

MOVING 2010 *FORWARD*



2010 Annual Report

The International Justice & Public Safety Network



Letter from the President

Wendy Brinkley
President

This is my third and last letter as President of the Nlets organization. I am proud and pleased with the progress we have made together these past years making Nlets a better and stronger corporation in every area.

My time as Nlets President and Chairwoman of the Board has allowed me to see "behind the scenes" of the daily efforts and accomplishments that both the Board and the staff have made. I am proud of their important and meaningful work. Nlets has diligently worked to develop innovative strategies and initiatives to provide secure, reliable connections that facilitate millions of data exchanges in the United States, Canada and beyond.

2010 was another growth year for Nlets. The system and network grew, our skills and competencies increased, and the security of the company grew both technically and financially. Nlets has had 44 years of consistent steadfast performance and is still gaining momentum.

I have no doubt that Nlets has another important and mission-driven 44 years ahead. I appreciate the past three years in which I had the opportunity to share my passion for this corporation and hopefully leave it better than when I started. While I will still continue to represent the great state of North Carolina as the Nlets representative, I will remember these years and these accomplishments for a lifetime. It is a marathon, and I am thrilled to have been a part of the race.



Letter from the Executive Director

Steve E. Correll
Executive Director

Running a successful business has similarities to building a sound structure; it all starts with a solid foundation. There are four tenets of Nlets that are the cornerstones of our foundation:

- We will expand our high-quality networking and information services across national and international communities to improve information sharing worldwide.
- We will expand our customer base, both within and outside our historical comfort zone, with the understanding that new customers bring new vigor, new information and new resources.
- We will maintain our staff resources with passion, because staff dedicated to the system and the services we provide are crucial to our continued success.
- We will operate within the lines financially, leveraging existing resources to extend Nlets' suite of services, while maintaining reserves and planning for the future.

Moving Forward isn't just this year's annual report tag line – it is the Nlets mantra. Staff members hear me say time and again that we are not involved in a sprint, but a marathon. That improving meaningful, secure and technically-sound justice information

sharing is a long-term tactical marathon that requires planning, perseverance and more planning. Improvements happen along the way, not overnight. They are gradual; they are measurable; and they continue to happen here at Nlets.

2010 was another measurable year in our marathon to improve information sharing. Important events occurred in each of the four cornerstone areas. We passed the one billion mark in the number of Nlets transactions in 2010. After only three years of a 10-year note on the Nlets facility, we paid it off in full. We were able to increase our staffing numbers in critical areas during a tough economic year when most corporations were not hiring. We made good financial decisions in hardware, software, people, real-estate, and investments. The four cornerstones of our foundation remained solid through disciplined adherence to the tactical plan Nlets has in place, a plan we never stray from as we move forward.

The coming years will see us still identifying and implementing things previously unthought of – using technologies unheard of by Nlets and others in the pursuit of seamless and meaningful information exchange. As T.S. Eliot once said, "Only those who will risk going too far can possibly find out how far one can go." Nlets will continue to take those risks in our long marathon of moving forward.

RELIABLE. SECURE. CONNECTED.

Business Strategic Plan

In 2010, Nlets continued to focus on providing secure, connected and reliable services to our customers. We focused on specific key measurements to improve the system, network and resources available. Nlets also worked on improving security and disaster recovery, as well as a number of business-related targets.

SYSTEM AND NETWORK UP-TIME

System up-time measures the availability of the Nlets Justice Information Network (NJIN). The average system up-time in 2010 was 99.97%. This equates to only 13 minutes of down-time a month, with most down-time attributed to planned cutovers and scheduled maintenance.

Network up-time measures the availability of the Nlets network to pass traffic. The average network up-time in 2010 was 99.96%. This equates to only 18 minutes of down-time a month, with down-time attributed to network vendor outages.

NETWORK RESPONSE TIME

Response time measures the speed of a round trip message. In 2009, network response time was measured via an average of all members. In 2010, response time was measured on four core nodes: north, south, east, and west. In 2009 response time averaged 135 milliseconds; in 2010, response time averaged 66 milliseconds. This drastic reduction was due to the improvements realized due to implementation of our Multi-Protocol Label Switching (MPLS) network. »

RELIABLE. SECURE. CONNECTED. – continued

RESOURCES

In order to improve the range of transactions for our members, Nlets sought to both increase the use of ten underused messages, as well as to increase the number of data resources available. Ten message types were selected by Nlets and a committee of members. The total of the ten messages in 2009 was a mere 74,421. In 2010, the ten message types totaled 1,345,249.

In 2009, there were 37 data sources available to members. In 2010, Nlets expanded the number of data sources by four, including: Bay Mills Tribal Plates, Bulk Cash, License Plate Reader (LPR) data from National Vehicle Services (NVS), and Law Enforcement Information Sharing Initiative data from U.S. Immigration and Customs Enforcement (ICE).

SECURITY AND DISASTER RECOVERY

Two of the other goals in 2010 were to lower our security vulnerability factor and improve our core disaster recovery (DR) response time. This provides a more secure and reliable environment at both the headquarters in Arizona, as well as the disaster recovery site in Kentucky. Nlets was able to cut our security vulnerability factors by half. Additionally, by the end of 2010, we were able to cutover all customers to our DR site in seven minutes, with a return to headquarters in 15 minutes.

ADMINISTRATIVE AND BUSINESS

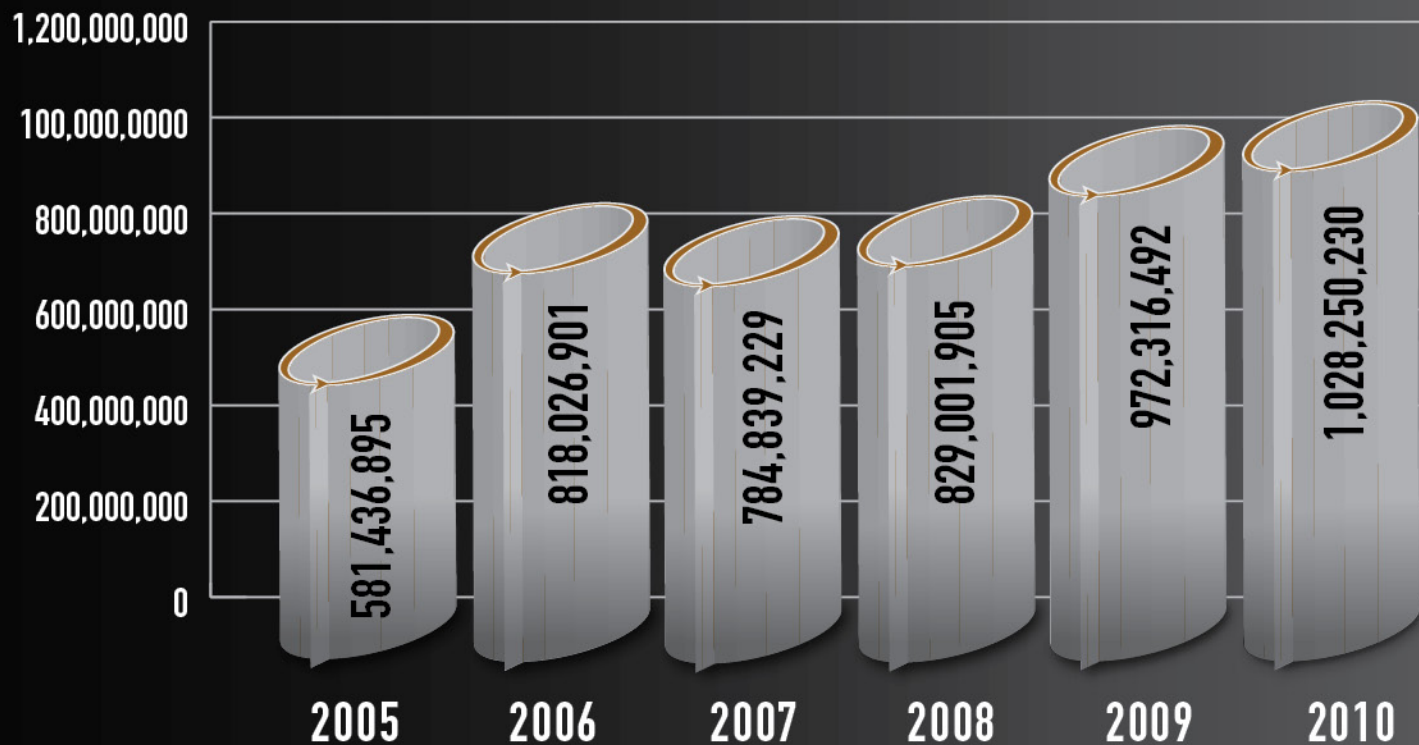
Nlets sought to maintain a financially savvy balance of direct expenses (direct, grants, depreciation) and salaries and benefits. Although we fell short on our internal goal, the reason was excess revenue and reduced spending.

We also worked to ensure actual revenue over operating expenses met or exceeded the budgeted percentage of 10%. This measures how well the corporation can keep expenses within budget and invest in future growth. In 2010, revenue over operating expenses was 25%, due to favorable revenue and reduced expenses. Finally, Nlets was able to increase new hosting revenue by 17%.



Nlets THROUGH THE YEARS

TOTAL TRANSACTIONS PER YEAR



TOTAL
TRANSACTIONS
2005-2010
3,985,621,422



PLANNING THE FUTURE

To be prepared to meet challenges ahead, you do not need to see into the future. Today the current Nlets infrastructure in place is 90% unused. A mistake—no, an accident—no. We plan for a future that we cannot always anticipate. An event or a need to solve an immediate problem will need that surplus capacity, that planned depth of capability that will allow Nlets to be prepared to step in to solve a crisis. We don't need to know the future to anticipate it, we only need to plan for believable contingencies and we do this every day. Slow and patient, paced and methodical discipline is how you complete a long journey, a marathon if you will. If you have prepared and planned you can and will meet the future head on with success.

MEMBER ACKNOWLEDGMENTS

Nlets proudly acknowledges its valued members and strategic partners. With their support, we have moved the cause of justice and public safety forward. These relationships assist in our core business by serving the needs of our members and fulfilling our mission of providing robust international justice telecommunications capability. Together, we ensure qualified organizations can appropriately use the Nlets network in a secure and reliable manner. We look forward to a future of continued collaboration and success.

CORE: PRINCIPLE

Alabama Criminal Justice Information Center
Alaska Department of Public Safety
Arizona Department of Public Safety
Arkansas Crime Information Center
California Department of Justice
Colorado Bureau of Investigation
Connecticut Department of Public Safety
DC Metropolitan Police Department
Delaware State Police
Florida Department of Law Enforcement
Georgia Bureau of Investigation
Hawaii Criminal Justice Data Center
Idaho State Police
Illinois State Police
Indiana State Police
Iowa Department of Public Safety
Judiciary of Guam
Kansas Bureau of Investigation

Kentucky State Police
Louisiana State Police
Maine State Police
Maryland State Police Headquarters
Massachusetts Criminal History Systems Board
Michigan State Police
Minnesota Department of Public Safety
Mississippi Department of Public Safety
Missouri State Highway Patrol
Montana Department of Justice
Nebraska State Police
Nevada Department of Public Safety
New Hampshire State Police
New Jersey State Police
New Mexico Department of Public Safety
New York State Police
North Carolina State Bureau of Investigation
North Dakota Fraine Barracks

Ohio State Highway Patrol
Oklahoma Department of Public Safety
Oregon State Police
Pennsylvania State Police
Puerto Rico Department of Justice
Rhode Island State Police
South Carolina Law Enforcement Division
South Dakota L.E.T.S.
Tennessee Bureau of Investigation
Texas Department of Public Safety
United States Virgin Islands Police Department
Utah Bureau of Criminal Identification
Vermont Department of Public Safety
Virginia State Police
Washington State Patrol
West Virginia State Police
Wisconsin Department of Justice
Wyoming C.J.I.S.

MEMBER ACKNOWLEDGMENTS

CORE: FEDERAL

Administrative Office of U.S. Courts
El Paso Intelligence Center (EPIC)
Federal Aviation Administration
Federal Bureau of Investigation / NCIC
Federal Motor Carrier Safety Administration
Federal Protective Service
National Weather Service / NOAA
Naval Criminal Investigative Service
NEW Social Security Administration, Office of the Inspector General
Transportation Security Administration / OLE
U.S. Air Force
U.S. Army
U.S. Coast Guard (CG-635)
U.S. Customs and Border Protection
U.S. Department of Defense (PERSEREC)
U.S. Department of Justice
U.S. Department of State
U.S. Department of the Interior
U.S. Department of Veteran's Affairs
U.S. Immigration and Customs Enforcement
U.S. National Central Bureau of Interpol (INTERPOL)
U.S. Office of Personnel Management
U.S. Postal Inspection Service
U.S. Secret Service

CORE: ASSOCIATE

NEW MVTRAC Federal Crime Bureau (MVFCB)
National Center for Missing and Exploited Children (NCMEC)
National Insurance Crime Bureau (NICB)
National Vehicle Service (NVS)
Western Identification Network (WIN)

PARTNER ACKNOWLEDGMENTS

STRATEGIC PARTNERS



HOSTING CUSTOMERS



GRANTS

IN PROCESS



CHIEF: Criminal History Information Exchange Format

Helping states standardize the exchange of Rap sheets using eXtensible Markup Language (XML)



CHRIS: Criminal History Record Information Sharing

Supporting statistical research and recidivism studies with data captured as the result of CHIEF



NISP: Nationwide Interstate Sharing of Photos

Demonstrating the viability of exchanging interstate driver license photos

NEW AWARDS



E-Port: Enhance Portal for Image Exchange & Increased Functionality Over Nlets

Expanding the Nlets Portal to allow image exchange; Producing a CONOPS regarding multi-factor authentication and authorization into the Nlets Portal; Providing pro-active alerting (NCMEC is the pilot site)



GeoSOAPS: Geospatial Service Oriented Architecture for Public Safety

Enhancing, expanding and accelerating participation in the Nlets GIS-enabled alert capability; Defining an interstate GIS transmission specification for geospatial information exchange; Defining a GeoSOAPS web services specification; Piloting a demonstration of geospatial data exchange



NCIEN: Nationwide Corrections Image & Information Exchange over Nlets

Implementing additional states for corrections photo sharing; Developing NIEM standards for sharing corrections photos; Developing image standards (size and quality)

NLETS WOULD LIKE TO
THANK OUR FEDERAL
FUNDING PARTNERS:

The Bureau of Justice Statistics

The Department of Homeland Security
Science and Technology Directorate

The National Institute of Justice



CONTRACTS

In support of the Long Range BAA for the Department of Homeland Security Science and Technology Directorate, Nlets entered into a 24-month contract to research and implement new tools that will revolutionize the exchange of critical data among our nation's law enforcement and homeland security practitioners. The four initiatives support basic and applied homeland security research to promote state-of-the-art changes in technologies to address homeland security vulnerabilities.

STATE WARRANT SHARING



LPR READER SHARING



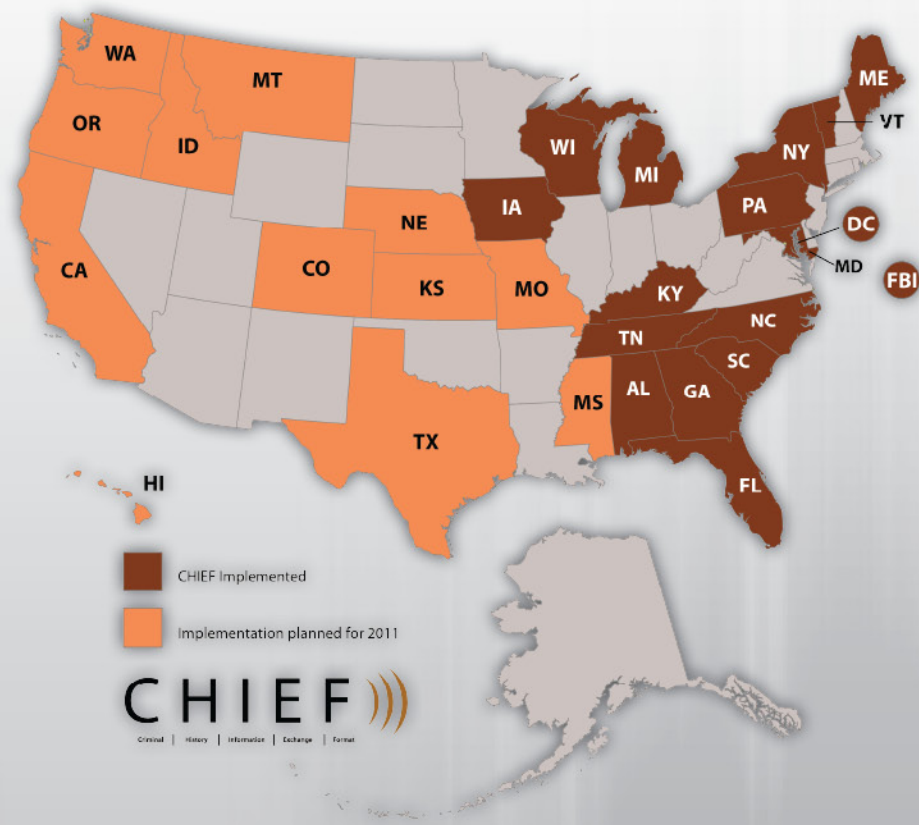
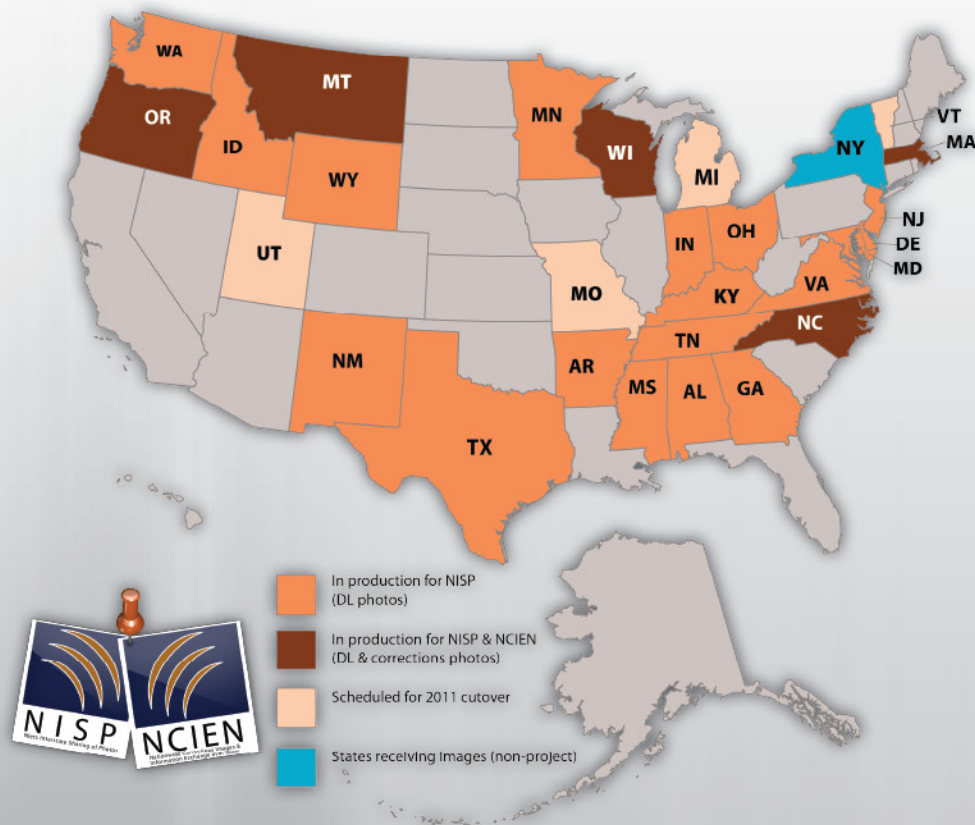
TRIBAL NATION SHARING



FACIAL RECOGNITION



GRANTS: PARTICIPATING STATES





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