Annual Report

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Letter from the President

As I reflect on the first year of my Nlets presidency, the progress achieved elicits excitement for the future. Nlets remains a leader in the law enforcement and public safety community, and the initiatives carried out in 2019 affirmed that we will not be content to stay put. On a high level, Nlets usage continued to rise, reaching more than 2.6 billion transactions in 2019. In 2010, this number was just over one billion.

This increase is a testament to the collaborative effort within our community that consistently pushes things forward. The numbers are encouraging, but what they stand for is even more meaningful. Those transactions represent more cases solved, missing kids found, perpetrators apprehended, and much more.

The initiatives pursued in 2019 furthered our mission to support law enforcement by providing additional information sharing opportunities and improved technology. From the rollout of NJIN 2.0 to the addition of Mexican stolen vehicle data, 2019 was a year of large and small steps forward that will prepare Nlets for a more prominent future.

As you review the progress below, I encourage you to consider how your agency may be able to take advantage of the new or underutilized resources available through Nlets.

The strength of our organization has been and will always be the cooperation of state, federal, international, and private entities toward a common goal. The achievements of 2019 belong to all those who played a part in moving Nlets forward, and we will carry that same spirit into the future. Your voice matters at Nlets. Many of the completed efforts in 2019 began with an idea and phone call to an Nlets counterpart. Great things happen when the seemingly small individual voices in our community come together toward a common goal.

I will end with a heartfelt thank you! Thank you so much for your sacrifice, your perseverance, your commitment, your dedication, for doing all that you can to serve the law enforcement and public safety community. I look forward to another year of accomplishments with this fantastic team.

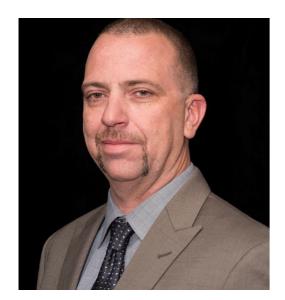
Charles Schaeffer
Nlets President



Letter from the Executive Director

How do we measure our success as an organization? First and foremost, Nlets as a service provider needs to be reliable. Nlets services must always be there. There are no exceptions. The right information needs to reach the right people at the right time...every time.

As we close out 2019, I am happy to report that the health of Nlets and the strength of the services we provide is the best it has ever been. We have assembled the most talented and dedicated staff in our history. The system you have come to rely on processed 2.65 billion transactions in 2019 with an average response time of 1.88 seconds an overall system uptime of 99.973%.



2019 was an incredibly busy year for Nlets. We transitioned leadership as our Executive Director, Steve Correll passed the baton. Just as he has done in every one of his 20 plus years of service to Nlets, Steve tenaciously drove the organization to set and reach new and extremely lofty goals.

We completed an entire rewrite of the Nlets NIIN message service system software, tailoring the system to meet the current and future needs of the organization. Our new system is versatile, reliable, and scalable as our users adopt new standards and technology. The careful transition to NJIN 2.0 was performed with little to no impact on the user community.

Nlets also built and brought online our new COOP (Continuity of Operations) location in Plano, Texas. The systems there replace our Kentucky Disaster Recovery presence and replicate all Nlets critical services. We successfully exercise the site each month by running all Nlets production traffic from Plano while we patch systems in Phoenix. The cutover time between the two locations is only a matter of a couple of minutes.

In 2019, Nlets also refreshed and upgraded our network gear, our IT security platform, our NOVA cloud environment, storage environments, security audit platform, and service center monitoring applications. We built in redundancy at every level, all while maintaining our corporate uptime and reliability goals. We also expanded our training program to utilize new tools and reach a broader audience

In addition to our existing access to Canadian and Interpol data, we've expanded to provide new international data resources. Working with our strategic and federal partners, we were able to make Mexican Stolen Vehicle data available to US Law Enforcement for the very first time. We also laid the groundwork and set up a pilot to allow the Department of Homeland Security to share critical data with our "Five Eyes" partners in Australia and New Zealand.

The membership voted in June to invest in Nlets to secure stable funding to support the needs of the Nlets users well into the future. This commitment from the membership and the Nlets Board of Directors reinforces the importance of the Nlets system to the law enforcement community and the security of our homeland.

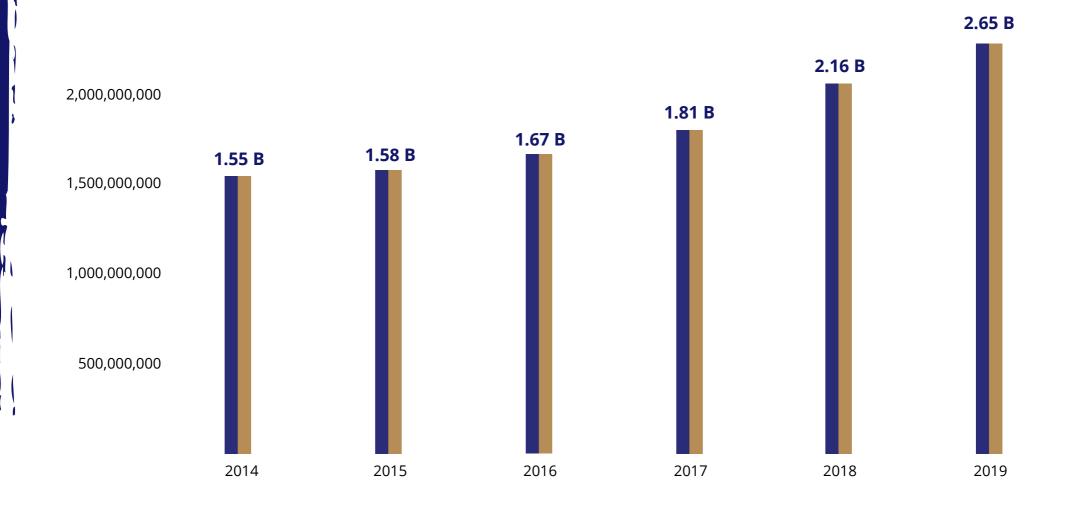
The Nlets Board of Directors, Officers, Committees, and staff have dedicated countless hours to strategic planning and work to ensure that the critical services that we provide are so reliable and predictable that the users of those systems never have to think about them. But much like the law enforcement and criminal justice agencies we serve, Nlets is constantly working behind the scenes to improve and make an impact as we fulfill our mission. In our quest to become the absolute best Nlets we can be, we will never stop moving forward, innovating, and pushing the envelope of information exchange.

Frank Minice

Jany Minne

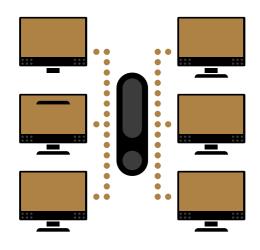
Nlets Executive Director

Transactions by Year

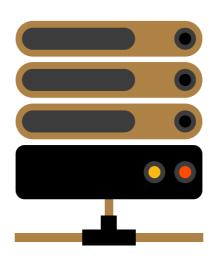


2019 Statistics

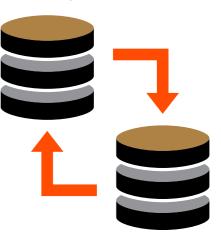
99.985% Network Uptime



99.973% System Uptime



65.05ms Average Response Time





Nlets Financial Vision: To ensure stable funding for long-term operations and growth with continuous reinvestment in the member community.

At the core of Nlets finances are two key goals: ensuring long-term operations to support our mission and giving back to our membership.

In 2019 we achieved both of these goals. A large project in 2018 brought in significant revenue, so overall revenue dropped a little in 2019, but outside of this project revenue increased 8% for our standard recurring revenues. Nlets financial stewardship over the years has allowed us to invest in the most talented people, some of the best technology, and enhanced security, reliability and expanded capabilities.

However, 2019 proved as a pivotal year in terms of operating expenses. After thorough analysis it was determined projected operating expenses would continue to grow at a pace greater than revenue growth. With this in mind, the Nlets Council deliberated and ultimately approved a rate increase to take effect in 2021.

This rate increase will allow us to make the investments necessary to meet or exceed the service levels the membership is accustomed to and needed by our mission. In 2019 alone, Nlets invested over \$1.9 million in technology infrastructure, including hardware and security updates at both our main facility and new COOP site in Plano, TX. Capital outlay completed in 2019 for the NJIN 2.0 rewrite project, at an overall final investment of \$2.3M. Through our Brodie Assistance Fund \$308K was re-invested back in the membership community, and progress continued towards the goal of making this a self-sustaining fund by implementing a formal spending policy.

The balance sheet for Nlets remains strong as we have secured liquid cash reserves for unexpected needs, zero long-term operating debt, and minimal short-term operating liabilities. Nlets recently completed our annual external audit with favorable results. Nlets received an unmodified (or "clean") opinion, with no material weaknesses in internal controls or best practice suggestions offered from the auditors.

NJIN 2.0



After nearly four years of planning and development, on August 8, 2019, Nlets completed the transition to the next generation of our switch. With this new implementation, we have bolstered our existing service offerings and made room for the future. NJIN 2.0 will bring exciting new and unlimited offerings to the national and international public safety community.

NJIN 2.0 is Nlets' third generation of an XML switch. The new architecture utilizes an Enterprise Service Bus to provide a true Service Oriented Architecture. The addition of the ESB has given Nlets the ability to easily scale production services as demand increases, while also allowing for the addition of new service offerings without interruption to our core switching operations. This change also provides Nlets with improved tools for monitoring and troubleshooting to better assist our membership.

Mexican Impound Data

Locator Technologies, via its elmpound application, now supplies NAR/NIR response messages that include impound and seizure data from Mexico. The addition of Mexican impound and seizure data creates a true North American impound database for all approved law enforcement personnel via Nlets.

For more information on Locator's Impound records please refer to section 27 of the Nlets Wiki.

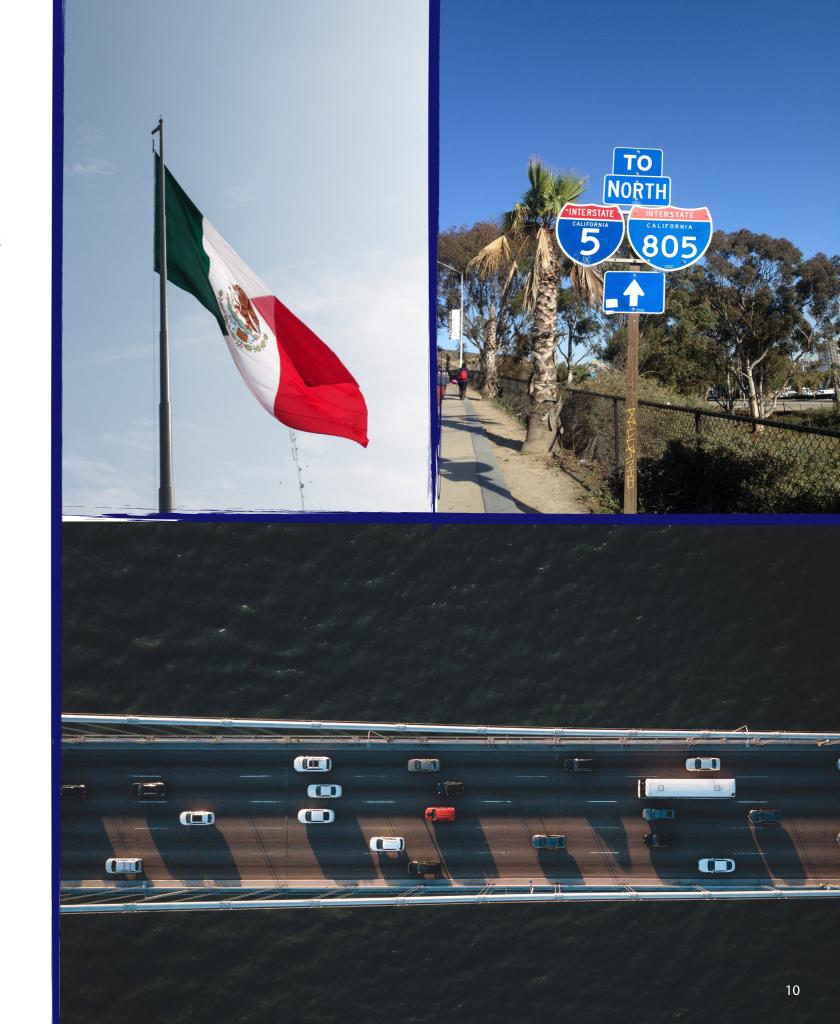


OCRA

Nlets now provides information on active stolen vehicles in Mexico obtained from the Mexican office for insured risks known as OCRA, short for **Oficina Coordinadora de Riesgos Asegurados** S.C. Nlets users will be able to query this information by VIN through an SVQ query, and when available, this data will also be returned in NAR responses. A hit will return the stolen status of the vehicle and contact information for an OCRA representative who can verify the stolen status and provide additional relevant information.

Many vehicles are stolen from the US and taken to Mexico. Sometimes the reverse happens. In fact, hundreds of vehicles stolen in Mexico end up in the US every year. This new data file will enable US law enforcement officers to identify vehicles stolen in Mexico that have entered the United States. Some of these vehicles end up being sold to unsuspecting innocent purchasers. Others are connected to ongoing organized crime activities occurring on both sides of the border. OCRA only has information on vehicles insured in Mexico. An uninsured vehicle not in the OCRA database may still be an active stolen vehicle in Mexico.

For more information and to see examples of OCRA messages, visit Section 27 of the Nlets Wiki.



Spokane License Tribal

Nlets is pleased to announce that the Spokane Tribal license plate database is available via Nlets. Any Spokane Tribal plate that is run by law enforcement within Washington will be sent to the Washington State Police (WSP) in the same manner as a regular Washington vehicle query. The WSP will route all Spokane Tribal traffic to Nlets. Nlets will then check the plate against the database and return a response to Washington, who will route the response to the user that initiated the query. Out-of-state queries will be routed directly to Nlets. Nlets will check all vehicle queries (RQs) destined to WA to determine if any are Spokane Tribal plates. Plates that are determined to be from the Spokane Tribe will be routed to the hosted database.

This solution is similar to existing tribal partnerships, listed below, as Nlets continues to expand its reach and provide relevant data to officers on the street.

- Existing Tribal Database partnerships hosted at Nlets:
- Bay Mills Indian Community
- Yakama Nation
- Saginaw Chippewa







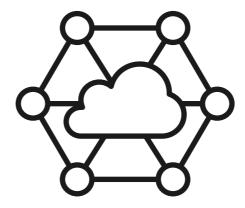
Nova is Nets and CJIS security policy compliant and has been audited by the FBI.

2019 was another successful year of growth for Nova, the Nlets Secure Cloud Platform, We have added a number of customers, including a state police department. Also, we added Premium SSD storage as well as Provisioned and Scheduled IOPS.

Nova is our most modern solution — a completely customizable virtualized environment that eliminates many of the hassles of traditional hosting. With leading technology and unparalleled customer support, Nova is a virtualized hosting product that stands toe-to-toe with leading industry providers while catering directly to those who support officers on the street. Ideal for all environments, whether it's primary technology, DR sites or test environments, Nova is a premiere cloud service for the criminal justice community.

For more information about Nova or to request a quote, visit Nletscloud.org.

Coming to Nova in 2020:

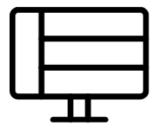


Additional networking features and services



Larger and more flexible platform

Coming to Nova in 2021:



New administration dashboard and new SaaS and PaaS features and services

Strategic Partners

Nlets is proud to partner with these industry members*, who join us in our mission to serve law enforcement.







































































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Hosting Customers

Nlets is proud to provide secure hosting services to these industry members*, who join us in our mission to serve law enforcement.



































































Nova





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Nlets Service Agencies

Core: Principal

Alabama Law Enforcement Agency 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 Executive Office of Public Safety and Security 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 Department of Emergency Services 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 Department of Public 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 Division of Criminal Investigation

Core: Associate

ARJIS of San Diego
PrePass Safety Alliance
National Center for Missing and
Exploited Children (NCMEC)
National Insurance Crime Bureau
(NICB)
National Vehicle Service (NVS)
Regional Information Sharing System
(RISS)
Western Identification Network (WIN)

Core: Federal

Administrative Office of U.S. Courts Bureau of Consular Affairs / DOS **Passport Services** El Paso Intelligence Center (EPIC) Federal Bureau of Investigation / NCIC Federal Bureau of Prisons Federal Motor Carrier Safety Administration Federal Protective Service National Weather Service / NOAA Naval Criminal Investigative Service Office of Justice Programs, BIS Social Security Administration Transportation Security Administration / OLE U.S. Air Force U.S. Armv **US Citizenship & Immigration Services** U.S. Coast Guard U.S. Customs and Border Protection U.S. Department of Defense/DMDC U.S. Department of Defense/DCSA U.S. Department of Justice U.S. Department of State U.S. Department of the Interior U.S. Department of Veteran's Affairs

Core: International

U.S. National Central Bureau of INTERPOL

U.S. Immigration and Customs

U.S. Postal Inspection Service

Enforcement

U.S. Marshals Service

U.S. Secret Service

Canada



*Current committees as of Summer 2020

Board of Directors

President: Charles Schaeffer (FL)

1st Vice-President: VACANT

2nd Vice-President: VACANT

Region A: Bill Guy (RI), Chair Darryl Hayes (CT), Vice Chair

Region B: VACANT, Chair Chris Corea (MD), Vice Chair

Region C: Greg Meetze (SC), Chair VACANT, Vice Chair

Region D: Terri Fisher (GA), Chair Shelley Scott (LA), Vice Chair

Region E: VACANT, Chair Jeremy Hansford (OH), Vice Chair

Region F: Tom Prevo (NB), Chair Amy Mancuso (SD), Vice Chair

Region G: Ted DeRosa (CO), Chair Michelle Farris (TX), Vice Chair

Region H: Joe Leon Guerrero (GM), Chair Tom Worthy (OR), Vice Chair

Federal Liaison: Frank Dubiel (DS)

Finance & Management

Chair: Terri Fisher (GA)
Ex-Officio: VACANT
Jeremy Hansford (OH)
Michelle Farris (TX)
Brad Cazort (AR)

Technical Operations Committee

Chair: Joe Mandala (KS) Ex-Officio: VACANT

Darryl Hayes (CT) Chris Corea (MD)

Boyd Butler (IL)

Dan Abbott (NA)

Maury Mitchell (AL)

Ron Thornton (CB)

Jason Henry (AX)

Brodie Assistance Fund

Chair: Tom Prevo (NB)

Joe Mandala (KS)

Terri Fisher (GA)

Bill Guy (RI)

Greg Meetze (SC)

Michelle Farris(TX)

Training & Education

Chair: Shelley Scott (LA)

Amy Mancuso (SD)

Sandy Kelleher (ID)

Kateri Candee (WA)

Joe Leon Guerrero (GM)

Nominations

Chair: Terri Fisher (GA)

Joe Leon Guerrero (GM)

Tom Prevo (NB)

Hall of Fame

Chair: Dan Abbott (NA)

Charlie Schaeffer (FL)

Frank Minice (Nlets)

Leon Frederick (IA)

Georgene Ramming (Alumni/HOF)