



TRANSACTION RECORD ANALYSIS CENTER, INC.

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
TRANSACTION RECORD ANALYSIS CENTER, INC.

April 13, 2018

A Special Meeting of the Board of Directors of Transaction Record Analysis Center, Inc. an Arizona nonprofit corporation, was held on the 13th day of April, 2018 commencing at 10:00 a.m. in the second floor meeting room at the AZ HIDTA building, 3920 East Broadway Road, Phoenix, Arizona.

The following Directors and Officers of the corporation were present, to wit: Vince Piano, Rich Lebel, Ron Sterrett, Tom Welch, Kevin Hannah, Carol Keppler, Dave Otanez, Jim Gallagher, a detective with AZ DPS (approved to attend on behalf of Director John Maddux) and Ron Sterrett's guest- Chad Brink, a task force detective for the AZ AG's office.

Chairman Vince Piano called the meeting to order at 10:06 a.m. Vince discussed that June 2019 is the end date for the Western Union Settlement, that the Southwest Border Anti-Money Laundering Alliance (Alliance) will be ending its grant funding at that time, and that TRAC has a little over a year left to decide on its future direction.

Chairman Piano continued with saying the AZ AG is the Representative State for the Alliance, that TRAC received funding through the AG WU's Settlement Agreement Amendment (SAA) to battle money laundering on the Southwest Border; that TRAC is highly successful Center, which also looks at suspect agents working in MSB's.

Vince explained that TRAC needs a functioning Board structure, one that has a Chairman that will go out and look for future opportunities for TRAC, that the Board needs to be a part of the company, pushing TRAC forward, with all members having unity in that direction.

Vince said at the next quarterly Board meeting, there will be specific things to get done to close out the Western Union case and to determine TRAC's future; that quarterly meetings with AG Criminal Division Chief Paul Ahler will continue, that legal terms in the SAA need to be reviewed; that the AG has to sign off on the SAA, that a budget needs to be prepared for TRAC going forward, that close outs need to be done with the State Center and with FIRG, that decisions need to be made whether sub committees need to be appointed on TRAC's corporate future and to determine what data, if any, TRAC will continue to digest and from which MSB's.

Director Ron Sterrett asked about the close out of the Western Union settlement and the status of TRAC's remaining monies. Discussion was had about the TRAC funds, how long the funds should sustain TRAC and the need to review the SAA and the FIRG Directives with regards to TRAC; that TRAC was created by WU and the Financial Crimes Task Force, with the AZ AG (then Vince Piano) as the responsible party for TRAC.

The discussion continued that the SAA requires TRAC to destroy any of its money transmitter data that is 5 years or older; President Rich Lebel said that TRAC can write specific Requests to Produce for data; discussion was had about the Data Requests, whether the AG will continue to send out those Requests, the expanded data set that TRAC currently has, and what will happen in 2019 when the WU SAA and court order are over.

Rich said that HSI has an interest in TRAC, that HSI could subpoena the data, with no 6 e concerns. Director Tom Welch said that HSI feels that everyone (federal, state, and local law enforcement) should be able to continue to use TRAC and that TRAC needs to stay available for all law enforcement.

Tom also asked whether TRAC explored a future with FinCEN or Deloitte; that both agencies seem to have a lot of opportunities for TRAC.


Rich next explained that the Negative Agent Database is too small a project to sustain TRAC, that only Money Services Business (MSB's) will have access to it, but that it is good for TRAC's relationships with the MSB's; Rich continued saying that the Database Consortium Agreement is done; that TRAC will do a cost analysis for it and that the database will be completed and up and running by the MTRA conference in October, 2018.

Other thoughts for TRAC future were discussed including the Early Warning concept, and having a MSB Association/ Board with TRAC, however President Lebel said that would require data feeds every day and that a lot would have to change for TRAC to be able to do this. Another idea is TRAC doing an anti- fraud service for the top three MSB's.

Rich gave an update on the State Department's request for a Mexico TRAC and that TRAC will need to set up a separate portal to do this, and to provide training; that the State Department is very interested in this program and has sent TRAC a Request For Information, which TRAC is currently responding to, adding in all of the data privacy and computer software information for the system; that the State Department grant will be for 2 years, and TRAC will add an end date in its response to the INL's Request for Information. Vince said that any money flowing to TRAC from MX would have to be separate from the WU/TRAC monies.

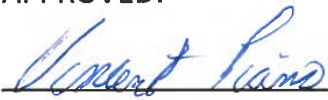
Vince requested TRAC's projected budget for the next two years and an outline for TRAC future at the next TRAC Board meeting which will be held in August.

There being no further business to come before the meeting, it was adjourned on motion duly made and seconded.



Carol Keppler
Secretary

APPROVED:



Vincent Piano
Chairman

