

### **3. Resource Allocation**

#### **3.1 Overall Resource Demands:**

The objectives by which the mission of the FRS are pursued each involve the provision of support services, including financial analysis, property management, non-litigation legal services, projects, training, and case generation. FRS resources are expended for each of these objectives.

The FRS is informally subdivided into activity-oriented units, with one person designated the point of contact for that activity for the Section. Requests for information or for assistance in any of these activity areas should always be referred to the point of contact for that activity. Even when the request is easily responded to and has already been handled, the point of contact should be told of it for their information. These points of contact are:

Investigations - Special Agent Supervisor

Financial Analysis - Special Agent in charge of the Financial Analysis Unit

Property Management - Seized Property Manager

Training and materials - Paralegal

Transaction Record Analysis - Special Agent Supervisor

Administration – Office Manager/ Administrative Assistant

Requests involving attorney services, including investigative referrals, non-litigation legal services and projects as well as litigation, or employment are referred directly to the Section Chief.

#### **3.2 Resource Allocation for Investigations:**

The Special Agent Supervisor is responsible for the coordination of all investigative efforts in the Section, including the sub-headings of Financial Analysis and Transaction Record Analysis. The Special Agent Supervisor supervises all Special Agents and Analysts. He oversees the work of FRS Special Agents in all phases of their duties, including work detailed to other agencies, work on cases being headed by officers of outside agencies and work on cases in which the FRS Special Agent is the lead agent.

FRS Special Agents detailed to other agencies, such as ICE or DEA, are directly supervised by the outside agency as to their case load, goals, and work product, pursuant to the understanding between the agency and FRS. They remain responsible for conforming their methods with Special Investigation Section and FRS standards, and must alert the Special Agent Supervisor immediately of any potential conflict. They also remain under the supervision of the Special Agent

Supervisor for the purposes of regular reporting of all activity and for administrative purposes.

All cases that will or may be litigated in the FRS will be assigned an FRS Special Agent. The assigned FRS Special Agent is responsible for the development of the evidence necessary to obtain all appropriate civil remedies. The agent is the person with primary responsibility to identify the FRS and non-FRS resources needed to attain this goal and to request those resources from the appropriate contact people or through the appropriate channels. The assigned FRS Special Agent is also responsible for pre-seizure identification of appropriate assets, working with the assigned FRS Attorney to assure a valid legal basis for seizure and with the Attorney and Seized Property Manager to plan the seizure. The Special Agent continues to support the investigation throughout the prosecution to the end of the case unless reassigned.

In cases referred to the FRS by any outside agency, the referring agency will retain the roles of lead agent and lead agency unless the FRS is specifically requested to assume these roles and the Special Agent Supervisor and Section Chief agree with supervisory representatives of the other agency to do so. All cases or referrals, particularly those of significance including those having public policy implications shall be referred to the Section Chief.

In some circumstances it is appropriate for a FRS Special Agent to become the lead agent on an investigation, either due to a referral from an agency unwilling or unable to maintain that role or due to a spin-off or a case origination by the FRS. Due to the shortage of financially oriented investigative resources statewide, these situations should be unusual and may be undertaken only with the approval of the Special Agent Supervisor and the Section Chief, who will attempt to obtain or coordinate investigative support if possible. The FRS will accept the lead agency role only in those cases in which:

- (1) No other appropriate lead agency can be located for the case;
- (2) The goals and appropriate remedies of the case, evaluated in light of the conduct involved, are primarily civil; and
- (3) There is a clear need for the special focus and abilities of the FRS due to the financial or other special nature of the investigation.

### **3.8 Resource Allocation for Financial Reporting-Based Case Generation:**

The Transaction Report Analysis Center (TRAC) receives, organizes, and analyzes financial transaction records sent to the Attorney General's Office pursuant to A.R.S. § 6-1241. The TRAC, supervised directly by the Supervising Special Agent, disseminates information derived from the required reports pursuant to law.

## 6. Investigative Procedure

### 6.3-2 TRAC data

Transaction Record Analysis Center (TRAC) data is a resource that the FRS has developed primarily for the enhancement of financial prosecutions statewide. TRAC leads will be referred to outside agencies to the fullest extent allowed by law, pursuant to the following guidelines:

#### **TRAC POLICY RELATING TO REPORTS OF FINANCIAL INFORMATION UNDER A.R.S. § 6 1241**

The FRS receives reports under A.R.S. § 6-1241 that are of substantial value to law enforcement. The data base is particularly sensitive. It relates to personal information that may have no connection with criminal activity, and it collects business data that could be used by competitors to the disadvantage of the business that supplies it.

A.R.S. § 6-1241(J) states:

The attorney general may report any possible violations indicated by analysis of the reports required by this chapter to any appropriate law enforcement agency for use in the proper discharge of its official duties. A person who releases information received pursuant to this subsection except in the proper discharge of his official duties is guilty of a class 2 misdemeanor.

This subsection has two components. First, it allows the TRAC to alert law enforcement agencies of leads developed through analysis of the reports. It is not limited to any level of government, type of law enforcement agency or geographical area. The recipient could be local, state or federal; it could be primarily criminal, civil or regulatory; and it could be in Arizona, in another state or in another country. The only limitations, which overlap in their application, are that the agency be "appropriate" and that its official duties include the type of duties that would make the information useful. This type of release, however, is limited to a "possible violation". While this does not require probable cause, it does require a good faith belief that the information may relate to a violation. It does not allow a broad release of information that has no connection to a violation.

The second component of subsection (J) modifies the first sentence and creates a penalty provision. It applies to the person who makes a release, meaning the TRAC, and provides for criminal prosecutions and, by inference, a likely loss of certification and consequential loss of employability. The language of this sentence is borrowed from the grand jury secrecy statute, A.R.S. § 13-2812, and therefore adopts the same standard. The disclosure must be in

the proper discharge of the discloser's official duties. In other words, the recipient must have an official duty to get the information and the provider must be properly doing their job by providing it. It is the FRS' responsibility to determine whether the release is proper, and it is not proper unless it comes within the first sentence of A.R.S. § 6-1241(J). Because the standard comes from the grand jury statute it carries the familiar "need to know, right to know" practice. It will be easy to apply, since we deal with grand jury data regularly.

The Supervising Special Agent of the FRS will be responsible for all distribution of information as appropriate from the financial report data base, with the goal of providing the information freely and rapidly to the fullest extent that the FRS can, within the statutory requirements.