

**MEMORANDUM OF UNDERSTANDING
BETWEEN
U.S. CUSTOMS AND BORDER PROTECTION
AND
THE NATIONAL INSURANCE CRIME BUREAU**

The parties to this Memorandum of Understanding (MOU) are U.S. Customs and Border Protection (CBP), a bureau within the Department of Homeland Security (DHS), and the National Insurance Crime Bureau (NICB), an Illinois not-for-profit organization.

The objective of this MOU is to set forth the parameters of the sharing of License Plate Reader (LPR) information, regarding vehicles departing from and arriving into the United States, between the parties.

The purpose of furnishing LPR information is to verify that vehicles departing from and arriving into the United States are not stolen vehicles. NICB has access to unique information regarding stolen vehicles, as well as the means of exchanging information regarding stolen vehicles with member insurance company Special Investigative Units and Federal and State law enforcement authorities.

The purpose of this MOU is to establish the parameters under which the NICB may use LPR information received from CBP. LPR information on vehicles departing from and arriving into the United States will be provided to the NICB for the purpose of deterring the export of stolen vehicles, identifying vehicle theft patterns and trends, identifying insurance fraud "owner-give-ups," and returning vehicles to the rightful parties of interest.

NICB and CBP are entering into this MOU on the authority provided in 19 U.S.C. § 1627a. Pursuant to 19 U.S.C. § 1627a(d), "CBP officers may cooperate and exchange information concerning motor vehicles ... either before exportation or after exportation, with such Federal, State, local and foreign law enforcement or governmental authorities, and with such organizations engaged in theft prevention activities, as may be designated by the Secretary."

By signature below, the President and Chief Executive Officer from NICB affirms, represents, and certifies that the Special Investigative Unit of each of the member insurance companies in the attached listing provided by NICB is an organization related to NICB that is engaged in theft prevention activity and is therefore an appropriate recipient of LPR information. NICB shall notify CBP immediately of any change in the theft prevention status of any company listed in the attachment hereto. Any entity no longer engaged in theft prevention activity shall be stricken immediately from the list, and no entity may be added to the list absent the approval of CBP.

By signature below, the Commissioner of CBP hereby finds, in recognition of and contingent upon a continuing certification from NICB, that the Special Investigative Unit of each of the member insurance companies in the attached listing provided by NICB is an organization engaged in theft prevention activity and therefore an appropriate recipient of LPR information.

WHEREAS, NICB and CBP desire that LPR information shall continue to be made available to NICB.

THEREFORE, NICB and CBP understand and hereby agree to the following:

I. CBP Agrees To:

1. Make available to NICB electronic LPR information on vehicles leaving or entering the United States.
2. Designate a working-level CBP systems representative to facilitate communications and interactions between CBP and NICB pursuant to this MOU.

II. NICB Agrees To:

1. Collect LPR information provided by CBP and load the LPR information into a database approved by CBP.
2. Procure the equipment, software, and programming resources necessary to develop the capability to utilize, refine, and organize the information provided by CBP.
3. Provide CBP with electronic access to the refined and organized LPR information, via a reasonable electronic system agreed upon by NICB and CBP.
4. Notify CBP of any changes planned or being considered that would affect this MOU.
5. Designate a working-level NICB systems representative to facilitate communications and interactions between CBP and the NICB.
6. Restrict the dissemination of LPR information, on a need-to-know basis, to: (a) authorized NICB agents and other employees of the NICB, (b) law enforcement officials in need of certain LPR records in furtherance of stolen vehicle investigations, and (c) Special Investigative Units of NICB member insurance companies listed in the attachment hereto that have been designated by CBP as organizations engaged in theft prevention activity.

7. NICB may not use the information obtained from CBP for commercial purposes or sell the information obtained from CBP to any third party.

III. NICB's Outsourcing of Data Operations with CBP Prior Written Approval

1. NICB may outsource data entry, database and telecommunications maintenance, and operation functions relating to the LPR database(s) to a data processing service (DPS), subject to the requirements of this MOU. If NICB desires to outsource the data processing operations, it must present to CBP the outsourcing agreement for written approval. The outsourcing agreement must expressly set forth the terms and conditions of the outsourcing. The outsourcing agreement must incorporate provisions to: maintain the highest degree of confidentiality of the information provided by CBP to NICB and prohibit dissemination of the data by DPS; place limitations on the access to the data by DPS personnel; identify the level of service to be provided; and assure the security of CBP data, as well as security of DPS premises. The furnishing of information by NICB to DPS is subject to the same strict confidentiality provisions to which NICB is bound. DPS must acknowledge that the information is subject to CBP's confidentiality and use restrictions and must agree to abide by such restrictions.

2. DPS may not access, modify, or use LPR information, or any other transactions or data generated or maintained as a result of NICB's relationship with CBP, in any manner not expressly approved by NICB, who in turn, must consult and obtain approval from CBP, or in any manner not expressly provided for elsewhere in this MOU. DPS shall return immediately all LPR information to CBP or NICB upon the request of either CBP or NICB, or at the termination of the DPS contract with NICB, whichever is sooner. DPS may not sell or otherwise distribute LPR information.

IV. Security Violations and Right to Suspend Services

1. NICB will notify CBP immediately, in writing, of any and all reported or suspected use or dissemination of LPR information that is violative of law or the terms of this MOU, or is otherwise unauthorized. NICB will require that any recipient of LPR information from NICB immediately report misuse of LPR information to NICB who will then report the misuse to CBP. CBP reserves the right to investigate or decline to investigate any report of unauthorized use or dissemination, and NICB and any DPS or other holder of LPR information shall grant full system and property access to CBP or DHS officers investigating an unauthorized use or dissemination of LPR information.

2. The services detailed within this MOU may be immediately suspended by CBP for unauthorized or improper use of the LPR information or any other cause, as determined by CBP. Any recipient of LPR information, including the

NICB and any DPS, shall immediately return all LPR information in its custody to CBP upon CBP suspension of this MOU and CBP demand for the return of LPR information. LPR information access may be reinstated at the discretion of CBP only after satisfactory assurances have been provided to CBP by the NICB.

V. Confidentiality

1. The information described in this MOU is transferred to NICB from CBP with the understanding that NICB is aware of and will comport its operations with the Computer Security Act of 1987; the Privacy Act, and Office of Personnel Management regulations concerning information security that are in effect at the time of transfer.

2. NICB understands and acknowledges that LPR information is highly sensitive commercial, financial, and proprietary information; may only be reviewed by authorized NICB personnel or other entities pursuant to this MOU on a need-to-know basis; and must be kept secure. NICB agrees that LPR information obtained will be used only for the purposes of deterring the export of stolen vehicles, recovering stolen vehicles, and repatriating exported stolen vehicles.

3. CBP considers the LPR information provided to NICB to be confidential commercial information, exempt from disclosure pursuant to the Freedom of Information Act (FOIA) and/or prohibited from disclosure by the Trade Secrets Act. As such, no information may be released without CBP express written permission as set forth in this MOU. NICB agrees that any outside request for LPR information in its custody or in the custody of an LPR data recipient or DPS will be referred to CBP for any response.

4. It is recognized that a CBP-approved DPS to whom the NICB outsources data entry and/or data processing operations has responsibilities under the confidentiality agreement with NICB. Consequently, NICB may provide DPS with the information obtained from CBP. This information is provided to DPS with the restrictions that such data shall be reviewed only by authorized DPS personnel necessary to process the data, shall be kept secure, and shall not be passed on to third parties.

5. NICB is responsible for any inappropriate disclosure of confidential information by NICB or DPS personnel or any other recipient of LPR information from NICB. In the event of any unauthorized release (a release not authorized by CBP or otherwise in violation of law or this MOU) of information, NICB will intercede on CBP's behalf and indemnify and assume responsibility for any and all expenses, costs, or liabilities arising from the unauthorized release. This clause will not limit NICB's ability to attribute damages to a DPS or other recipient within the provisions of their contractual obligation to NICB. Such unauthorized disclosure may result in denial of future access to information and abrogation of any implicated agreement.

VI. It is Mutually Understood and Agreed that:

1. The above provisions will be exercised to the extent authorized by law; DHS and CBP directives, statutes, policies, and regulations; and NICB bylaws and policies; and consistent with the respective parties' missions.
2. Nothing in this MOU shall obligate either CBP or NICB to obligate or transfer funds. Any specific work projects or activities that contemplate or involve the transfer of funds, services, or property among the various offices of CBP and NICB will require execution of separate agreements and be contingent upon the availability of appropriated funds. Such activities must be authorized by appropriate statutory authority, and this MOU does not provide such authority. Negotiation, execution, and administration of each such agreement must comply with all applicable statutes and regulations.
3. This MOU is a formal expression of the purpose and intent of both parties concerned. This MOU does not confer, grant, or authorize any rights, privileges, or obligations on any party other than the two undersigned parties to this MOU.
4. NICB acknowledges that CBP, at its sole and unreviewable discretion, may restrict or preclude the disclosure of information to NICB or any DPS or other recipient. This MOU is not intended to create, and does not create, any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity, by a party against the United States, its agencies, its officers, or any person.
5. This MOU shall become effective upon the date of final signature and is intended to be in force until terminated by CBP pursuant to Article IV, or by the NICB upon 90 days written notice, or amended by mutual agreement of the undersigned. Such termination notices shall be forwarded by registered mail, postage prepaid, to the following addresses, respectively:

U.S. Customs and Border Protection
Office of Field Operations
1300 Pennsylvania Avenue NW
Ronald Reagan Building - Fifth Floor
Washington, DC 20229

President
National Insurance Crime Bureau
10330 South Roberts Road
Palos Hills, Illinois 60465

The undersigned parties, effective upon the date of last signature, hereby enter into this Memorandum of Understanding.

(B)(6), (B)(7)(C)

Robert C. Bonner 11-4-05 date
Commissioner
U.S. Customs and Border Protection

(B)(6), (B)(7)(C)

(B)(6), (B)(7)(C) 11/17/05 date
President and Chief Executive Officer
National Insurance Crime Bureau