inconsistent with Guidelines.

There are no special circumstances.

8. Consultation with Individuals Outside of the Agency on Availability of Data. Frequency of Collection, Clarity of Instructions and Forms, and Data Elements.

The Paperwork Reduction Act 60-day notice was published on July 27, 2006 (see 71 FR 42719). The notice proposed extending, without change, FinCEN Form 104. FinCEN received four comments in response to this notice.

Comment: Four respondents suggested that the current reporting threshold was too low. The four also suggested that the current exemption process should be revised. Two of the four respondents urged the Financial Crimes Enforcement Network (FinCEN) to suspend the collection of currency transaction reporting information for seasoned business customers.

Response: FinCEN takes note of the respondent's comments. The comments as presented would require legislative action to implement, which is beyond the scope of this renewal action. FinCEN is also aware that issues concerning the currency transaction reporting requirement and associated exemption process will be the subject of a study by the Government Accountability Office.

Comment: One respondent suggested adding a check box to indicate a joint account instead of listing the joint account owner information. This respondent also recommended removing the requirement to enter the occupation of the conductor and the listing of account numbers.

Response: FinCEN does not support this recommendation. Law enforcement's ability to search the database by account number for information on all owners would be impeded. Additionally, law enforcement and FinCEN analysts use occupation information to screen for significant changes in the movement of cash through a particular sector or other anomalous activity.

Comment: One respondent suggested that the value of the currency transaction reporting program has been diminished by the enhanced customer identification program, suspicious activity reporting, and the USA PATRIOT Act section 314(a) inquiry/response process requirements.

Response: FinCEN disagrees. The programs/requirements cited complement one another and the currency transaction reporting program/requirement and add to the overall effectiveness of Bank Secrecy Act (BSA) reporting.

Comment: One respondent commented on the initial and recurring cost of computer software to support anti-money laundering detection and reporting requirements.

Response: This comment was directed towards BSA reporting in general and not the form in question. FinCEN is well aware, and appreciates the impact, of cost associated with general BSA reporting.

Comment: Four respondents suggested that the stated burden related to currency transaction reporting was too low, and that the burden reflected did not account for multiple-person transactions, the necessary multiple-level reviews, audit and training, and extensive recordkeeping.

Response: The stated burden is correct. The burden was computed based on the vast majority of the FinCEN Form 104s filed, which are in response to single transactions. The listed burden only applies to completion of FinCEN Form 104. FinCEN recognizes that additional burden affecting currency transaction reporting exists. This burden is associated with the following rules: 31 CFR 103.22, 103.27, and 103.28.

9. Payments and Gifts.

No payments or gifts were made to respondents.

10. Assurance of Confidentiality of Responses.

Information collected on FinCEN Form 104 is made available, in accordance with strict safeguards, to appropriate criminal law enforcement, regulatory, and taxation personnel solely in the official performance of their duties.

11. Justification of Sensitive Questions.

No sensitive questions are asked.

12. Estimated Annual Hourly Burden.

Frequency: As required.

Estimated Number of Respondents: 54,524

Estimated Number of Annual Responses: 15,000,000.

Estimate of Burden: Reporting average of 20 minutes per response; recordkeeping average of 5 minutes per response for a total of 25 minutes.

Estimate of Total Annual Burden on Respondents: 6,250,000 hours

Estimates were based on time taken to read the instructions and complete the form.

13. Estimated Annual Cost to Respondents for Hour Burdens.

Not applicable

14. Estimated Annual Cost to the Federal Government.

Not applicable

15. Reason for Change in Burden.

The adjustments contained in item 12 stem from the increase in frequency of reporting by financial institutions.

16. Plans for Tabulation, Statistical Analysis, and Publication.

This collection of information will not be published.

17. Request not to Display Expiration Date of OMB Control Number.

To avoid having to reprint the form to show a new date, FinCEN is requesting permission not to display the OMB expiration date on FinCEN Form 104.

18. Exceptions.

There are no exceptions to the certification statement on OMB Form 83-1.