

Treasury Publishes National Risk Assessments for Money Laundering, Terrorist Financing, and Proliferation Financing

March 1, 2022

Reports Identify Key Illicit Finance Concerns to the United States; Enable the Public and Private Sectors to More Effectively Manage and Combat Illicit Finance Risks

WASHINGTON – The U.S. Department of the Treasury today issued the 2022 National Risk Assessments (NRAs) on Money Laundering (NMLRA), Terrorist Financing (NTFRA) and Proliferation Financing (NPFRA). These documents highlight the most significant illicit finance threats, vulnerabilities, and risks facing the United States. The United States is vulnerable to all three forms of illicit finance because of the size and sophistication of the U.S. financial system and centrality of the U.S. dollar in the payment infrastructure of global trade.

These NRAs are the third iteration of the NMLRA and NTFRA since 2015 and second for NPFRA since 2018. They take into account changes to the illicit finance risk environment resulting from the COVID-19 pandemic, ransomware, domestic violent extremism, corruption; the increased digitization of payments and financial services; and the enactment of significant new requirements to the U.S. anti-money laundering/countering the financing of terrorism (AML/CFT) framework. The NRAs are an important resource that the public and private sectors can use to understand the current illicit finance environment and inform their own risk mitigation strategies.

“The National Risk Assessments underscore the U.S. government’s commitment to protecting our economy and financial system from exploitation by a variety of criminal actors and national security threats.” said Brian E. Nelson, Under Secretary for Terrorism and Financial Intelligence. “By better understanding the current risk environment, we can more effectively guard the integrity of the U.S. financial system.”

Among the findings of the NRAs:

- NMLRA: Criminals continue to use a wide range of money laundering techniques to move and conceal illicit proceeds and promote criminal activity depending on availability and

convenience. The crimes that generate the largest amount of illicit proceeds laundered in or through the United States include: fraud, the largest proceeds generating crime; drug trafficking; cybercrime; human trafficking and smuggling; and corruption. The U.S. continues to face both persistent and emerging money laundering risks related to: (1) the continuing misuse of legal entities; (2) the lack of transparency in certain real estate transactions; (3) complicit merchants and professionals that misuse their positions or businesses; and (4) pockets of weaknesses in compliance or supervision at some regulated U.S. financial institutions.

- NTFRA: With respect to foreign terrorist groups, the most common form of financial support from U.S.-based individuals continues to be the transfer of small sums (several hundred to tens of thousands of dollars) to facilitators outside of the U.S. working on behalf of ISIS and its affiliates, Al-Qaida and its affiliates, and Hizballah. The 2022 NTFRA analyzes for the first time the funding methods that support domestic violent extremists (DVE). While many DVE attacks are self-funded, DVE networks may raise funds through solicitations to supporters, commercial ventures, or criminal activity.
- NPFRA: The Democratic People's Republic of Korea (DPRK), followed by Iran, continue to pose the most significant proliferation finance threats. Since the 2018 NPFRA, China and, to a lesser extent, Russia, have expanded their efforts to illegally acquire U.S.-origin goods. Proliferation finance networks continue to misuse correspondent banking relationships and establish multiple front and shell companies to facilitate financial activity and conduct their trade. They continue to generate significant revenue from the maritime sector, in violation of international and U.S. law. These networks are also increasingly exploiting the digital economy, including through the systematic mining and trading of virtual assets, and the hacking of virtual asset service providers.

Treasury's Office of Terrorist Financing and Financial Crimes led the assessment process and coordinated closely with offices and bureaus in the Treasury Department, relevant law enforcement and regulatory agencies, staffs of the Federal functional regulators, and across the intelligence and diplomatic communities.

In the coming weeks, Treasury will release the 2022 National Strategy for Combatting Terrorist and Other Illicit Finance, a plan directly informed by the analysis contained in the risk assessments. In the strategy, Treasury will share recommendations for addressing the highlighted issues. Ahead of its release, Treasury is incorporating feedback on these and prior risk assessments from stakeholders.

Read more:

[The 2022 National Money Laundering Risk Assessment.](#) 

[The 2022 National Terrorist Financing Risk Assessment.](#) 

[The 2022 National Proliferation Financing Risk Assessment.](#) 

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