



ARIZONA AUTO THEFT AUTHORITY

DRIVING DOWN AUTO THEFT IN ARIZONA

2013 ANNUAL REPORT

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Arizona Automobile Theft Authority - Mission Statement

To deter vehicle theft through a statewide cooperative effort by supporting law enforcement activities, vertical prosecution, and public education & prevention programs.

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Letter to the Governor

The Honorable Janice K. Brewer
Governor of Arizona
1700 West Washington
Phoenix, AZ 85007

Dear Governor Brewer:

It is my pleasure to share with you the continued success of the Arizona Automobile Theft Authority (AATA).

Last year, Arizona experienced another year of declining auto theft rates with 19,158 total stolen cars in 2012; a less than 1% decrease from 2011 and the tenth (10th) consecutive year for a decrease.

Overall, Arizona ranks sixth (6th) in the nation for vehicle thefts per capita (theft rate per 100,000 population) and ninth (9th) for total stolen vehicles. In 2012, the Phoenix MSA (Metropolitan Statistical Area), which had the dubious distinction of ranking the #1 "Hot Spot" just over ten years ago, plunged down the list to 70th place. Tucson, which previously held the #2 spot, fell to #44 during that period; Yuma remained #119.

The AATA credits the continued decline to a variety of factors including aggressive, results-oriented approaches by the Arizona Vehicle Theft Task Force, statewide law enforcement agencies and County prosecutors. New technologies like bait cars, license plate readers and theft deterrent/recovery systems along with proactive public awareness programs have also contributed to the decreases. Overall, Arizona consumers are impacted by reduced insurance rates and personal and financial victimization.

The insurance industry has also been a vital partner in Arizona's fight to combat auto theft and related crimes across our state. The National Insurance Crime Bureau (NICB), insurance companies and their investigators are all working together with law enforcement agencies to tackle the insurance fraud aspect of auto theft investigations.

The AATA pledges to continue effective auto theft reduction programs and strategies across the state and looks forward to continued service to the citizens of Arizona.

Respectfully,



Board Chairman
Arizona Automobile Theft Authority

AATA Board of Directors –

The AATA Board of Directors includes twelve (12) members, appointed by the Governor and other organizations; representatives include: two police chiefs, two sheriffs, two county attorneys, two insurance industry representatives, two members of the general public, and the Directors of the Arizona Department of Public Safety and Arizona Motor Vehicle Division.



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Chairman
Farmers Insurance



Chief Daniel G. Sharp
Vice-Chairman
Oro Valley Police Department



Sheriff Joe Arpaio
Maricopa County Sheriff's Office



Sheriff Paul Babeu
Pinal County



Joe Brosius
Public Member



Director Robert Halliday
Az. Dept. of Public Safety



Chief Roy Minter
Peoria Police Department



Bill Montgomery
Maricopa County Attorney



Matt Reed
State Farm Insurance



Mary Snider
Public Member



Director Stacey K. Stanton
Arizona Motor Vehicle Division



M. Lando Voyles
Pinal County Attorney

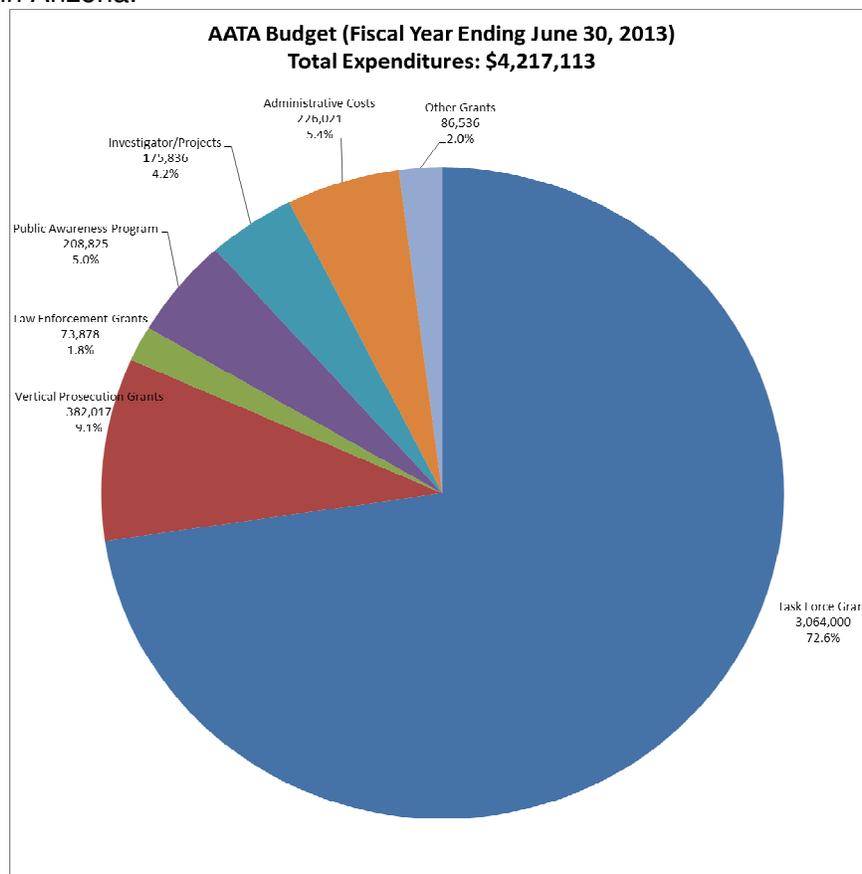
Agency Overview

The Arizona Automobile Theft Authority (AATA) was established by the Arizona Legislature in 1992 to create a statewide effort to reduce auto theft. The AATA is funded through semi-annual assessments of over 400 insurance companies doing business in Arizona and uses no tax dollars.

The foresight of the Arizona Legislature in creating the AATA has placed Arizona as the leader in methodology and effective results in combating vehicle theft. The AATA serves as a unique example of a public/private and consumer partnership and is viewed as a national and international model for effective and sustainable auto theft reduction strategies.

The agency is governed by a 12-member Board of Directors, appointed by the Governor, statute, or law enforcement organizations. The AATA has a 4-member staff responsible for executing the Agency's strategic plan, including statewide auto theft reduction programs as well as grant funding, program review & compliance. Last year the Arizona Legislature passed Senate Bill 1042, which continues the AATA for ten additional years (July 1, 2022).

The AATA functions as the lead organization in a statewide network of law enforcement, criminal justice and community partners working together to combat auto theft crimes across Arizona. By focusing resources in enforcement/investigative units, prosecution efforts, and aggressive public education programs, the AATA and its statewide law enforcement partners have impacted the state's auto theft rate. Through its leadership, the AATA has been able to break down barriers of jurisdictional lines and place resources in targeted areas. The agency has implemented a methodology of cutting edge strategies, utilizing the latest technology, and constantly re-evaluating the fluid nature of the criminal organizations that dominate the vehicle theft problem in Arizona.



Motor Vehicle Theft in Arizona – Current Trends

In 2012, Arizona saw the number of auto thefts fall for the 10th consecutive year, to a low of 19,158 stolen vehicles.

Arizona currently ranks sixth (6th) in the United States for vehicle thefts per capita, behind the District of Columbia, California, Washington, Nevada and Oklahoma; ninth (9th) in the nation for total number of vehicle thefts behind California, Texas, Florida, Georgia, Washington, Illinois, Michigan and Ohio.

Nationwide in 2012, there were an estimated 721,053 vehicle thefts, a slight increase of 0.6% from 2011 figures and the first increase in eight years. The peak year for vehicle theft in the United States was 1991, with 1,661,738 stolen cars, which reflects a decrease of more than 50% since 1991 with many states seeing even better numbers. More than \$4.3 billion was lost nationwide to motor vehicle theft in 2011; over \$95 million economic loss for the State of Arizona.

The nature of auto theft in Arizona has significantly changed over the past decade. As an agency, the AATA remained flexible and adaptable to stay ahead of the changing nature of vehicle theft in our State. To understand the nature of vehicle theft in Arizona, one must first recognize that it is primarily a crime of facilitation. Much of the smuggling, trafficking, and violent crime in Arizona is facilitated by the use of stolen vehicles in the commission of these crimes. Stolen vehicles are often used to smuggle weapons and cash proceeds of crime out of Arizona; while also being used to smuggle and transport drugs and humans into and through the State.

In Arizona, the theft of motor vehicles is commonly associated with various forms of organized crime. The Mexican drug cartels, motorcycle gangs, organized fraud rings and street gangs, to name a few, are heavily involved in vehicle theft. Vehicles are stolen for a variety of reasons beyond the facilitation of other crimes. Some stolen automobiles are sold here and abroad as an allegedly legitimate vehicle after having the vehicles' identity changed (VIN switched or cloned), while other vehicles are dismantled or sold for their scrap value.

Auto theft has increasingly become a transnational crime. Vehicles stolen in Arizona are often destined for foreign countries; crossing the border to our south or in shipping containers sent out of state to port cities. The Secretary General of INTERPOL, Ronald K. Noble, recently stated regarding auto theft that the "gamut of this transnational crime is, as we all know, [goes] well beyond just the vehicles from one country being stolen and then sold in another. From acts of terrorism to trafficking in human beings, weapon or drugs, vehicle crime touches nearly all forms of serious crime."

The Arizona Vehicle Theft Task Force and the law enforcement partners of the AATA are diligently working to disrupt the organized crime associated with auto theft. The insurance industry has also been a vital partner in Arizona's fight to combat auto theft and related crimes across our state. The National Insurance Crime Bureau (NICB), insurance companies and their investigators are all working together with law enforcement agencies to tackle the insurance fraud aspect of auto theft.

Last year, the Phoenix MSA (Metropolitan Statistical Area), once ranked #1 “Hot Spot” just over ten years ago, plunged down the list to 70th place. Tucson, which previously held the #2 spot, fell to #44 during that period; Yuma #119.



2012 Hot Spots - Top 10 MSA’s with the highest vehicle theft rates:

2012 Ranking		2010 Ranking
1.	Modesto, CA.	2
2.	Fresno, CA.	1
3.	Bakersfield, CA.	3
4.	Stockton/Lodi, CA.	7
5.	Yakima, Wash.	5
6.	San Francisco/Oakland/Hayward, CA.	6
7.	San Jose/Sunnyvale/Santa Clara, CA.	20
8.	Vallejo/Fairfield, CA.	9
9.	Spokane/Spokane Valley, WA.	4
10.	Redding, CA.	40
<hr/>		
70.	Phoenix/Mesa/Glendale, AZ	60
44.	Tucson, AZ	37
119.	Yuma, AZ	119

**Source: National Insurance Crime Bureau 2013 “Hot Spots Report.”*

2012 Hot Wheels – Most Stolen Vehicles List

A new feature in NICB’s Hot Wheels Report this year is the addition of a list of the top 25 model year 2012 vehicles that were most stolen in calendar year 2012.

The top 10 on this list are:

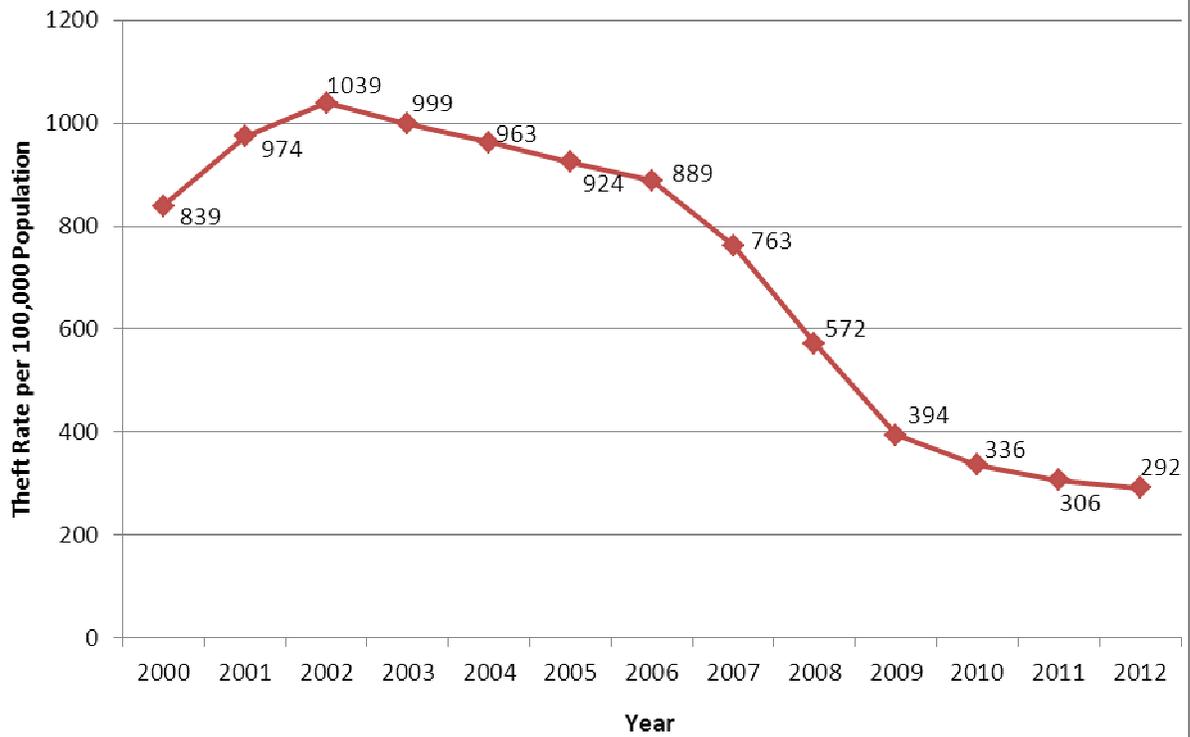
1. Nissan Altima
2. Chevrolet Impala
3. Chevrolet Malibu
4. Toyota Camry
5. Ford Fusion
6. Ford Pickup (Full Size)
7. Ford Focus
8. Chrysler
9. Dodge Charger
10. Dodge Avenger

Top 10 Most Stolen Vehicles – 2012 Arizona

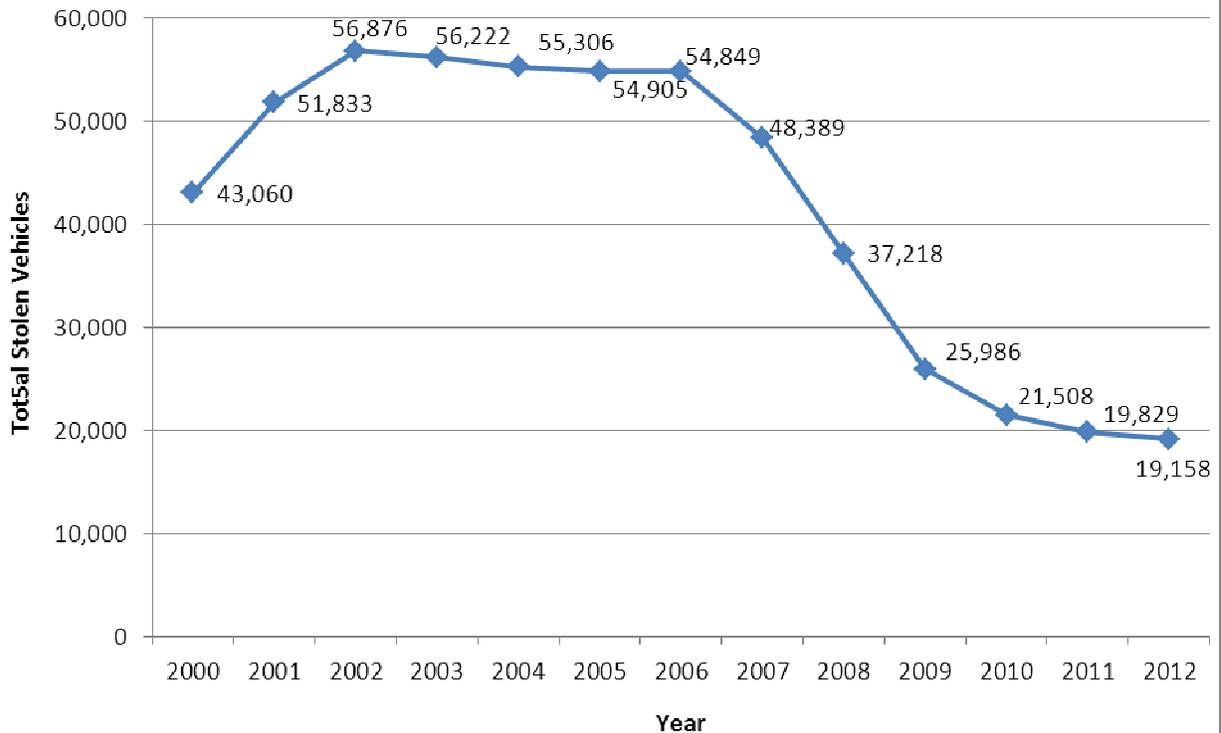
1. 1994 Honda Accord
2. 1997 Honda Civic
3. 2001 Chevrolet Pickup
4. 2006 Ford Pickup
5. 2004 Dodge Pickup
6. 1994 Nissan Sentra
7. 1997 Nissan Altima
8. 1991 Toyota Camry
9. 1995 Nissan Standard Body Pickup
10. 1996 Nissan Maxima

**Source: National Insurance Crime Bureau (NICB) – August 2013*

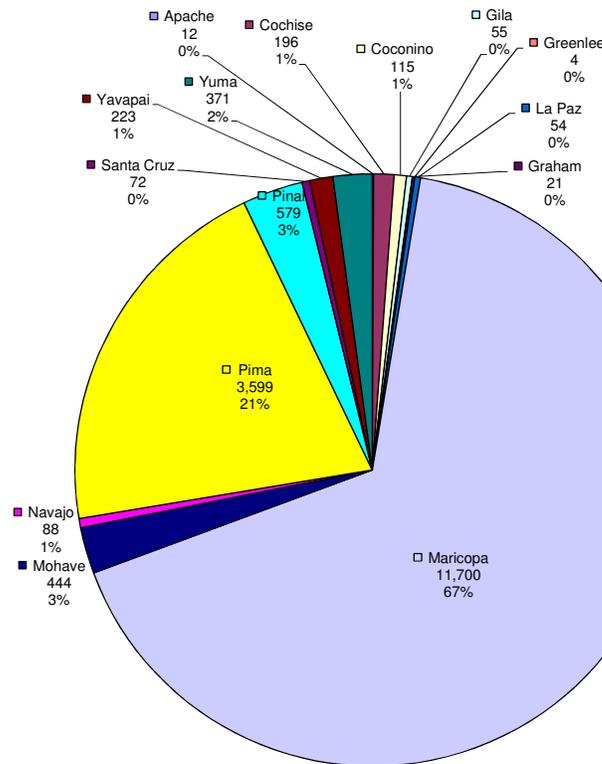
Arizona Vehicle Theft Rate 2000-2012



Arizona Total # of Stolen Vehicles 2000-2012



2012 Arizona Vehicle Thefts by County - *2012 AZ. DPS Crime in AZ Report



Motor Vehicle Theft in Arizona – Current Trends

Stolen vehicles are also taken to “chop shops,” where vehicles are stripped and component parts are sold to unsuspecting buyers, or unscrupulous auto repair shops. Thieves also attempt to conceal the identity of stolen vehicles by “VIN-switching” with wrecked or salvaged vehicles and then sell them to unsuspecting buyers. VIN cloning is a growing national problem. This crime is similar to ID theft where the identity (VIN #) of a good vehicle is taken and used to conceal the true identity of a stolen vehicle of an identical make and model. These vehicles are then titled in another state and sold to an unsuspecting victim. This is a crime that can be prevented through the use of a system called, NMVTIS (National Motor Vehicle Title Information System), which Arizona participates in and allows states to instantly and reliably verify information on the paper title with the electronic data from the state that issued the title.

A continuing trend is the theft of vehicles for the scrap metal value. Vehicles are stolen and delivered to scrap metal dealers, where the vehicles are crushed and/or shredded simply for the (nominal) value of the scrap metal. The vehicles are destroyed without title or other documentation. Unscrupulous scrap dealers are conspiring with or facilitating auto thieves in Arizona to make quick profit from the stolen vehicles that disappear without a trace. The AATA, Arizona Vehicle Theft Task Force and law enforcement agencies are implementing new strategies to combat this growing trend.

Vehicles are also stolen and smuggled out of the country; stolen vehicles from the U.S. and other affluent countries end up in Asia, Eastern Europe, the Middle East, Mexico, Central and South America. The moderate recovery rate (63%) of stolen vehicles is an indicator of organized criminal activity and the exportation of stolen vehicles. Additionally, Interpol, the international intelligence community, has identified vehicle theft and related criminal activity, including insurance fraud, as one of the primary funding sources international terrorism.

<u>State</u>	<u>2012 Total Vehicle Thefts</u>	<u>State</u>	<u>2012 Vehicle Theft Rate (Per 100,000 Population)</u>
California	168,608	Dist. of Columbia	579.0
Texas	64,996	California	443.2
Florida	37,330	Washington	382.8
Georgia	28,536	Nevada	363.1
Washington	26,402	Oklahoma	303.1
Illinois	25,690	 Arizona	292.3
Michigan	25,115	Georgia	287.7
Ohio	19,512	South Carolina	279.5
 Arizona	19,158	Missouri	270.8
New York	17,348	New Mexico	261.9
New Jersey	16,481	Oregon	261.7
Missouri	16,308	Hawaii	258.9
North Carolina	16,120	Maryland	255.3
Pennsylvania	15,028	Michigan	254.1
Maryland	15,025	Rhode Island	250.2
Indiana	13,661	Texas	249.4
South Carolina	13,201	Kansas	234.9
Tennessee	12,980	Colorado	233.1
Colorado	12,092	Nebraska	223.5
Oklahoma	11,564	Utah	210.1
Oregon	10,203	Indiana	209.0
Nevada	10,018	Alaska	208.1
Alabama	9,874	Alabama	204.8
Massachusetts	9,232	Tennessee	201.0
Virginia	9,076	Illinois	199.5
Minnesota	8,458	Arkansas	194.1
Wisconsin	8,216	Florida	193.2
Louisiana	7,881	New Jersey	185.9
Kansas	6,778	Connecticut	179.6
Kentucky	6,668	Louisiana	171.3
Connecticut	6,449	Ohio	169.0
Utah	5,999	Montana	168.0
Puerto Rico	5,847	North Carolina	165.3
Arkansas	5,724	North Dakota	164.5
New Mexico	5,463	Puerto Rico	159.4
Mississippi	4,322	Minnesota	157.2
Nebraska	4,147	Delaware	156.6
Iowa	4,023	Kentucky	152.2
Dist. of Columbia	3,661	Mississippi	144.8
Hawaii	3,605	Wisconsin	143.5
Rhode Island	2,628	Massachusetts	138.9
West Virginia	2,209	Iowa	130.9
Montana	1,689	South Dakota	127.8
Alaska	1,522	West Virginia	119.1
Delaware	1,436	Pennsylvania	117.7
Idaho	1,364	Virginia	110.9
North Dakota	1,151	Wyoming	101.3
South Dakota	1,065	New York	88.6
New Hampshire	1,023	Idaho	85.5
Maine	995	New Hampshire	77.5
Wyoming	584	Maine	74.9
Vermont	435	Vermont	69.5

The AATA remains diligent despite the continued reduction in vehicle thefts. Arizona's proximity to Mexico mandate employing partnerships on a national and international level to curtail vehicle theft by organized criminal groups. These partnerships deter exportation of stolen vehicles and the myriad criminal activity financed by organized vehicle theft.

Arizona stolen vehicles are utilized in every level of criminal activity from the street thieves, to local criminal organizations, to the interstate and international syndicates. Many of the stolen vehicles that make their way to the Arizona/Mexico border or into Mexico are utilized to facilitate the drug trafficking and human smuggling/trafficking trades. The cartels and syndicates engaged in smuggling have a need for high capacity and durable vehicles. Vehicles are selected based upon their ability to haul "heavy cargo" --- large amounts of drugs and/or people.



Two people attempting to enter the U.S. in southern Arizona ended up fleeing to Mexico when their vehicle became stuck on top of the border fence.

Photo courtesy: U.S. Border Patrol

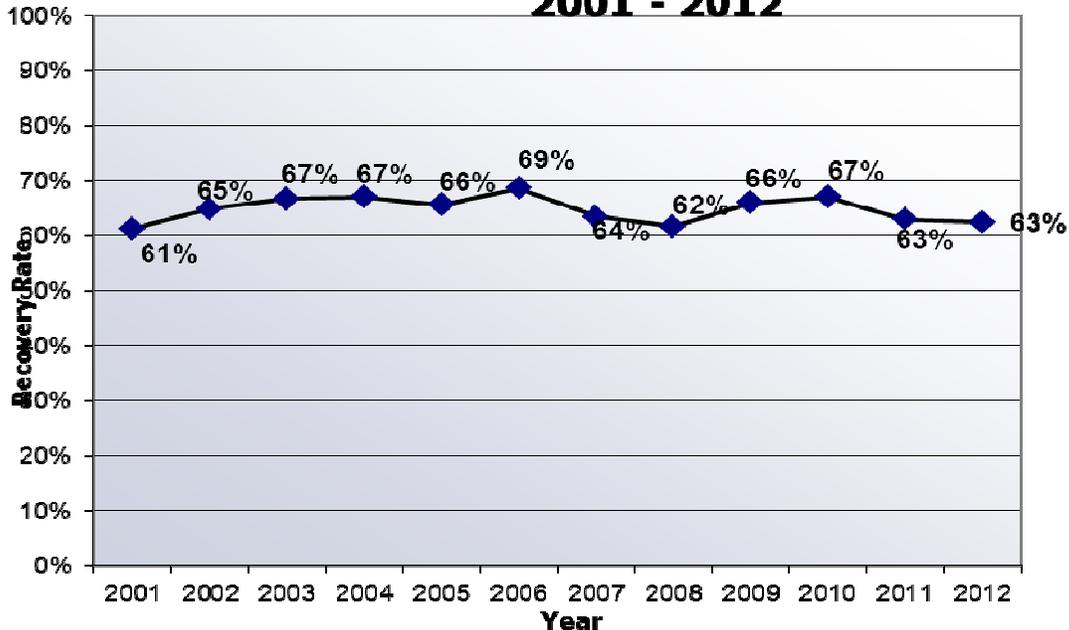


Stolen F-250 from Phoenix – Recovered in desert south of Hidden Valley, AZ



In FY13, the AATA continued to focus a majority of its resource allocation (\$3,064,000 or 72.6% of total budget) to the AZ. Vehicle Theft Task Force (AVTTF), for its continued statewide enforcement and investigative efforts. Since 2000, the AATA also has provided annual grant funding to law enforcement agencies and county attorney offices across Arizona. AATA funded programs are currently located in counties which account for 91% of the state's auto theft problem.

AZ. Stolen Vehicle Recovery Rate 2001 - 2012



A continuing trend across the U.S., is the percentage of vehicles stolen and recovered dropping to a 30-year low of 52%; the lowest since 1981. Arizona's recovery rate remained 63% in 2012.

AATA's 2013 Programs & Accomplishments

AATA's three strategic initiatives - law enforcement, aggressive (vertical) prosecution and public education all work together to combat vehicle theft throughout Arizona. Since 2000, the AATA has issued annual grant funding to law enforcement agencies across the state to proactively combat auto theft in counties with the state's highest auto theft rates.

The citizens of Arizona can expect that our State will remain on the forefront of combating vehicle theft and the associated crime that has plagued our communities. The AATA, the Arizona Vehicle Theft Task Force, and the AATA's law enforcement partners continue to recognize the organized crime and drug cartel impact on vehicle theft rates in Arizona and diligently battle the foundations of this gateway crime.

The AATA has worked to provide statewide resources where they'll have the greatest impact, while paying attention to the needs of smaller communities in the State. Criminals are not constrained by city limits or county lines. By taking a comprehensive statewide approach, working with local, county, state and federal law enforcement agencies, the AATA is able to allocate funding dedicated to combat vehicle theft in a strategic and tactical manner.

The AATA is in the developmental stages of programs, whereby investigative equipment for law enforcement can be deployed to areas of the state where it is needed most, then re-deployed to other areas as circumstances change. Equipment included in these programs consists of license plate readers, magneto-optical VIN identification equipment, and bait cars.

Law Enforcement Programs -



Arizona Vehicle Theft Task Force

A critical role in the AATA's mission is to support proactive, law enforcement activities throughout Arizona. Since 1997, the AATA has partnered with the Arizona Department of Public Safety, state, local, and county law enforcement agencies to fund the Arizona Vehicle Theft Task Force, which is the AATA's largest annual grant recipient (70% of AATA's Annual Budget).

The Arizona Vehicle Theft Task Force or "RATTLER" (Regional Auto Theft Team Law Enforcement Response) serves as a statewide resource for the investigation of vehicle theft, chop shops, insurance fraud, and the criminal organizations that employ auto theft as a means of facilitating their criminal endeavors. The Task Force provides technical expertise, training and investigative support to law enforcement agencies targeting vehicle theft and related crimes.



The Task Force is comprised of local, county, state, and federal law enforcement agencies as well as agents from the National Insurance Crime Bureau participating in a concerted effort to identify, apprehend, and prosecute individuals and criminal organizations that profit from the theft of motor vehicles and related crimes.

The Arizona Vehicle Theft Task Force is in the process of re-establishing a squad of detectives that will work along the international border between the Arizona and Mexico. The Border Squad is expected to be operational early in 2014.

AZ. VEHICLE THEFT TASK FORCE FY'13 RESULTS

JULY – JUNE	2012-2013	
Combined Activity	Number	Estimated Value
Stolen Vehicles Recovered	1,200	\$13,450,045.00
Stolen Vehicle Locates	107*	*Since Dec. 2012
“Chop Shops” Investigated	23	
Altered/Switched VIN's	132	
Felony Arrests	105	
Adults	103	
Juveniles	2	
Insurance Fraud Cases	14	
Business Inspections	75	
Border Interdiction Programs	5	
CORE Programs	0	
Training Provided	17	
Assists to Other Agencies	948	

Arizona's Bait Car Program

Arizona's Bait Car program began as a pilot AATA Grant project in 2003 by a handful of Valley law enforcement agencies then soon expanded across the state. Vehicles are donated by the National Insurance Crime Bureau (NICB) and its member companies, equipped with bait car systems funded by the AATA. Bait cars are used by law enforcement agencies across the United States and Canada and have proven to be an effective tool in Arizona's auto theft reduction strategy. Police Bait cars are deployed in strategic locations by law enforcement agencies. After a bait car is stolen, the location of the vehicle is monitored by police dispatchers through GPS tracking.



Bait Car technology has been evolving and changing over the past several years. Most bait car systems employed in Arizona is derived from AATA grant funding. These systems generally work in a manner that is run through a specific agencies dispatch. Each bait car is therefore tied to the specific agency. Advances in Bait Car technology, in conjunction with other related advances in GPS, wireless Bluetooth, geo-fencing, and countless technological developments, allow for a new era of bait cars that are more effective and cost efficient.

The program continues to demonstrate successful results; as of December 2013, the program has nearly 400 arrests since the program began. The AATA credits the program with helping drive down Arizona's auto theft rate to its lowest level since the mid-1990's.

As Arizona's Bait Car program marked its 10th anniversary in 2013, future plans include expanding the fleet of Bait Cars across the entire state to be used by a multitude of law enforcement agencies and thus increase the statewide impact of the limited resources available to the AATA.

License Plate Readers

License Plate Reader (LPR) technology is an important tool in the detection and apprehension of auto thieves and has improved the success in the recovery of stolen vehicles. A single LPR system has the capability of scanning thousands of plates on daily basis, sweeping parking lots, streets and highways to identify and recover stolen vehicles. The LPR technology continues to improve and operates in a manner that does not impact the privacy of individuals, but identifies license plates that have been flagged as being associated with a stolen vehicle.

Future plans include strategies to make LPR technology available throughout the state by creating a fleet of mobile LPR's and a reserve of LPR equipment that can be used by a variety of law enforcement agencies to increase statewide impact.



Special Investigations

The AATA Special Investigations program is a new addition to the AATA's approach to combating vehicle theft, bridging an investigative void. The AATA is often the repository of information involving vehicle theft. The AATA is frequently looked to for direction when a multi-jurisdictional case arises and no agency takes the lead. Police departments from Arizona, other states and other countries frequently contact the AATA with investigative inquiries about specific vehicles stolen in Arizona and/or the crimes associated therewith. An AATA investigator analyzes the criminal activity and acts as the conduit for the flow of information between involved jurisdictional law enforcement agencies, developing an operational plan to combat the criminal activity. In addition, AATA investigators may act as a liaison between law enforcement agencies needing specialized assistance and the Arizona Vehicle Theft Task Force.

Vertical Prosecution Program

Vertical Prosecution refers to the concept of utilizing dedicated, specially trained deputy county attorneys to address all phases of the criminal justice process regarding vehicle theft, and associated crimes, from the investigative phase through sentencing. The AATA has identified vertical prosecution as a vital component of a comprehensive vehicle theft reduction strategy for Arizona. Vertical Prosecution has been highly successful in dealing with other criminal activities such as, homicide, narcotics, organized crime, sexual assault and crimes against children. The AATA provides annual grant funding to the county attorney offices with the highest vehicle theft rates.

In FY 13, the AATA's Vertical Prosecution Program was expanded in Maricopa and Pinal counties to include support staff for increasing cases loads. Future plans include expanding the Vertical Prosecution program to additional counties.

Some results of the Vertical Prosecution Program during 2013 for the Maricopa County Attorney's Office, the AATA's largest Vertical Prosecution grant recipient, include:

Over 1,600 Submittals

28 Trials (25 guilty, 1 not guilty, 1 mistrial, and 1 hung jury)

Over 650 Plea Agreements reached

More than \$670,000 in Restitution awarded by the court

Several notable auto theft cases include:

State v. Reeter (Maricopa County)

The defendant, who had prior felony convictions, was involved in the sale of stolen trucks to an undercover police officer. The case was particularly difficult to prosecute in that the vehicles all had keys, the vehicles did not have the usual indicia of having been stolen, and one of the victims was unavailable to testify at trial.

The defendant was convicted by a jury and was sentenced to 15 years in prison. Restitution to the victims was ordered in the amount over \$13,000.00.

State v. Recchia (Maricopa County)

Defendant(s) lured the victim to an apartment complex where he thought he was going to meet his girlfriend. When he arrived he was robbed at gun and knife point. The victim's wallet, car and other property was stolen. Eventually, the victim was driven out to the desert in his car, where he was left.

The defendant was convicted by a jury and sentenced to 11 years in prison.

State v. Mata (Maricopa County)

The victims, a mother and her 5 year old son, were in their car when the defendant approached them with a gun. The defendant got into the back seat alongside the 5 year old and pointed the gun at the mother; telling her to drive. After several miles, the defendant ordered the mother out of her car. She was able to retrieve her son before the defendant drove off, stealing the vehicle.

The defendant was convicted by a jury and sentenced to 42 years in prison.

State v. Burns. (Pinal County)

Arizona Vehicle Theft Task Force Detectives received an anonymous tip regarding a stolen truck. Detectives followed the truck to a parking lot where they positioned police vehicles directly in front and behind the stolen truck driven by the defendant. The defendant rammed the police vehicles and caused a detective on foot to jump out of the way to avoid being struck by the stolen vehicle. The defendant, who was armed with two handguns, was also in possession of a large quantity of heroin, methamphetamine, marijuana and cash.

The defendant plead guilty to two counts and was sentenced to 12 years in prison.



Professional Training Grants

One of the responsibilities of the AATA is to provide training to statewide law enforcement agencies. The need for consistent, updated material to be instructed on a regular basis is an important element in combating auto theft in our State. This year, the AATA co-hosted the Arizona Auto Theft Investigators Association's (AATIA) 2013 Training Seminar where over 150 attendees received training on a variety of topics concerning auto theft related crimes, including current trends, methods of theft, information about VIN numbers, titles and license plates, as well as heavy equipment and all-terrain vehicle identification. The seminar also included an Award Ceremony for AATA's 2013 Award recipients, which included law enforcement, criminal justice, prosecution and private sector partners who have demonstrated outstanding accomplishments in combating auto theft in Arizona.

Public Education & Prevention

Public education and prevention remain an important component in the agencies strategy to combat vehicle theft, however, the nature of AATA's auto theft prevention programs has evolved and shifted focus in recent years. The AATA has provides resources to law enforcement agencies across the state to implement (and sustain) community-based public awareness programs.

The resources provided to law enforcement include equipment, literature and promotional items, along with AATA manpower, which afford agencies the ability to target specific needs of their community. The AATA has implemented ways to support these sustainable deterrence programs in a more cost effective and efficient manner, leaving the bulk of grant funding available for law enforcement and auto theft prosecution programs. Our goal is to empower Arizona vehicle owners to protect and secure their vehicles and personal property.

Presently, the AATA engages in the following public awareness and auto theft prevention programs:



Watch Your Car Program

The Watch Your Car program is one element of a "layered approach" to protection recommended by the AATA to effectively deter vehicles from being stolen. The Watch Your Car program is a voluntary enrollment program designed to deter vehicle theft, assist in the recovery of stolen vehicles, and apprehend auto thieves. After enrolling and signing an application form, participants in the program affix Watch Your Car decals to their vehicle, which authorizes law enforcement officials to stop the vehicle between the program hours of 1:00 AM and 5:00 AM when most vehicle thefts occur, or within one mile of the international border. Enrollment forms are obtained by contacting the AATA by phone or accessing the Agency's web

site at www.azwatchyourcar.com. The Watch Your Car program is free and open to all citizens with cars registered in the State of Arizona.

To promote the Watch Your Car program and other comprehensive vehicle theft prevention tips, the AATA partners with criminal justice agencies throughout the State, participates in auto theft prevention events and safety fairs as well as homeowners association and Block Watch meetings. Information displays are also located at every Motor Vehicle Division and AAA Arizona Travel Office statewide as well as at insurance company claims offices and apartment community rental locations. As of December 2013, the AATA has approximately 50,000 vehicles enrolled in the program.

The AATA's public education and prevention efforts continue to focus on strategic partnerships and collaborative efforts with community organizations, corporations and businesses, as well as criminal justice agencies throughout Arizona. Last year, the AATA partnered with AAA, Arizona, AARP, the Arizona Crime Prevention Association (ACPA), Maricopa County Attorney's Office, Valley Metro, SunWest Federal Credit Union and numerous corporations to promote vehicle theft and burglary prevention programs.

VIN (Vehicle Identification Number) Etching Program

VIN etching involves marking the vehicle identification number into the window glass of the vehicle, making the vehicle less valuable to thieves who may want to steal it. This also acts as a deterrent to chop shop operators and provides a valuable means for law enforcement to identify vehicles that have been VIN switched or cloned. The AATA owns VIN etching equipment and supplies needed to perform this service and regularly provides such to law enforcement agencies across the State. The AATA also sponsors VIN etching events that are conducted by agency staff and volunteers.



SunWest Federal Credit Union Event with Goodyear PD, AATA & Auto Theft Task Force Members – March 2013

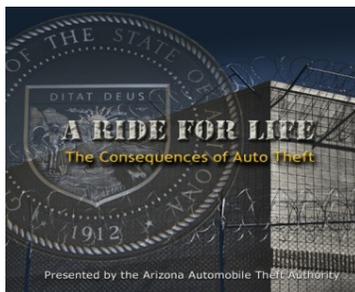


Annual Auto Theft Prevention Week

The AATA sponsors the Annual Statewide Auto Theft Prevention Week during the 1st week in March in partnership with law enforcement agencies & community partners by hosting auto theft prevention and/or VIN etching events in an effort to increase awareness about auto theft/burglary prevention. Each year dozens of police agencies sponsor auto theft prevention events during this week.

Youth Auto Theft Deterrent Programs

The AATA has developed Youth Deterrent Programs for middle school (“A Ride For Life: The Consequences of Auto Theft”) and high school students (“Park Smart, New Driver”). The programs are made available to educators, School Resource Officers (SRO’s) and community organizations as a partnership to divert young offenders and promote auto theft prevention practices for new drivers on the road.



Building Partnerships & Collaborative Efforts

The AATA continues to partner with community organizations, corporations and businesses, including AAA Arizona, AARP, the Arizona Crime Prevention Association (ACPA), Arizona Insurance Council, Valley Metro, and numerous others to promote auto theft and burglary prevention. The AATA continues to conduct auto theft prevention presentations and provides resources to residents at Multi-housing and rental communities. We continue to participate in auto theft and ID theft prevention events featuring free VIN etching and secure document shredding.



Bait Car & Auto Theft Deterrent Signs



Several Arizona police departments and local businesses have employed the use of signs in their parking lot indicating it's a "Bait Car Deployment Area." This not only serves as a deterrent to would-be auto thieves, but also reminds vehicle owners to protect themselves from becoming a victim of auto theft.

Social Media Outreach & E-Communication Outreach

The AATA has incorporated E-Newsletters and web-based technology into our public outreach efforts, along with Social Media including Facebook (Arizona Auto Theft Authority) and Twitter (azautotheft) and YouTube (azautotheft2012).

The AATA's website (www.azwatchyourcar.com) is maintained by staff with auto theft related information, statistics, events, E-newsletters. Staff continues to promote on-line Watch Your Car enrollment and web-based services for our customers.

Financial Report

For the Year Ended June 30, 2013

Arizona Automobile Theft Authority Fund

The Automobile Theft Authority Fund is a special revenue fund, which was established by the Arizona Legislature and is the only operating fund of the Automobile Theft Authority. The AATA does not receive any tax dollars or appropriations from the General Fund of the State of Arizona. All revenues received by the Authority, including investment income and monetary gifts, are deposited in the Automobile Theft Authority Fund. With the exception of grant awards to the Authority, expenditures of the Authority are appropriated by the Legislature and paid from collected monies in the Fund. The financial statements for the fiscal year ending June 30, 2013 of the AATA have been audited by the accounting firm of Heinfeld, Meech & Co., P.C., Certified Public Accountants in accordance with generally accepted accounting principles and government auditing standards. Their report gave an unqualified opinion of the Authority's financial statements and their report on compliance and internal controls stated, "We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses."

Revenue

The revenue of the AATA is derived from a statutory semi-annual assessment of 50 cents per vehicle paid by each insurance company writing automobile liability coverage in Arizona on motor vehicles weighing 26,000 pounds or less, gross vehicle weight (GVW). Current year revenue collections from insurance assessments for the fiscal year ending June 30, 2013 were \$ 5,332,073, an increase of \$67,968 or 1.29% from the prior year. All excess cash is invested with the State Treasurer and the Authority earned \$12,656 in investment income during the current fiscal year.

Expenditures

Total expenditures for the current year were \$4,217,113, an increase of \$16,087 from the total expenditures from the previous year of \$4,201,026. The Arizona Revised Statutes, A.R.S. §41-3451.H requires that "The costs of administration shall not exceed ten percent of the monies in the fund in any one year so that the greatest possible portion of the monies available to the authority is expended on combating motor vehicle theft." Accordingly, the Arizona Automobile Theft Authority tightly controls its administrative costs. Administrative expenses of the Authority are limited by statute and are not to exceed 10% of the revenue collected by the Authority. For the fiscal year ending June 30, 2013, the Authority was in compliance with this statute with "costs of administration" being 4.23%, of "the monies in the fund" as verified by the audit. The AATA's administrative costs for the fiscal year were 5.36% of total expenditures. The AATA ended the year with cash and investments with the State Treasurer of \$1,503,030.

Revenue Forecast

The AATA reviewed the revenue collection trends for several of the previous years. With two collection periods per fiscal year the collection data was analyzed from period to period, as well as fiscal year to fiscal year. This analysis showed a dramatic drop in the rate of revenue increase from FY'06-FY'10. The rate of revenue growth has increased slightly in FY'11, FY'12 and FY13. Therefore, in going forward the AATA was very cautious in its revenue projections, for the fiscal year ending June 30, 2014 the agency projects revenue growth of .60%, this means that the anticipated revenue in the next fiscal year should be approximately \$5,364,064, (\$31,992 above the revenue received in the current fiscal year). Going forward, the agency expects revenue to increase slightly (approximately .75%) for the fiscal year ending June 30, 2015. Other factors that were considered in making revenue projections include the state of the economy and population growth. Also the AATA reviews each assessment submitted by an insurance company and verifies statutory compliance.

Arizona Auto Theft Authority Fund

Statement of Operations by Program for the Fiscal Year Ended June 30, 2013

	June 30, 2012	June 30, 2013
Revenue		
Current Year Collections	5,264,105	5,332,073
Prior Year Collections	-	-
Investment Income	8,674	12,656
Grants	-	-
Refund of Unused Grant Funds	5,113	2,720
Total Cash Collections	<u>5,277,892</u>	<u>5,347,449</u>
Revenue Accrued at June 30th	33,944	97,084
Total Revenue	<u>\$5,311,836</u>	<u>\$5,444,533</u>
Expenditure by Program		
Administrative Costs (1,2)	243,488	226,021
Arizona Vehicle Theft Task Force Grant	3,000,000	3,064,000
Vertical Prosecution Program	330,119	382,017
Public Awareness /Programs	289,326	208,825
Public Awareness Grant Program	-	-
Law Enforcement Grant Program	89,087	73,878
Professional Training & Special Grant Program	20,370	15,274
Emergency/Discretionary Grant Program	228,636	71,262
Investigator Projects	-	175,836
Auto Theft Events	-	-
Miscellaneous	-	-
Total Expenditures (3)	<u>4,201,026</u>	<u>4,217,113</u>
Transfer to Primary Government	890,500	-
Excess of Expenditures Over Revenues	220,310	1,227,420
Beginning Fund Balance (4,5)	2,893,729	3,114,039
Ending Fund Balance (4,5)	<u>\$3,114,039</u>	<u>\$4,341,459</u>
Footnotes		
1. Administrative Costs as a Percentage of Cash Collections	4.61%	4.23%
2. Administrative Costs as a Percentage of Total Expenditures	4.78%	5.36%
3. Actual Expenditures by Category per Audited Financial Statements		
Appropriated Current Operating Expenses		
Personal Services	236,624	284,957
Employee related expenses	101,875	108,913
Professional services	8,536	14,507
Travel-in-State	2,837	3,819
Travel-out-State	291	6,905
Aid to Organizations	3,669,250	3,606,431
Other Operating	113,288	114,427
Equipment	68,325	77,154
Total Expenditures	<u>\$4,201,026</u>	<u>\$4,217,113</u>
Non-appropriated Expenses		
Other Travel	-	-
Miscellaneous	-	-
Auto Theft Events	-	-
Total Non-appropriated Expenditures	<u>-</u>	<u>-</u>
4&5. Fund balance includes accrued income as per the audited financial statements		
Total Expenditures	\$4,201,026	\$4,217,113
Cash invested with the State Treasurer as of June 30 th	\$ 365,373	\$ 1,503,030
Report based on audited financial statements		

Special Thanks -

The Arizona Automobile Theft Authority Board of Directors and Staff would like to thank the following individuals and organizations for their continued support and assistance.

Arizona Auto Theft Investigators Association (AATIA)
International Association of Auto Theft Investigators (IAATI)
National Insurance Crime Bureau (NICB)
Policia International Arizona-Sonora (PISA)
Arizona Insurance Council (AIC)

Rep. Adam Kwasman, Arizona House of Representatives
Alberto Gutier, Director, Governor's Office of Highway Safety
Captain Bruce Campbell, AZ DPS/Arizona Vehicle Theft Task Force
Lt. Colonel Timothy Chung, AZ. DPS/Arizona Vehicle Theft Task Force
Ralph Lumpkin, National Insurance Crime Bureau
Sheriff Mark J. Dannels, Cochise County Sheriff
Dessi Galatti, Intern, PVCC/Northern Arizona University
Ryan Leliefeld, Intern, Arizona State University
J.D. Hough, AATA Special Investigations
Eric Billings, Analyst, Joint Legislative Budget Committee
John Blackburn, Jr. Executive Director, Arizona Criminal Justice Commission
Major Larry Scarber, Arizona Department of Public Safety
Scott Blum, Auto Theft Bureau Chief, Maricopa County Attorney's Office
Jeff Parr, Pinal County Attorney's Office
Tim Gaffney, Pinal County Sheriff's Office
Mary Curfman, AZ. DPS/Arizona Vehicle Theft Task Force
Nicole Farr, Arizona Insurance Council
Scott Selin, Analyst, Governor's Office of Strategic Planning & Budgeting
Jill Hall, Analyst, Governor's Office of Strategic Planning & Budgeting
Kerry Hayden, Farmers Insurance Company
Annette Jacobs, President, AZ. Auto Theft Investigators Association (Phoenix PD)
Emily James, GAO, Central Services Bureau
Steve Jimenez, AZ.DPS/Arizona Vehicle Theft Task Force
Kim Kelly, Gilbert Police Department
MaryJo Kuzmick, Gilbert Police Department
Major Jack Lane, AZ. DPS/Arizona Vehicle Theft Task Force (Retired)
Detective Lan Lee, ADOT/Arizona Vehicle Theft Task Force
Sgt. Brandon Luth, Maricopa County Sheriff's Office
Sgt. Jodie Martinez, Mesa Police Department
Detective Ryan Barnhart, Gilbert Police Department
Detective Garth McClellan, Gilbert Police Department
Peter R. Perrien, President, IAATI, New Orleans P.D. (Retired)
Vickie Owen, Gilbert Police Department
Bobby Owens, National Insurance Crime Bureau
Frank Scafidi, National Insurance Crime Bureau
Rich Spallinger, National Insurance Crime Bureau
Nancy Temporado, AZ. DPS/Arizona Vehicle Theft Task Force
Tony Wilcox, State of Arizona, Information Services Division

Thank you to the state's criminal justice agencies for their continued participation in the Arizona Vehicle Theft Task Force and partnership with the Arizona Automobile Theft Authority.

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