

# TRANSACTION RECORD ANALYSIS CENTER DATA POLICY

Effective: 2/1/2015

## 1. Purpose

The purposes of the Transaction Record Analysis Center, (“TRAC”), are to: enhance and better coordinate investigations and prosecutions of money laundering in the Southwest Border Data Area and Southwest Border affected areas, with the goal of reducing money laundering and thereby reducing violence associated with smuggling organizations operating in the Southwest Border Area (“SWBA”) and in other areas affected by money laundering in the SWBA; enhance coordination of the Alliance states’ anti-money laundering (“AML”) efforts; and fund related training, information sharing, and related expenses in the Alliance states and in Mexico (collectively, the “SWBA AML Purposes”).

The TRAC will provide analytical and data-related assistance to need-to-know investigators, analysts and prosecutors in their efforts to disrupt criminal organizations and dismantle their operations by providing resources, expertise, meaningful data analysis, training, and organizational collaboration.

The TRAC will leverage the analytical resources of this project with those of all law enforcement agencies—federal, state, and local—and counterpart agencies in Mexico. It will provide law enforcement, prosecutors, and the private sector community with analytical and technical training regarding access to and use of the TRAC.

## 2. Preface

TRAC contains money transmitter data (“Data”) that will provide law enforcement in the entire SWBA with specific reactive, investigation-driven analysis and with proactive risk, pattern, and target analysis. The Data is relevant to law enforcement efforts to build a better understanding of the channels, amounts, and vulnerabilities of the flow of illicit money from source/consolidation areas to and/or from the SWBA and across the U.S./Mexico border. This Policy states the terms with which agencies and their employees, contractors or other personnel (“Users”) must comply to participate in the TRAC.

## 3. Authority

An Alliance Governing Agreement created the South West Border Anti-Money Laundering Alliance (“SWBAMLA” or “Alliance”) and provides for the oversight of Alliance operations and policies. The State’s Settlement Agreement Amendment and Order created the TRAC and this TRAC Data Policy and its related programs and applications.

## 4. Scope

This policy applies to all TRAC Users. The TRAC will be available for use only by authorized personnel from law enforcement agencies. Individuals are authorized only if they have a need-to-know the Data to perform their job duties and responsibilities in furtherance of the SWBA AML Purposes. All Users shall adhere to the current version of this Policy.

## 5. TRAC Integration and Data Security

The TRAC is secured by its agent, a Data management company and operated pursuant to all applicable laws pertaining to the authorized collection, proper use, retention, and secure

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dissemination of sensitive law enforcement information, including adherence to all applicable privacy, confidentiality, information security, and civil liberties statutes and regulations.

Users of this Data shall maintain appropriate administrative, technical and physical safeguards, and other security measures designed to (i) ensure the security and confidentiality of the Data; (ii) protect against any anticipated threats or hazards to the security and integrity of the Data; and (iii) protect against any actual or suspected unauthorized or inappropriate processing, loss, use, disclosure, or acquisition of or access to the Data, whether by agency personnel or otherwise (hereinafter "Data Security Incident"). User agencies shall notify the TRAC within 24 hours upon revoking access to any User, imposing sanctions on any User in connection with the Data, or any Data Security Incident.

The TRAC will condition query access on the entry of individual User agreements and on a requirement that each query begin with completion of computer access screens providing User information, case identification, purpose, etc.

Each query under this policy or a related MOU constitutes a continuing representation by the User and warranty by the User's agency that the request complies with this Policy and that the collection, use, disclosure and/or access of or to the Data will also comply with its terms.

Users shall limit the Data they obtain to that which is immediately necessary in connection with the specific matter prompting the query, such as by using all reasonably available data to narrow the query. Users shall immediately destroy documents or summaries returned by their queries that contain Data that is not of immediate value for that specific query. Users will not export data outside of the TRAC other than as necessary with respect to specific cases. Any Data or information derived from Data that is duplicated, transferred, acquired or otherwise removed from the TRAC by Users and maintained outside of the TRAC shall be subject to the terms of this Policy.

Users shall not share, disclose, or otherwise provide Data or access to Data to any third party, except other authorized Users or to the extent required by law. Users shall not input, alter, edit, add, delete, or otherwise change Data in the TRAC in a way that would affect the accuracy or integrity of the Data.

Users shall comply with the Settlement Agreement, Settlement Agreement Amendment, and Order Approving Amendment to Settlement Agreement.

## 6. Networking and Notification

The TRAC will maintain information concerning User queries, including information from access screens, and information in the accessed Data files searched, retrieved, or both. The TRAC may attempt to alert other law enforcement officers of concurrent investigations unless the access screen completed in connection with the investigation indicates the agency's decision not to permit concurrent notification due to the sensitive nature of the investigation.

## 7. TRAC Users.

Individual Users will complete an application and will be assigned a user password for access to the TRAC. TRAC expressly reserves the right to reject or deny any individual User applications with or without cause. TRAC shall keep a list of all Users that access the System. TRAC shall update the list within 24 hours of accepting an application from a new User and after receiving notice that a User's

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access to the System has been revoked. Users agree to retrieve Data subject to the search limitations contained in this document and to use, disclose and/or access Data only as consistent with their legal authority, only on a need-to-know basis, and only for the identification, investigation, or prosecution of reasonably possible or actual violations of law that relate to the SWBA AML Purposes, including regulatory and civil remedies relating to such violations. Users shall securely destroy documents or summaries that contain Data upon determining that such documents or summaries are not relevant to reasonably possible or actual violations of law that relate to the SWBA AML Purposes.

## 8. Auditing

The TRAC may perform audits to ensure the proper handling of the Data including to protect the privacy, confidentiality and security of the Data, and the civil liberties of the data subjects, and to ensure compliance with this Policy. User agencies agree to supply the TRAC with a report on the status of cases in which inquiries are made (subject to delays in production consistent with security concerns); disseminations of Data; and such other information about the Agency's use of Data that the TRAC may reasonably request to improve service to its Users and to protect the privacy, confidentiality and security of the Data, and the civil liberties of the data subjects. User Agencies will ensure that an audit trail is maintained with respect to Data, including a written record of the purpose for which each and every query is conducted, the individual User who performed the query, and the Data retrieved. Such audit trails shall be made available to the TRAC.

## 9. Training

TRAC users will use efficient privacy-protecting query methods, audit trail maintenance, and appropriate Data use as a condition of their use of the TRAC. TRAC may provide User training via train-the-trainer programs, online tutorials, training sessions at one or more of the TRAC facilities, or any other appropriate method.

## 10. TRAC Privacy Policy

The TRAC will make Data available only :

- a) to law enforcement personnel who are members of agencies that are active participants in the TRAC joint analysis team; or
- b) to federal agencies with responsibility for analysis and/or dissemination of financial data to law enforcement agents in the fields of money laundering and related investigations, such as illegal drug importation, illegal weapons trafficking, and human smuggling or trafficking, pursuant to an MOU with such agency; or
- c) to established law enforcement intelligence networks with responsibility for analysis of and/or dissemination of financial data to law enforcement agents in the fields of money laundering and related investigations, such as illegal drug importation, illegal weapons trafficking, and human smuggling or trafficking, pursuant to an MOU with such networks.

## 11. Evaluation

TRAC reserves the right to evaluate at any time the TRAC User's application and its related policies, procedures, and training guidelines. It also reserves the right to terminate any agency or individual

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User's access to or use of the System at any time, with or without cause. TRAC reserves the right to make upgrades, enhancements, and revisions to the TRAC without notice to Users.

## 12. Responsibility

TRAC Users are responsible for operations, including reviewing events and properly informing appropriate parties on a timely basis when potential conflicts arise. TRAC is not responsible for the non-availability or incompleteness of Data for any reason or for the information entered or provided by the money transmitter businesses—it is the responsibility of the agency or individual User to ensure that the information received or provided is accurate, timely, and complete.

Users shall hold the TRAC harmless for all activity and events in connection with notification of concurrent investigations, whether by failing to maintain a notification system, by making notification, by not making notification, or by making erroneous notification.