The National Center for Missing & Exploited Children

2016 Annual Report

Hope is why we're here
Mission Statement

The mission of the National Center for Missing & Exploited Children® is to serve as a resource center for law enforcement, families and the public to help find missing children, reduce child sexual exploitation and prevent child victimization.
Table of Contents

Who we are

02. Mission statement
04. Letter from the President & CEO
07. In memory of Jacob Wetterling

What we do

08. Overview
10. Missing children recovery
12. Project ALERT® & Team Adam
14. AMBER Alerts
16. Training
18. Forensic imaging
20. Sex offender tracking
22. CyberTipline®
24. Exploited child recovery
26. Fight to end child sex trafficking
28. Safety Central App
30. Education and outreach
32. Family support

Financial results

34. Financial statement
36. Breakdown of program expenses

Leadership

38. 2016 Board of Directors
39. 2016 Executive Leadership
39. Office Locations
Dear Supporters,

What makes the National Center for Missing & Exploited Children so unique is our 30,000-foot view of the evolving threats to our nation’s children. As a 24/7 organization on the forefront of child protection for more than three decades, it’s our responsibility to share this knowledge with families and communities so they can better protect their children.

This year, we launched our first social media awareness campaign called “Rock One Sock” to show support for missing children and their families. We asked everyone to rock one sock in honor of Missing Children’s Day during the month of May, take a photo and share it on social media. And did they ever! More than 7 million people joined us.

Protecting your child became a little bit easier in September, when we teamed up with EMCOR Group, Inc., and launched our first free child safety app, called “Safety Central.” This app will help parents and guardians protect their families and act quickly should their child go missing. Already, 60,000 people are using our app.

“Life’s most persistent and urgent question is, ‘what are you doing for others?’

Dr. Martin Luther King, Jr.
Since we opened our doors 32 years ago, we’ve helped law enforcement recover more than 237,000 children, including more than 18,000 this year. Over the years, our role has vastly expanded as crimes against children have evolved, especially on the internet. We operate the CyberTipline®, the centralized reporting mechanism for suspected child sexual exploitation, which gives us a unique lens on evolving crimes committed against children.

The number of reports made to our CyberTipline is staggering and continues to grow exponentially. This year alone, we received a record 8.2 million reports of suspected child sexual exploitation, the vast majority related to child pornography.

We help identify the children in these sexually abusive images and try to figure out, literally, where in the world is this child? We’ve reviewed hundreds of millions of images, looking for clues that might help law enforcement locate the child. I’m proud to say, through 2016, 12,539 children have been identified and rescued.

As child sexual exploitation has become more prevalent on the internet, we collaborate with the tech industry to find new solutions to better protect children online. We’re grateful to our corporate partners and those who joined us this year, including Adobe, Apple, Intel, Pokémon and Uber. Together, we can make a difference in the lives of children.

We’ve witnessed the devastating impact as child sex trafficking has migrated increasingly to online classified websites, primarily Backpage.com, where children are repeatedly sold for sex. This year, we’ve continued supporting child victims, their families and their legal counsel as we worked toward ensuring children aren’t trafficked online with impunity. We’ve also lent our expertise to support legislative and legal efforts to help ensure child survivors can seek redress from those involved in trafficking.

This year marked my first full year as president and CEO of this remarkable nonprofit organization. I’m truly in awe of the work performed here every day by our dedicated staff. We have our work cut out for us, and we can’t do it alone. I’m grateful to all of you who’ve joined our shared mission. Hope is why we’re here.

Sincerely,

[Signature]
Say a prayer.
Light a candle.
Be with friends.
Play with your children.
Giggle.
Hold Hands.
Eat ice cream.
Create joy.
Help your neighbor.

That is what will bring me comfort today. - Patty Wetterling
Jacob Wetterling was just 11 years old when a masked gunman jumped out of the bushes near his home in Minnesota and ordered Jacob, his brother and a friend off their bikes. The gunman let the other two boys go, but took Jacob.

Although Jacob was missing for almost three decades, his family never stopped looking for him.

His mother, Patty, has been a part of the NCMEC family and has helped countless other families with their unimaginable grief. She is also an inspiration to NCMEC staff in their work to bring missing children home.

In 2013, Jacob’s case started to see further progress after NCMEC hosted a long-term missing summit to share best practices and learn more about what can be done in long-term missing cases. The summit welcomed some of the country’s leading children’s advocates, along with law enforcement.

In 2016, 27 years after Jacob’s abduction, his abductor was caught and confessed his crimes. Jacob’s case was one of the longest missing children’s cases NCMEC has ever worked on and we all hoped for a different conclusion.

On September 25, 2016, Jacob’s family held a memorial service celebrating Jacob’s life. Jacob was finally laid to rest.
At the National Center for Missing & Exploited Children we measure our impact by the number of missing children reported to us and recovered; by the number of times we’re asked for assistance to locate sex offenders; by the number of images of children being sexually exploited we’ve reviewed and helped identify; and by the number of law enforcement we’ve trained. We believe ALL children deserve a safe childhood.

NCMEC’s Call Center, including the toll-free hotline 1-800-THE-LOST® (1-800-843-5678), has received more than 4.5 million calls.

NCMEC has circulated billions of photos of missing children, assisted law enforcement in the recovery of more than 237,000 missing children and facilitated training for 331,000 law enforcement, criminal/juvenile justice and health care professionals.

NCMEC’s Team HOPE volunteers have provided resources and emotional support to more than 59,000 families of missing and exploited children.

465,676 NATIONAL CRIME INFORMATION CENTER ENTRIES FOR MISSING CHILDREN IN 2016.

8.2 MILLION REPORTS TO THE CYBERTIPLINE IN 2016.
Since its inception, the CyberTipline has received more than 16 million reports.

NCMEC’s Child Victim Identification Program has reviewed more than 192 million images and videos and law enforcement has identified more than 12,500 child victims.

NCMEC has assisted with more than 80,000 requests related to helping locate noncompliant sex offenders.

18,500+ ENDANGERED RUNAWAYS REPORTED TO NCMEC IN 2016.

ONE IN SIX WERE LIKELY VICTIMS OF CHILD SEX TRAFFICKING.

86% OF THOSE WERE IN THE CARE OF SOCIAL SERVICES WHEN THEY WENT MISSING.

Hope is being able to see that there is light despite the darkness. Hunt the good stuff every day.

Veronica Mackin, mother of recovered son

86% OF THOSE WERE IN THE CARE OF SOCIAL SERVICES WHEN THEY WENT MISSING.

Since its inception, the CyberTipline has received more than 16 million reports.

NCMEC’s Child Victim Identification Program has reviewed more than 192 million images and videos and law enforcement has identified more than 12,500 child victims.

NCMEC has assisted with more than 80,000 requests related to helping locate noncompliant sex offenders.

" Hope is being able to see that there is light despite the darkness. Hunt the good stuff every day." 

Veronica Mackin, mother of recovered son
On February 26, 2016, a 4-year-old girl was abducted from a playground in Montana. A neighborhood boy reported to police that a man had grabbed the little girl and placed his hand over her mouth before dragging her from the playground and down an alley. An AMBER Alert was issued, and NCMEC deployed Team ADAM to assist local law enforcement. After two days of searching, the suspect was apprehended and the little girl was safely recovered.
In 2016 NCMEC assisted law enforcement and families with more than 19,000 cases of missing children.

“Never giving up hope gave me the strength, courage and will power to make it through each day.

Steve Slinkard father of three children recovered after 18 years.

www.missingkids.org
We Actively Search for Missing Children

Our Project ALERT® members help local law enforcement by providing technical assistance in long-term missing cases, integrating NCMEC resources such as age progression, facial reconstruction, DNA protocol and poster distribution.

Our Team Adam members provide rapid, on-site assistance to law enforcement agencies and families in serious cases of missing children by rapidly deploying to sites where these cases are unfolding. They provide on-the-ground technical assistance and connect local law enforcement to a national network of resources.

The Case Analysis Unit is responsible for providing direct analytical support for missing and unidentified deceased child cases.
Team Adam consultants have assisted in the search for 1,183 missing children and more than 1,095 have been located.
The AMBER Alert program, also known as America’s Missing: Broadcast Emergency Response Plan, is an initiative of the U.S. Department of Justice. It is a voluntary partnership among law enforcement agencies, broadcasters and transportation agencies to activate an urgent bulletin in the most serious child-abduction cases where there is enough information to make the alert effective.

Broadcasters use the Emergency Alert System to air a description of the abducted child, suspected abductor and any vehicle that may have been used in the abduction. The goal of an AMBER Alert is to instantly galvanize the entire community to assist in the search for and safe recovery of the child.

It was created in 1996 in honor of 9-year-old Amber Hagerman, who was abducted and murdered near her home in Arlington, Texas. In the wake of this tragedy a young woman suggested there should be emergency alerts sent to the public through broadcasters when a child is abducted. What began as a local effort has grown to include a system of AMBER Alert programs used in all 50 states, the District of Columbia, Puerto Rico, Tribal Communities, the U.S. Virgin Islands and 22 other countries.

We’re proud to be the secondary distributors of AMBER Alerts and assist in efforts to recover abducted children.
There can be no keener revelation of a society’s soul than the way in which it treats its children.

Nelson Mandela

More than 850 children have been recovered as the result of the AMBER Alert program.

AMBER Alert Success

The first successful recovery of a child from an AMBER Alert was Rae-Leigh Bradbury in Arlington, Texas in 1998.
We provide training, technical assistance and resources at no cost to law enforcement personnel and others who investigate cases of crimes committed against children. We host classroom training sessions in the Jimmy Ryce Law Enforcement Training Center at our headquarters. Online courses are available through NCMEC’s distance learning program, NCMEC University Online.
NCMEC has trained 331,000 law enforcement, criminal/juvenile justice, private security and health care professionals.

“A hero is someone who has given up his or her life to something bigger than oneself.”

Joseph Campbell
Where Art and Science Align to Save Lives

Using technology and family photos for reference, our forensic imaging artists age progress photos of missing children gone for two years or more to show a representation of what they might look like today.
NCMEC’s forensic artists have age-progressed more than 6,200 images of long-term missing children.
We help track and locate non-compliant sex offenders. Our Sex Offender Tracking Team® responds to requests from law enforcement to locate sex offenders who have failed to register and whose whereabouts are unknown.

NCMEC IN ACTION

In October 2016, NCMEC received a request from the San Diego County Sheriff’s Office to help locate an absconded sex offender who had been convicted of molesting a child. NCMEC used public records and donated databases to conclude the offender was likely residing in Nevada. Our analysis was immediately made available to the sheriff’s office and the offender was located and apprehended.
Since 2006 our Sex Offender Tracking Team has assisted with more than 80,000 requests to help in locating noncompliant sex offenders.
We're Leading the Fight to Delete Child Pornography

Our analysts are leading the fight to stop child sexual exploitation. The NCMEC CyberTipline, operated in partnership with federal, state and local law enforcement, provides the public and electronic service providers with the ability to report instances of online enticement of children for sexual acts, extra-familial child sexual molestation, child pornography, child sex tourism, child sex trafficking, unsolicited obscene materials sent to a child, misleading domain names, and misleading words or digital images on the Internet.
More than 16 million reports of suspected child sexual exploitation have been made to the CyberTipline.
Let it not be said that I was silent when they needed me.
William Wilberforce

Abolish Child Sexual Exploitation

Our Child Victim Identification Program®, or CVIP, helps recover children who are being exploited. NCMEC knows child sexual exploitation is a global problem. Collaboration is critical in successfully locating child victims and reducing child sexual exploitation material on the Internet. We activate our relationships with industry leaders, law enforcement agencies and nongovernmental organizations worldwide to help identify these children. CVIP serves as the central repository in the U.S. for information related to child victims depicted in sexually exploitive images and videos. We host a victim identification lab in which law enforcement, prosecutors and social service workers can access redacted and sanitized child sexual abuse images in an effort to help identify and rescue unknown child victims.
CVIP has reviewed more than 192 million images and videos to help identify exploited children.
We're Fighting to End Child Sex Trafficking

Our Child Sex Trafficking Team provides specialized technical assistance, analysis and recovery services in cases involving child sex trafficking.

We provide “Hope Bags,” which include basic necessities such as toiletries, shoes, snacks and a change of clothes, to recovered victims of child sex trafficking.
1 in 6 of the more than 18,500 runaways reported to NCMEC in 2016 were likely sex trafficking victims and 86 percent of these were in the care of social services or foster care when they went missing.
Every Child Deserves a Safe Childhood

In 2016 NCMEC created a free app for families to use every day and in case of emergency. The Safety Central App features:

- Digital Child ID Kit - This feature allows users to save potentially lifesaving information about their children, including photos and digital fingerprint images. The app reminds users when it’s time to update the photos.

- Missing Children Search - This feature allows users to view posters of children missing in their area and make a report to NCMEC with any recovery information.

- NCMEC Updates - These updates allow users to stay connected with news, trends and safety tips from NCMEC.
The Safety Central App is a free way for families to help protect their children and act quickly should their child go missing.
We Offer Educational Programs to Help Keep Kids Safer from Abduction and Exploitation

The NetSmartz Workshop® is an interactive, educational program providing age-appropriate resources to help teach children how to be safer on- and offline. The program is designed for children ages 5 to 17, parents and guardians, educators and law enforcement. With resources such as videos, games, activity cards and presentations, NetSmartz entertains while it educates.

KidSmartz® is a child safety program aiming to educate families about preventing abduction and empower kids in grades K to 5 to practice safer behaviors. This program offers resources to help parents, caregivers and teachers protect kids by practicing the 4 Rules of Personal Safety using tips, printable activities, quizzes, articles, music, videos and more.

KidSmartz is brought to you by the Got 2B Safe! program, created by the child safety experts at NCMEC in partnership with HONEYWELL.
Educating children about staying safer can change the future.
Our Family Advocacy Division is staffed by master level trained mental health and child welfare professionals who work to proactively help families, law enforcement, social service agencies and mental health agencies by providing a support network for child victims and their families.

Our Team HOPE volunteers intimately understand the crises searching families endure. They help provide peer support, emotional support, compassion, coping tools and resources to families with missing, sexually exploited and recovered children.
Coping with the traumatic experiences of abduction and sexual exploitation demands courage and determination.
## Consolidated statement of activities and changes in net assets

**YEAR ENDED DECEMBER 31, 2016**

<table>
<thead>
<tr>
<th>REVENUE AND OTHER SUPPORT</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government contracts and grants</td>
<td>$30,664,044</td>
<td>$—</td>
<td>$30,664,044</td>
</tr>
<tr>
<td>Contributions</td>
<td>7,426,726</td>
<td>2,918,589</td>
<td>10,345,315</td>
</tr>
<tr>
<td>Special events, net of direct benefit costs of $1,066,148</td>
<td>1,496,449</td>
<td>$—</td>
<td>1,496,449</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>799,298</td>
<td>$—</td>
<td>799,298</td>
</tr>
<tr>
<td>Realized and unrealized gain on investments, net</td>
<td>541,453</td>
<td>$—</td>
<td>541,453</td>
</tr>
<tr>
<td>Other income</td>
<td>62,307</td>
<td>$—</td>
<td>62,307</td>
</tr>
<tr>
<td>Change in value of unitrust agreement</td>
<td>$—</td>
<td>640</td>
<td>640</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of program restrictions</td>
<td>1,581,341</td>
<td>(1,581,341)</td>
<td>$—</td>
</tr>
<tr>
<td>Satisfaction of time restrictions</td>
<td>872,714</td>
<td>(872,714)</td>
<td>$—</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE AND SUPPORT</strong></td>
<td>$43,444,332</td>
<td>$465,174</td>
<td>$43,909,506</td>
</tr>
</tbody>
</table>
## EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROGRAM SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Outreach</td>
<td>$5,632,817</td>
<td>—</td>
<td>$5,632,817</td>
</tr>
<tr>
<td>Missing child case management</td>
<td>14,282,154</td>
<td>—</td>
<td>14,282,154</td>
</tr>
<tr>
<td>Information and case analysis</td>
<td>9,638,708</td>
<td>—</td>
<td>9,638,708</td>
</tr>
<tr>
<td>Training</td>
<td>1,297,474</td>
<td>—</td>
<td>1,297,474</td>
</tr>
<tr>
<td>Exploited child case management</td>
<td>8,179,461</td>
<td>—</td>
<td>8,179,461</td>
</tr>
<tr>
<td><strong>TOTAL PROGRAM SERVICES</strong></td>
<td>39,030,614</td>
<td>—</td>
<td>39,030,614</td>
</tr>
<tr>
<td><strong>SUPPORTING SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>426,246</td>
<td>—</td>
<td>426,246</td>
</tr>
<tr>
<td>Fundraising</td>
<td>2,977,984</td>
<td>—</td>
<td>2,977,984</td>
</tr>
<tr>
<td><strong>TOTAL SUPPORTING SERVICES</strong></td>
<td>3,404,230</td>
<td>—</td>
<td>3,404,230</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>42,434,844</td>
<td>—</td>
<td>42,434,844</td>
</tr>
<tr>
<td><strong>NON-OPERATING INCOME (EXPENSE)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in post employment benefit liability</td>
<td>354,331</td>
<td>—</td>
<td>354,331</td>
</tr>
<tr>
<td>Impairment - Boehm Porcelain</td>
<td>(313,985)</td>
<td>—</td>
<td>(313,985)</td>
</tr>
<tr>
<td><strong>TOTAL CHANGE IN NET ASSETS</strong></td>
<td>1,049,834</td>
<td>465,174</td>
<td>1,515,008</td>
</tr>
<tr>
<td><strong>NET ASSETS, BEGINNING OF YEAR</strong></td>
<td>22,342,645</td>
<td>4,077,230</td>
<td>26,419,875</td>
</tr>
<tr>
<td><strong>NET ASSETS, END OF YEAR</strong></td>
<td>$23,392,479</td>
<td>$4,542,404</td>
<td>$27,934,883</td>
</tr>
</tbody>
</table>

This financial information is excerpted from the unqualified audit opinion prepared by Grant Thornton LLP. Copies of the complete audit report are available upon request.
2016 FINANCIAL RESULTS

Distribution of program expenses

90 percent of revenue goes to support program services.

The National Center for Missing & Exploited Children meets all standards of the BBB Wise Giving Alliance.
“Having a missing child is too much to bear alone. When I finally reached out to others is when I started to heal. We need each other on this journey.

Lori Peterson
son recovered after 4 years
2016 Board of Directors

Board Chair
Manus Cooney
American Continental Group

Chair-Elect
Richard Kolodziej
Zenergy Advisors

Vice-Chair
Karen Tandy
Public Policy Executive

Secretary
Colleen Nick
The Morgan Nick Foundation

Diane Allbaugh
Allbaugh International Group, LLC

Cordelia Anderson
Sensibilities Prevention Services

John W. Arnos, Sr.
Canon U.S.A., Inc.

Hubert Bell
U.S. Nuclear Regulatory Commission

Louis Bivona
Vision Logic

Daniel Broughton, MD
Pediatrician

Robbie Callaway
FirstPIC, Inc.

Sharon Cooper, MD
Developmental & Forensic Pediatrics, PA

Robin Dearden
Actor and Child Advocate

The Honorable Dennis DeConcini
U.S. Senator (Retired)

Vincent P. Giuliano
Marketing Expert

Robert Hannemann, MD
Purdue University

John P. Kelly, Jr.
Financial Advisor

Meghan Latcovich
The McCain Institute

Larry Magid, PhD
Syndicated Columnist and Commentator

Matthew S. Miner
Morgan, Lewis & Bockius LLP

Tim Murphy
Thomson Reuters Special Services, LLC

Leonard Pfeiffer IV
Leonard Pfeiffer & Company

Winston Price, MD
Past President, National Medical Association

Susannah Schaefer
Charles B. Wang Foundation

Mark N. Sirangelo
Sierra Nevada Corporation Space Systems

Sam Solakyan
S3 Capital, Inc.

Haywood Talcove
LexisNexis Special Services, Inc.

Emily Vacher
Facebook, Inc.

John Walsh
Co-Founder, NCMEC

Revé Walsh
Co-Founder, NCMEC

Patty Wetterling
Child Advocate

*as of December 31, 2016
2016 Executive Leadership

John F. Clark
President & CEO

Michelle C. DeLaune
Senior Vice President, Chief Operating Officer

Yiota G. Souras
Senior Vice President, General Counsel

Mark D. Gianturco, PhD
Vice President, Technology Division, Chief Technology Officer

Robert G. Lowery, Jr.
Vice President, Missing Children Division

Avery Mann
Vice President, Communications

Susan Herbert Peacock, SPHR
Vice President, Human Resources

Gavin Portnoy
Vice President, Strategic Advancement & Partnerships

John Shehan
Vice President, Exploited Children Division

Michael Spence
Vice President, Chief Financial Officer

Office Locations

Virginia (Headquarters)
Charles B. Wang International Children’s Building
699 Prince St
Alexandria, VA 22314-3175
Telephone: 703-224-2150
Fax: 703-224-2122

California
18111 Irvine Blvd
Tustin, CA 92780-3403
Telephone: 714-508-0150
Fax: 714-508-0154

Florida
9176 Alternate A1A
Lake Park, FL 33403-1444
Telephone: 561-848-1900
Fax: 561-848-0308

New York
275 Lake Ave
Rochester, NY 14608-1042
Telephone: 585-242-0900
Fax: 585-242-0717

New York/Buffalo
610 Main St Ste 210
Buffalo, NY 14202-1900
Telephone: 716-842-6333
Fax: 716-842-6334

New York/Capital Region
359 Ballston Ave
Saratoga Springs, NY 12866-4723
Telephone: 518-812-6833
Fax: 518-584-9863

New York/Mohawk Valley
934 York St.
Utica, NY 13502-3930
Telephone: 315-732-7233
Fax: 315-624-7134

Texas
8668 Spicewood Springs Rd Ste 200
Austin, TX 78759-4391
Telephone: 512-465-2156
Fax: 512-428-6927

www.missingkids.org
Child Victim Identification Program®, CVIP®, CyberTipline®, KidSmartz®, National Center for Missing & Exploited Children®, NetSmartz®, 1-800-THE-LOST®, Project ALERT® and Sex Offender Tracking Team® are registered trademarks of the National Center for Missing & Exploited Children. Copyright © 2017 National Center for Missing & Exploited Children. All rights reserved. Unless otherwise noted, numbers reflect activity in or through 2016. The National Center for Missing & Exploited Children is exempt from federal taxes under section 501(c)(3) of the Internal Revenue Code and has received a ruling that it is a publicly supported organization as described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. All donations are tax deductible to the extent allowed by law. EIN# 52-1328557.

NCMEC is identified on the Combined Federal Campaign form as CFC #11822.