



TRANSACTION RECORD ANALYSIS CENTER, INC.

Minutes of a Regular Annual Teleconference Meeting

of the Board of Directors of

the Transaction Record Analysis Center, Inc. ("TRAC")

June 22, 2020

A Regular Annual Teleconference Meeting of the Board of Directors of Transaction Record Analysis Center, Inc., an Arizona nonprofit corporation, was held on the 22nd day of June, 2020, commencing at 1:30 p.m. (Video conference: meet.google.com/qkk-wnbw-xqy; Phone: 1 662-618-2231 (PIN: 339377896)).

All of the Directors and Officers of the corporation appeared telephonically, to wit:

Paul Ahler, Director, Chairman

Thomas Rankin, Director

Blaine Gadow, Director

Keith Thomas, Director

Thomas Welch, Director

Richard Lebel, President

Kevin Hannah, Treasurer

Carol Keppler, Secretary

Guests: Liz Barrick, TRAC's Deputy Director, and Shawn Steinberg, an Arizona Assistant Attorney General, were also on the conference call.

1. Chairman Paul Ahler called the meeting to order at 1:31 pm. Carol Keppler, Secretary recorded the minutes.

2. Approval of the May 4, 2020 Board Meeting Minutes:

Chairman Ahler asked for a motion to approve the May 4th, 2020 board meeting minutes; Director Keith Thomas made the motion, it was seconded by Director Tom Rankin, and the Board voted to unanimously approve the May 4th, 2020 board meeting minutes.

3. Richard Lebel, President, presented the following update to the Board:

A.) CBP ("Customs and Border Patrol") Funding Update:

President Richard Lebel said the CBP solicitation went out, and TRAC's first bid was technically sufficient; that the vendor for this contract (possibly "I gov") came in over budget, and asked for and received additional funds from CBP and is waiting for the CBP contract officer to send the award; when the vendor gets the award, it will issue a purchase order to TRAC for 2.3 million, which will cover all TRAC expenses except Sandra Cardenas salary and ERE, Contractor Sharon Volden's additional hours for the AFCTF and TRAC travel, which will be reimbursed through the GSA.

President Lebel said an additional one month's of TEOAF funding has been secured and is available for TRAC if the CBP funding is delayed. Director Welch asked if TRAC can send the TEOAF monies back, if TRAC doesn't use them, and President Lebel said yes, the funds can be returned.

B.) Forcepoint Renewal:

President Rich Lebel is working with Forcepoint to modify paragraph 7.6 of the professional services contract to say that TRAC will only pay for fees incurred up to the termination date, and nothing further, after giving 30 days' notice. Since President Lebel is still working with Forcepoint on the language, there will not be a vote on this Forcepoint renewal today, but it is due by June 30th, 2020.

C.) TRAC Annual Report:

President Lebel said he and Secretary Keppler prepared and filed TRAC's annual report with the AZ Corporation Commission on June 9, 2020. The President noted that the company will need to update the officer position (corporate secretary) and one director position once the new positions have been appointed and approved by the Board.

D.) Renewal Of AG TRAC Data Request's To Produce:

TRAC Deputy Director Liz Barrick will draft the 13 MSB Request to Produce for AAG Shawn Steinberg to review and sign; these Requests will be for 12 months of data. Director Welch said that HSI will be re-issuing its subpoena to Western Union. President Lebel added that HSI recently issued a subpoena to Cash App, a mobile money remitter here locally, for its AZ phone numbers, and that a DEA subpoena just added Appriza Pay data to TRAC a week ago.

TRAC Deputy Director Liz Barrick gave an update to the board on a federal case in Montana that included the use of TRAC data. It was a meth trafficking case, wherein the defendant filed a motion to suppress the data, which the district court denied, finding no expectation of privacy. The defendant may take this 4th amendment issue to the Ninth Circuit. Although the data was properly obtained in this case, the Court incorrectly noted that the data was voluntarily provided, instead of by subpoena process. TRAC Deputy Director Liz Barrick will contact the AUSA in this case to make sure that the method by which TRAC gets its data will be correctly noted.

E.) TRAC Contactor Renewals:

President Lebel said there are three changes to this year's contractor contracts; first, a 5% increase in pay across the board; second, that travel reimbursement will be paid by the federal GSA, not state rules; and third, that the contractors can work remotely if they so choose. After discussion, the Board still wants the HIDTA location to be the primary location for the contractors and that telecommuting will be at the discretion of the Executive Director only. President Lebel said he will revise the contractor contracts and add the Board's wishes on the contractor's primary work location and telecommuting. Chairman Ahler asked for a motion to approve the contractor contracts as written, with the additional language added, Director Gadow moved to approve the contracts, Director Welch seconded it, and the contractor contracts as amended at the meeting, were unanimously approved by the Board.

F.) Request For Additional TRAC Analyst:

President Lebel would like to hire an additional analyst, whose funding has already been included in the CBP funding request. Chairman Ahler would like to see this position's contract first.

G.) TRAC Mexico Program:

Chairman Ahler said the AG is very supportive of this Mexico program, and thinks that it's a good idea for Arizona and the Border States. President Lebel said TRAC Mexico is a sole source contract from the U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs ("INL") for a TRAC program for Mexico CNBV. It will be a separate portal, for Mexico data only, with no US data in it or law enforcement access to it. TRAC requested funding for Mexico TRAC's training and travel, an IT system analyst, a program manager, an analyst position, TRAC Mexico Forcepoint costs and an IT training manual translated in Spanish. President Lebel said TRAC will have frequent training in Mexico as well as weekly and monthly reporting on this program. The INL proposal wanted a warranty on the system, which TRAC will be omitting from its bid, since TRAC is just providing access to a TRAC system. President Lebel will send to the Board the TRAC Mexico Forcepoint costs and the training manual translation costs, and a draft contract for their review. President Lebel said, once funded, that 30 percent of his and Deputy Director Liz Barrick's contractor compensation will be paid by the INL, freeing up some current TRAC contractor funds.

H.) TRAC Company Insurance:

President Lebel said the company's director and officers' professional and general liability insurance will be renewed at the end of the month.

4. Treasurer's Report:

President Lebel gave the treasurer's report to the board. He said that TRAC is under budget because of very limited travel for training, and that the budget looks good for the remainder of the year.

5. Board Vote: Forcepoint: this is still pending, once contract language is modified, Forcepoint renewal will be sent out to the Board for email vote.

6. Board Vote: Contractor contracts: vote complete, see paragraph E.

7. Future TRAC Purchases:

The Board discussed TRAC's responsibility in purchases of equipment and software, that some items are one of a kind and unique, and the need of a competitive bid process, with justification memos on un-budgeted items. The Board acknowledged that it can inquire further on budgeted items when the budget is submitted for approval at the first of the year.

8. and 9. Director And Officer Vacancies And Elections:

Carol Keppler submitted her resignation as TRAC's Corporate Secretary to Chairman Ahler effective June 30, 2020. Director Tom Welch informed the Board today that he was stepping down from the Board and that this was his last TRAC meeting. Director Welch said when the company got started, the Arizona Financial Crimes Task Force was its Board, but now it's an AG board, and they should replace his position with another AG director. Chairman Paul Ahler will seek the AG's direction on Director Tom Welch's vacancy and will name a replacement by the end of this month.

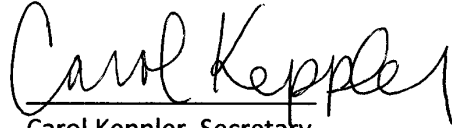
Elections- Board voting: President Rich Lebel and Treasurer Hannah officer positions were renewed for another year. On motion and duly seconded, TRAC's Deputy Director Liz Barrick will become TRAC's new corporate secretary, effective July 1, 2020.


10. Other Business:

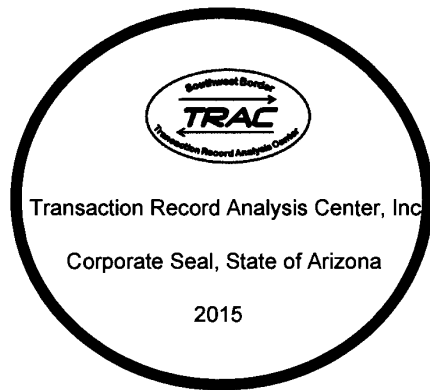
- CBP funding
- Upcoming email vote on Mexico TRAC bid
- Upcoming email vote on Forcepoint renewal
- Pending appointment of another signer on TRAC's bank account

11. Adjournment

With no further business, Paul Ahler, Chairman, adjourned the teleconference meeting at 2:55 p.m.


Carol Keppler, Secretary

Approved:
 7/9/2020
Paul Ahler, Director-Chairman



UPDATE: On Wednesday, June 24, 2020, the Board of Directors approved, by email vote, the Forcepoint contract renewal.

UPDATE: On Thursday, June 25, 2020, the TRAC-Mexico bid was approved by the Board by email vote, with Director Tom Welch abstaining from the vote.

UPDATE: On Tuesday, June 30, 2020, the TRAC Board of Directors approved (except Director Thomas Welch), by email vote, TRAC analyst contractor, Victor Escamilla's contract.