

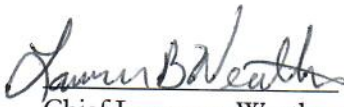


Lexington-Fayette Urban County Government  
DEPARTMENT OF PUBLIC SAFETY

Jim Gray  
Mayor

Kenneth Armstrong  
Commissioner

TO: Mayor Jim Gray  
Urban County Council

FROM:   
Chief Lawrence Weathers  
Lexington Police Department

CC: Commissioner Kenneth Armstrong  
Department of Public Safety

DATE: October 3, 2018

SUBJECT: Electronic Recovery and Access to Data (ERAD) Agreement

**Request**

Authorization to accept the Electronic Recovery and Access to Data (ERAD) Agreement with ERAD Group, LLC.

**Why are you requesting?**

The attached agreement is in regards to an online platform called ERAD (Electronic Recovery and Access to Data). ERAD uses its online platform to examine the data that is held on gift cards. ERAD also has the capability to freeze, and then seize funds that are on these gift cards. The seized funds are then placed into a bank account of our choosing to be held until the case is adjudicated. ERAD then charges us a commission of 7.7% of any funds that we seize via gift card confiscation. The Financial Crimes Unit and Narcotics Unit has noticed a dramatic increase in the amount of drug traffickers and financial crime suspects who hide large amounts of money on gift cards, and we as a department need a way to freeze these funds. ERAD gives us that means, and we believe this to be a viable way to seize funds from ill-gotten gains. Also attached, are several flyers sent to us from ERAD, one of which discusses case law relevant to this topic, the ERAD Recovery Agreement, and the ERAD Payment Acceptance (this details when payment is due for this product. ERAD has deferred the initial payment for one (1) year). The attached agreement requires Mayor Gray's signature.

**What is the cost in this budget year and future budget years?** Initial payment deferred for one (1) year. Funds will be budgeted in FY20.

**Are the funds budgeted?** N/A

**File Number:** -1063 -18

**Director/Commissioner:** Lawrence Weathers, Chief  
Lexington Police Department

LBW/rmh