

# ARIZONA AUTOMOBILE THEFT AUTHORITY

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## 2010 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 programs.*

### AATA Staff

**Brian R. Salata**  
Executive Director

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Administrative Services Officer

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Administrative Assistant

# Letter to the Governor

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

Dear Governor Brewer:

Once again, it is my pleasure to share with you the continued success of the Arizona Automobile Theft Authority (AATA).

The AATA is pleased to report Arizona achieved another year of declining auto theft rates. Arizona reported 25,986 stolen cars in 2009, a 30% decrease from 2008 and the seventh (7<sup>th</sup>) consecutive year for a statewide decrease. Overall, Arizona ranked fourth (4<sup>th</sup>) in the nation for vehicle thefts per capita and seventh (7<sup>th</sup>) for total stolen vehicles.

In addition, the Phoenix and Tucson MSA's (metropolitan statistical areas) made a significant drop down the Top U.S. Cities list in 2009; Phoenix dropped to 40<sup>th</sup> place, Tucson to 24<sup>th</sup>. This marks a significant improvement for both cities, particularly Phoenix, once labeled the car theft capital of the U.S. In 2001, Phoenix and Tucson both held the #1 and #2 spots respectively on the list and remained on the top ten until 2008.

The AATA attributes the continued decline to a combination of factors including new technologies like bait cars, proactive law enforcement strategies, and multi-agency cooperation. Vehicle owner-applied theft deterrent and recovery systems are also delivering outstanding results. The coordinated and sustained efforts by the AATA and statewide law enforcement to attack the complex issue of auto theft from several different angles are also delivering successful results.

Our Agency also credits the decreases to aggressive and proactive enforcement by the Arizona Vehicle Theft Task Force and local law enforcement as well as prosecution efforts and public education strategies. Last year, the Task Force recovered 2,051 vehicles worth nearly \$25 million; hundreds of suspects were arrested and dozens of chop shops shut down. Overall, Arizona consumers are impacted by reduced insurance rates and personal and financial victimization.

The AATA will continue its commitment to effectively reduce and prevent auto theft and looks forward to continued service to the citizens of Arizona.

Respectfully,



Dean C. Butler  
Chairman  
Arizona Automobile Theft Authority

# ATA Board of Directors

The ATA Board of Directors includes twelve members, appointed by the Governor and other organizations representing: two police chiefs, two sheriffs, two county attorneys, two insurance industry representatives, two members of the general public, and the Directors of the Department of Public Safety and Motor Vehicle Division.



**Dean C. Butler**  
Chairman of the Board  
Farmers Insurance Company



**Sheriff Joe Arpaio**  
Maricopa County Sheriff's  
Office



**Joe Brosius**  
Public Member



**Chief Steven Conrad**  
Glendale Police Department



**Brian L. Garrett**  
State Farm Insurance Co.



**Director Robert Halliday**  
Arizona Department of  
Public Safety



**Bill Montgomery**  
Maricopa County Attorney



**Sheriff Ralph E. Ogden**  
Yuma County Sheriff's Office



**Chief Daniel G. Sharp**  
Vice-Chair  
Oro Valley Police Department



**Mary Snider**  
Public Member



**Director Stacey K. Stanton**  
Motor Vehicle Division



**James P. Walsh**  
Pinal County Attorney

# AATA Overview

The Arizona Automobile Theft Authority (AATA) was established by the Arizona Legislature in 1997 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.

These dedicated funds facilitate a cooperative effort by the insurance industry, law enforcement & criminal justice agencies and the citizens of Arizona. The AATA's fiscal year is from July 1<sup>st</sup> to June 30<sup>th</sup> and our budget is appropriated biannually by the Arizona Legislature. The AATA serves as a unique example of public/private and consumer partnership and is viewed as a national model for effective auto theft reduction strategies.

The AATA functions as the lead organization in a statewide network of law enforcement, prosecution and public education partners working to combat auto theft in Arizona. By focusing resources in enforcement/investigative units, prosecution efforts, and aggressive public education programs, the AATA, and our statewide law enforcement partners have been impacting our state's auto theft rate.

The agency is governed by a 12-member Board of Directors, appointed by the Governor and other organizations and includes The AATA has a four member staff responsible for executing the Agency's strategic plan, including statewide auto theft reduction programs as well as grant review & compliance.

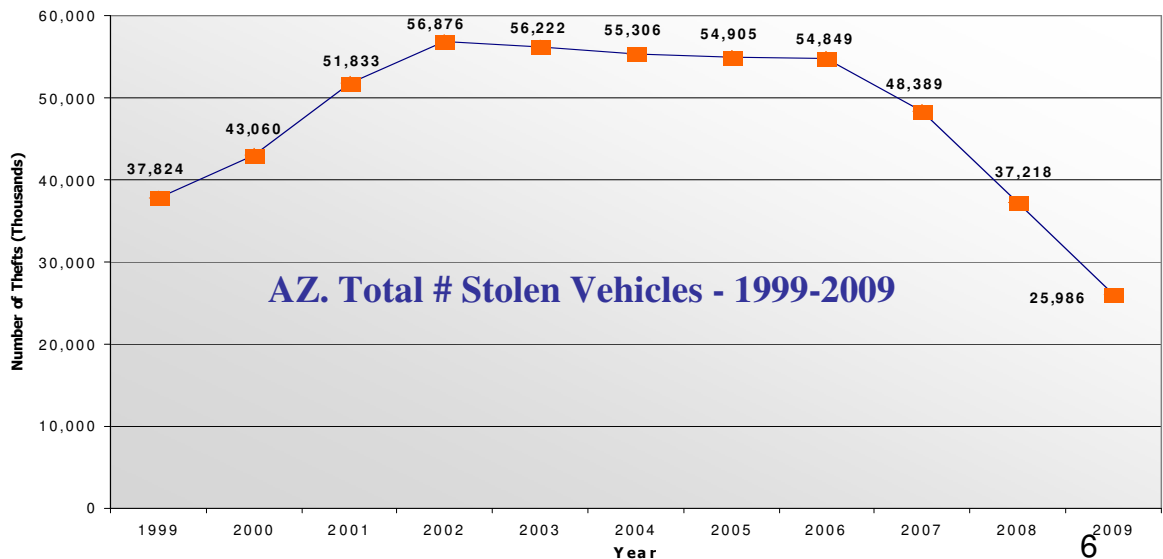
Since 2000 the AATA has issued annual grant funding to statewide law enforcement and criminal justice agencies for proactive auto theft programs. AATA funded programs are currently located in counties which account for 93% of the state's auto theft problem.

The prime beneficiaries, specifically vehicle owners and the insurance industry, totally support the government services from which they benefit. **Last year's stolen vehicle recovery rate by the AZ. Vehicle Theft Task Force resulted in nearly \$25 million recovered for victims and insurance companies. Since its inception (1997) the Task Force has recovered over 34,000 vehicles valued at nearly \$400 million.**

## Vehicle Theft in Arizona & the United States –

Auto theft remains a major border crime; facilitating the trafficking in drugs, humans, currency and weapons. The Mexican drug cartels have active auto theft cells that operate in our state's metropolitan areas, acting as the transportation division of their syndicate. The AZ. Vehicle Theft Task Force and the law enforcement partners of the AATA are diligently fighting to disrupt these organized auto theft rings that permeate our border region. These auto thieves, with their ties to the drug cartels, have become increasingly brazen and violent. The AATA will continue to promote the aggressive pursuit, capture, and prosecution of this criminal that plaque our state.

Vehicle theft facilitates, and is associated with a wide range of criminal activity in Arizona and the United States. It accounts for significant economic loss and affects the overall quality of life in our communities. The AATA works on local, state, national and international level to develop, implement and support law enforcement activities, border interdiction, vertical prosecution and public education programs to deter vehicle theft.



# Vehicle Theft in Arizona & the United States

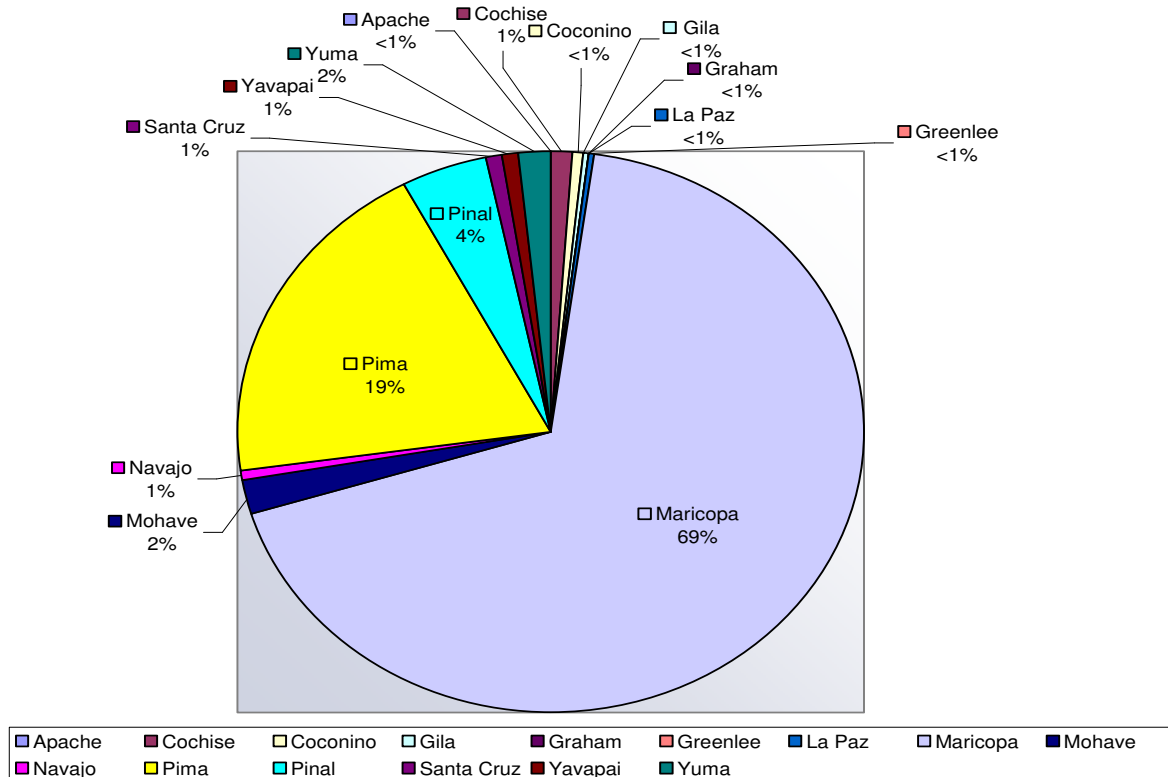
The FBI's 2009 Uniform Crime Report (UCR) reports approximately 795,000 motor vehicle thefts nationwide, which represents a 17.1% decline from 2008 figures. Nearly \$5.2 Billion was lost to vehicle thefts in 2009, with an average dollar loss per vehicle of \$6,505.

In 2009, Arizona reported 25,986 stolen vehicles, which reflects a 30% decrease in the theft rate from 2008 and a \$180 Million economic loss for vehicle owners and consumers.

## Arizona's Economic Loss – Vehicle Theft: 1999-2009




## 2009 Motor Vehicle Thefts by County



# Vehicle Theft in Arizona & U.S - continued

Arizona currently ranks fourth (4<sup>th</sup>) in the United States for vehicle thefts per capita, behind Washington, D.C., Nevada, and California and seventh (7<sup>th</sup>) in the nation for total number of vehicle thefts behind California, Texas, Florida, Georgia, Michigan & Illinois.

## Motor Vehicle Theft by State -Ranked by Vehicle Theft Rate for Calendar. Yr. 2009

RANK	STATE	TOTAL Stolen 2009	TOTAL Stolen 2008	% CHANGE	2009 THEFT RATE	2008 THEFT RATE	% CHANGE
1	District of Columbia	5,532	6,465	-14.4	922.5	1,092.4	-15.6
2	Nevada	12,379	15,903	-22.2	468.4	611.6	-23.4
3	California	164,021	192,527	-14.8	443.8	523.8	-15.3
4	<b>Arizona</b> 	<b>25,986</b>	<b>37,218</b>	<b>-30.2</b>	<b>394.0</b>	<b>572.6</b>	<b>-31.2</b>
5	Hawaii	4,819	5,133	-6.1	372.1	398.5	-6.6
6	Washington	23,680	28,331	-16.4	355.3	432.6	-17.9
7	Maryland	19,619	25,333	-22.6	344.2	505.4	-31.9
8	Georgia	33,145	39,628	-16.4	337.2	409.1	-17.6
9	New Mexico	6,476	8,004	-19.1	322.2	403.4	-20.1
10	Texas	76,559	85,350	-10.3	308.9	350.8	-11.9
11	South Carolina	13,566	17,652	-23.1	297.4	394.0	-24.5
12	Michigan	29,383	36,241	-18.9	294.7	362.3	-18.7
13	Missouri	17,479	20,765	-15.8	291.9	351.3	-16.9
14	Oklahoma	10,404	10,881	-4.4	282.2	298.7	-5.5
15	Florida	50,259	63,509	-20.9	271.1	346.5	-21.8
16	Louisiana	11,717	13,743	-14.7	260.8	311.6	-16.3
17	Oregon	9,869	11,331	-12.9	258.0	299.0	-13.7
18	Colorado	12,458	13,519	-7.8	247.9	273.7	-9.4
19	Utah	6,904	7,195	-4.0	247.9	262.9	-5.7
20	Alaska	1,689	1,638	-3.1	241.8	238.7	1.3
21	Tennessee	14,973	19,224	-22.1	237.8	309.3	-23.1
22	Alabama	11,081	13,458	-17.7	235.3	288.7	-18.5
23	Rhode Island	2,393	3,200	-25.2	227.2	304.5	-25.4
24	Indiana	13,879	17,455	-20.5	216.1	273.7	-21.0
25	Delaware	1,907	2,541	-25.0	215.5	291.0	-25.9
26	North Carolina	20,024	26,743	-25.1	213.5	290.0	-26.4
27	Connecticut	7,476	8,963	-16.6	212.5	256.0	-17.0
28	Arkansas	6,103	6,511	-6.3	211.2	228.0	-7.4
29	Kansas	5,954	7,395	-19.5	211.2	263.9	-20.0
30	Illinois	26,676	32,572	-18.1	206.6	252.5	-18.2
31	Ohio	22,890	28,532	-19.8	198.3	248.4	-20.2
32	Nebraska	3,481	4,188	-16.9	193.8	234.8	-17.5
33	Mississippi	5,401	6,352	-15.0	183.0	216.2	-15.4
34	New Jersey	15,508	20,180	-23.2	178.1	232.4	-23.4
35	Massachusetts	11,735	12,737	-7.9	178.0	196.0	-9.2
36	Puerto Rico	6,832	7,003	-2.4	172.2	177.1	-2.8
37	Minnesota	8,519	10,078	-15.5	161.8	193.1	-16.2
38	Wisconsin	8,926	11,520	-22.5	157.8	204.7	-22.9
39	West Virginia	2,741	3,204	-14.5	150.6	176.6	-14.7
40	Montana	1,456	1,573	-7.4	149.3	162.6	-8.2
41	Virginia	11,419	13,259	-13.9	144.9	170.7	-15.1
42	Wyoming	771	713	8.1	141.7	133.9	5.8
43	Pennsylvania	17,821	22,471	-20.7	141.4	180.5	-21.7
44	Kentucky	6,080	7,667	-20.7	140.9	179.6	-21.5
45	North Dakota	852	882	-3.4	131.7	137.5	-4.2
46	Iowa	3,888	4,332	-10.2	129.3	144.3	-10.4
47	New York	21,870	25,114	-12.9	111.9	128.9	-13.2
48	South Dakota	813	800	1.6	100.1	99.5	0.6
49	Idaho	1,442	1,668	-13.5	93.3	109.5	-14.8
50	New Hampshire	1,124	1,387	-19.0	84.9	105.4	-19.4
51	Maine	1,021	1,176	-13.2	77.4	89.3	-13.3
52	Vermont	448	585	-23.4	72.1	94.2	-23.5



## Arizona Vehicle Theft - Current Trends –

Arizona achieved another year of declining auto theft rates in **2009 with 25,986 stolen cars, a 30% decrease from 2008 and the seventh (7th) consecutive year for a statewide decrease. Overall, Arizona ranked fourth (4th) in the nation for vehicle thefts per capita and seventh (7th) for total stolen vehicles.**

In addition, the Phoenix and Tucson MSA's (metropolitan statistical areas) made an impressive drop down the list in 2009; Phoenix dropped to 40th place, Tucson to 24th. This marks a significant improvement for both cities, particularly Phoenix, once labeled the car theft capital of the U.S. In 2001, Phoenix and Tucson both held the #1 and #2 spots on the list and remained on the top ten until 2008. Additionally, until 2004, Arizona held the title of number one state (by per capita rate) for vehicle theft.

The AATA attributes the continued decline to a combination of factors including new technologies like bait cars, proactive law enforcement strategies, and multi-agency cooperation. Vehicle owner-applied theft deterrent and recovery systems are also delivering outstanding results. The coordinated and sustained efforts by the AATA and statewide law enforcement to attack the complex issue of auto theft from several different angles are also delivering successful results.

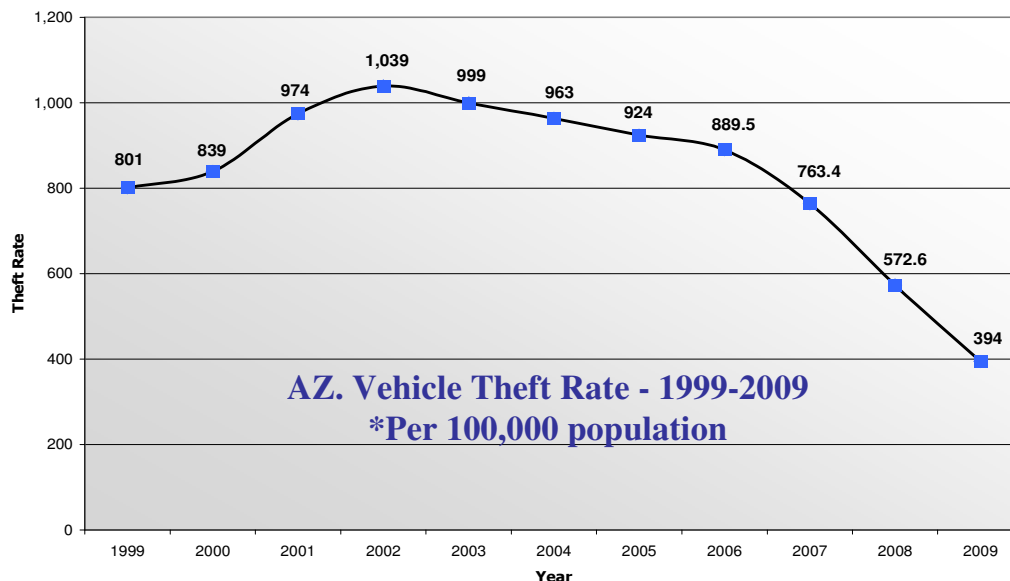
The Authority also credits the decreases to aggressive and **proactive enforcement by the Arizona Vehicle Theft Task Force and local law enforcement** as well as prosecution efforts and public education strategies. Last year the Task Force recovered 2,051 vehicles worth nearly \$25 million; hundreds of suspects were arrested and dozens of chop shops shut down. **The Auto Theft Task Force also increased border operations in/around known smuggling areas in Arizona border counties.** Overall, Arizona consumers are impacted by reduced insurance rates and personal and financial victimization.

The AATA remains diligent despite the continued reduction in vehicle thefts. Arizona's proximity to Mexico and homeland security concerns mandate employing partnerships on a national and international level to curtail vehicle theft by organized criminal groups and deter exportation of stolen vehicles to finance other criminal activities and international terrorism.

The AZ. Vehicle Theft Task Force Criminal Analysis Division recently analyzed a sampling of 2010 data from the Phoenix Metro areas for "Operation SUNSET," reviewing vehicle thefts and recoveries, including primary target areas, days of week.

The report indicates Arizona stolen vehicles are utilized in every level of criminal activity from the street thieves, to the local criminal organizations, to the interstate, intrastate and international syndicates. Many of the stolen vehicles that make the way to the Arizona/Mexico border and/or into Mexico are utilized to facilitate the drug trafficking and human smuggling/trafficking trades. Those organizations involved in the operation of smuggling have a need for high capacity and/or durable vehicles. Vehicles are selected based upon their ability to haul "heavy cargo" --- large amounts of drugs and/or people. In regards to the heavy-duty pickups – a sampling of collected data indicates the preferred vehicles to be:

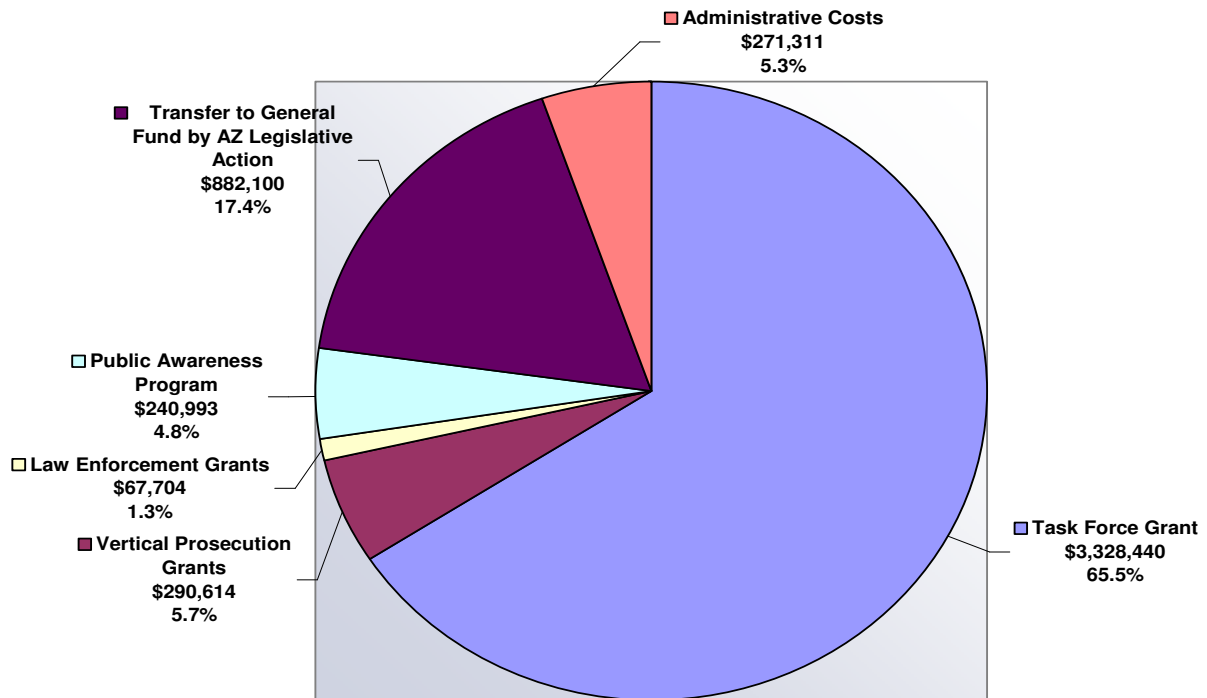
- Ford – F-Series (F150, F250, F350) with the F250s being most often targeted
- Dodge – Ram (1500, 2500)
- Chevrolet – Silverado



# Agency Overview - continued

In FY10, the AATA continued to focus a majority of its resource allocation (\$3,328,440 or 65.5% 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 93% of the state's auto theft problem.

## AATA BUDGET (FISCAL YEAR ENDING JUNE 30, 2010) TOTAL EXPENDITURES \$5,081,256



AATA Grant Programs have been impacted by budget reductions during the past two fiscal years, resulting in reduced funding for outlying and border counties. The reductions have and will continue to negatively impact auto theft reduction programs in Arizona.

## Arizona Vehicle Theft: Current Trends

Vehicle theft is a crime of facilitation. Vehicles are stolen for a variety of reasons; they may be stolen simply as a means of transportation or to facilitate other crimes, such as residential and commercial burglaries, robberies, ID theft, illegal drug and human smuggling activities as well as drive-by-shootings. Professional auto thieves steal vehicles for economic benefit.

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 titling to instantly and reliably verify information on the paper title with the electronic data from the state that issued the title.

Border States, including Arizona are seeing an increase in rental car thefts, including SUVs, pickups, luxury sedans and sports cars. The contracts are one-day rentals, which are not returned. The majority of the vehicles (SUVs and pickups) have been recovered/seized while being utilized as “load” vehicles to

facilitate Human Smuggling activities. Other vehicles have been recovered VIN-Switched/Cloned and were being used by a drug trafficking organizations.

All makes and model types may be stolen and taken to Mexico – some may be VIN switched, while others are not. Stolen Arizona titles and/or fraudulent paperwork may be used to obtain Mexico registration.

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 of stolen vehicles indicates greater organized criminal activity and the problem of vehicles crossing International border lines. Additionally, Interpol, the international intelligence community, has identified vehicle theft and related criminal activity, including insurance fraud, as a primary illicit fund-raising source supporting international terrorism.

## 2009 Hot Wheels – Most Stolen Cars in U.S. and Arizona

### Top 10 Most Stolen Vehicles - U.S.

1. 1994 Honda Accord
2. 1995 Honda Civic
3. 1991 Toyota Camry
4. 1997 Ford F-150
5. 2004 Dodge Ram Pickup
6. 2000 Dodge Caravan
7. 1994 Chevrolet Pickup
8. 1994 Acura Integra
9. 2002 Ford Explorer
10. 2009 Toyota Camry

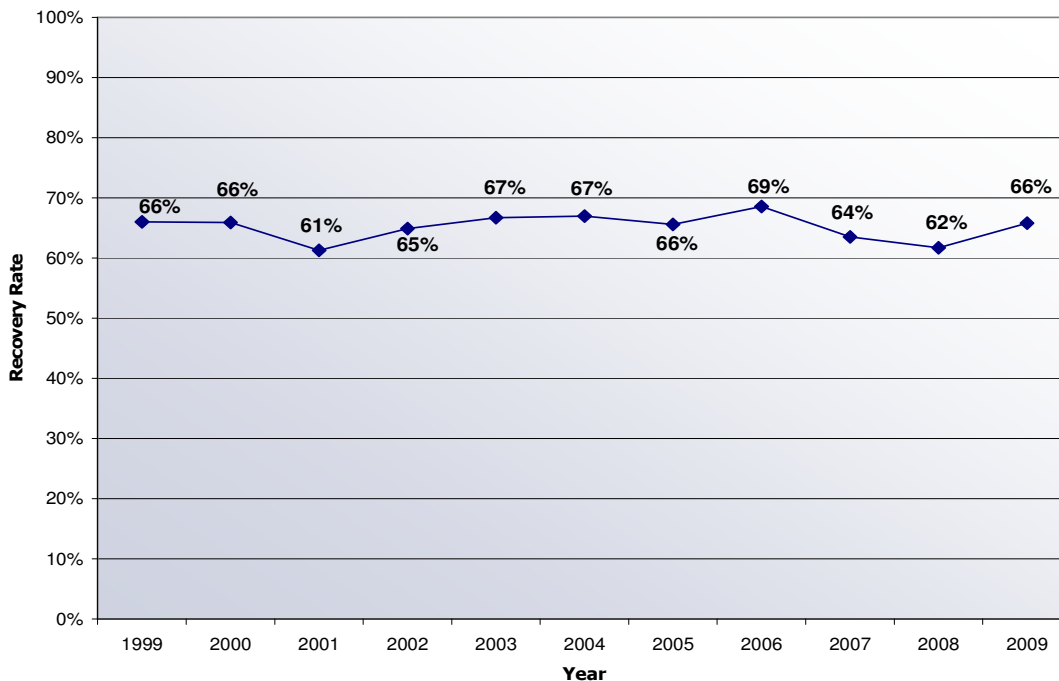
### Top 10 Most Stolen Vehicles - Arizona

1. 1994 Honda Accord
2. 1995 Honda Civic
3. 2004 Dodge Ram Pickup
4. 1997 Ford F150 Pickup
5. 2003 Ford F250 Pickup
6. 1997 Chevrolet Pickup
7. 2006 Ford F350 Pickup
8. 1998 Nissan Sentra
9. 1997 Nissan Altima
10. 1991 Toyota Camry

Source: National Insurance Crime Bureau (NICB) - Sept. 22, 2010

## Arizona Vehicle Theft Trends

### AZ. Stolen Vehicle Recovery Rate 1999 - 2009



# AATA Programs & Accomplishments

AATA's three strategic initiatives - law enforcement, aggressive prosecution and public education all work together to combat vehicle theft throughout Arizona. Beginning in 2000, the AATA began issuing annual grant funding to statewide law enforcement and criminal justice agencies for proactive auto theft programs. AATA funded programs are currently located in counties which account for 93% of the state's auto theft problem. AATA Grant Programs have been impacted by budget reductions during the past two fiscal years, resulting in reduced funding for outlying and border counties. FY10 Law Enforcement Grants included limited funding to law enforcement agencies to maintain Bait Car programs and other proactive auto theft projects.

## 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.

The Arizona Vehicle Theft Task Force (AVTTF) or "RATTLER" (Regional Auto Theft Team Law Enforcement Response) serves as a statewide resource for the investigation of property crimes involving vehicles and related components. 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 state, county, and local law enforcement agencies and private company partners 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.

#### AZ. VEHICLE THEFT TASK FORCE FY'10 RESULTS

JULY – JUNE	2009-2010	
Combined Activity	Number	Estimated Value
Stolen Vehicles Recovered	2051	\$24,787,330.00
Stolen Vehicle Locates	22	
“Chop Shops” Investigated	27	
Altered/Switched VIN's	195	
Felony Arrests	185	
Adults	168	
Juveniles	17	
Insurance Fraud Cases	11	
Business Inspections	54	
Border Interdiction Programs	36	
CORE Programs	5	
Training Provided	19	
Assist to Other Agencies	851	

## Arizona Vehicle Theft Task Force – 2010 Case Highlights



Desert Recovery of Stolen Pick-up



Recovered parts in Surprise, AZ chop shop

**07/13/2010 – AZ. Vehicle Theft Task Force detectives located a stolen 2005 Dodge pickup equipped with LOJACK at 43rd Avenue and McDowell in Phoenix.** AVTTF detectives conducted surveillance and followed the stolen Dodge pickup to an apartment complex where they met up with a second stolen Dodge pickup. Both stolen Dodge pickups were followed to the Circle K at 32nd Street and Broadway where VTTTF detectives conducted a “take down” on both vehicles and occupants. During the arrest, an AVTTF received a severe dog bite from the Phoenix P.D. K-9. One suspect was struck by an AVTTF vehicle while trying to flee. Five suspects were apprehended at the scene. One suspect fled and jumped into a chase vehicle. Phoenix P.D. was involved in an officer involved shooting with the chase vehicle as it fled. The chase vehicle was a Ford Expedition and was pursued to Casa Grande into the desert. Two suspects were apprehended from the Ford Expedition and one suspect eluded capture. The suspect who was struck by the AVTTF vehicle was transported to the hospital where he was treated and released for minor injuries. The injured AVTTF Detective was transported to the hospital where he was admitted, has undergone several surgeries, and remains in treatment/therapy for his injuries.

**10/26/2010 – AVTTF Detective located a stolen Dodge Pickup truck traveling in the Casa Grande area.** The AVTTF requested assistance from the Highway Patrol in conducting a traffic stop on the vehicle. During the course of the traffic stop, the driver of the stolen vehicle rammed into the unmarked DPS vehicle. The suspect driver then got out of the vehicle he was driving and assaulted a uniformed DPS Officer; then was able to get into a marked DPS Chevrolet Tahoe police vehicle and drive westbound toward Phoenix. The suspect eventually abandoned the DPS patrol vehicle in the desert about 30 miles south of Phoenix and was taken into custody a short time later. At the time of the original traffic stop, there were seven suspected undocumented aliens (UDA's), including the driver, inside the stolen pickup truck. Five of the UDA's remained at the scene of the traffic stop; one person escaped on foot and is still at large.



Auto Theft Task Force detectives assigned to the Pinal County area recover several hundred stolen vehicles each year with indications that the stolen vehicles were used in the desert to transport loads of UDA's and drugs. These vehicles are located in the desert, at tow yards from Border patrol impounds and private property impounds (land owners/farmers) or during assists to the Border Patrol or other law enforcement agencies in the field.



Glendale PD Bait Car Suspects – Sept. 23, 2010



## Arizona's Bait Car Program Celebrates 7<sup>th</sup> Year

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. The 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.

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. Our agency credits the program with helping drive down Arizona's auto theft rate to its lowest level since the mid-1990's.

The program continues to demonstrate successful results; as of December 2010, the program has over 325 arrests since the program began.

## License Plate Readers

The use of License Plate Readers (LPR's) by Arizona law enforcement agencies has increased in recent years. LPR's have the capability of scanning thousands of plates on a daily basis, sweeping parking lots, streets and highways to recover stolen vehicles faster than ever before.



LPR camera & system

## Vertical Prosecution Program

The AATA has identified vertical prosecution as a vital component of a comprehensive vehicle theft reduction strategy for the State of Arizona. 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. 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 in counties with the highest vehicle theft rates, and/or border counties, which encounter a significant number of suspects in stolen vehicles from other areas.

In FY10, the AATA Vertical Prosecution Program was reduced to three Arizona counties for the first half of the year; with reduced funding for all but Maricopa County for second half of the year due to additional fund sweeps.

The results of the Vertical Prosecution program over the last two years are as follows:

	<u>2009</u>	<u>2010</u>
Number of participating counties	6	3/1**
Number of vehicle theft cases filed	1,568	309
Number of convictions	855	305
Percent of convictions to cases closed	93.4%	98.6%
Amount of restitution ordered (in millions)	\$1.8M	\$667,602

\*\* Funding eliminated second half of FY10 for all but Maricopa County due to Legislative sweeps of dedicated funds.



## Public Education -



Gilbert Police Dept's VIN Etching Event – May 15, 2010



Governor's Proclamation – 2010 Auto Theft Prevention & Awareness Week

The AATA's 2010 public education efforts focused on strengthening 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), Valley Metro, and numerous corporations to promote auto burglary and theft prevention.

The AATA hosted the 5<sup>th</sup> Annual Statewide Auto Theft Prevention & Awareness Week – March 1-6, 2010 in partnership with Arizona law enforcement agencies who participated by hosting auto theft prevention and/or free Vehicle Identification Number (VIN) etching events during this week.

This year the AATA also incorporated email and web-based technology, including Facebook (Arizona Auto Theft Authority) and Twitter (azautotheft), into our public outreach efforts.

The AATA conducted vehicle theft prevention presentations and provided resources to residents at Multi-housing and rental communities. We participated in auto theft and ID theft prevention events featuring free VIN etching and document shredding.



This year the AATA joined the State of Arizona Internship Program – “Arizona Interns-In-Action.” The program is an unpaid college level internship program with opportunities available at over 50 State of Arizona government agencies. ASU Senior, Val Ahumada, became the agency’s first intern under this program and assisted with several office and special event/VIN etching projects. She was a valuable asset to our organization and we look forward to hosting additional interns in the future.



The AATA’s Youth Volunteer Corp. was launched this year for students working on school mandated community service projects. Volunteers assist with VIN etching events and clerical/office projects.

In FY10, the AATA’s Annual Public Awareness Grant program was eliminated due to budget restrictions, however, some law enforcement partners continued their prevention efforts with AATA resource support.

The AATA continues to promote our Youth Prevention Programs for middle school (“A Ride For Life: The Consequences of Auto Theft”) and high school (“Park Smart New Driver”) students. The AATA is in partnership with school districts and School Resource Officers to distribute and present these programs to students.

AATA media releases were distributed regularly to encourage consistent coverage of the AATA’s efforts, current crime trends and statistics, and consumer protection topics. The AATA website ([www.azwatchyourcar.com](http://www.azwatchyourcar.com)) is maintained by AATA Staff with auto theft related information, statistics, events, e-newsletters. Staff continues to promote on-line Watch Your Car enrollment and E-business solutions available for the public on the website.



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](http://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 Blockwatch 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 2010, the AATA had 66,691 vehicles enrolled in the program.



# Financial Report

## For the Year Ended June 30, 2010

### 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, 2010 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."

A copy of the full audit report prepared by Heinfeld, Meech & Co., may be obtained by contacting the Arizona Automobile Theft Authority.

### 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 less than 26,000 pounds gross vehicle weight (GVW).

Revenue collections from insurance assessments for the fiscal year ending June 30, 2010 were \$ 5,164,942 an increase of \$65,110 or 1.3% from the prior year. All excess cash is invested with the State Treasurer and the Authority earned \$6,430 in investment income in the current year. The decrease of \$1,455 from \$7,885 in the prior year resulted from lower rates of return in the current year due to market trends.

### Expenditures

Total expenditures for the current year were \$4,199,062 a decrease of \$576,181 from the total expenditures from the previous year of \$4,775,337. This does not include a cash transfer to the primary government (State of Arizona, General Fund) of \$882,100, for budget balancing purposes.

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, 2010, the Authority was in compliance with this statute with "costs of administration" being 5.25%, of "the monies in the fund" as verified by the audit. The AATA's administrative costs for the fiscal year were 5.34% of total expenditures. The AATA ended the year with cash and investments with the State Treasurer of \$146,007.

### 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 previous years. The rate of revenue growth has slowed to a point of being virtually static. Therefore, in going forward the AATA was very cautious in its revenue projections, and projected no revenue growth for the fiscal year ending June 30, 2011. This means that the anticipated revenue in the next fiscal year should equal the revenue received in the current fiscal year. Going forward, the agency expects revenue to increase slightly (approximately 1-1.25%) for the fiscal year ending June 30, 2012. 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, 2010

	June 30 2009	June 30 2010
<b>Revenue</b>		
Current Year Collections	\$5,099,770	\$5,131,123
Prior Year Collections	62	33,819
Auto Theft Summit	-	-
Investment Income	7,885	6,430
Grants	-	-
Refund of Unused Grant Funds	41,794	709
Total Cash Collections	<u>5,149,511</u>	<u>5,172,081</u>
Revenue Accrued at June 30th	494,323	(509,589)
Total Revenue	<u>5,643,834</u>	<u>4,662,492</u>
<b>Expenditure by Program</b>		
Administrative Costs (1,2)	329,097	271,311
Arizona Vehicle Theft Task Force Grant	3,183,996	3,328,440
Vertical Prosecution Program	765,627	290,614
Public Awareness	247,755	195,074
Public Awareness Grant Program	133,714	45,919
Law Enforcement Grant Program	83,971	47,198
Professional Training & Special Grant Program	31,032	-
Emergency/Discretionary Grant Program	-	20,506
Auto Theft Events	145	94
Total Expenditures (3)	<u>4,775,337</u>	<u>4,199,156</u>
Transfer to Primary Government	324,100	882,100
Excess of Expenditures Over Revenues	<u>544,397</u>	<u>(418,764)</u>
Beginning Fund Balance (4,5)	2,656,201	3,200,598
Ending Fund Balance (4,5)	<u>3,200,598</u>	<u>2,781,834</u>
<b>Footnotes</b>		
1. Administrative Costs as a Percentage of Cash Collections	6.39%	5.25%
2. Administrative Costs as a Percentage of Total Expenditures	6.89%	5.34%
3. Actual Expenditures by Category per Audited Financial Statements		
Appropriated Current Operating Expenses		
Personal Services	295,441	243,888
Employee related expenses	101,625	88,718
Professional services	18,372	11,855
Travel-in-State	942	1,481
Travel-out-State	4,144	1,345
Aid to Organizations	4,198,340	3,732,677
Other Operating	150,466	117,820
Non-capital equipment	5,862	1,278
Total Expenditures	<u>4,775,192</u>	<u>4,199,062</u>
Non-appropriated Expenses		
Watch Your Car Grants		
Auto Theft Events	145	94
Total Non-appropriated Expenditures	<u>145</u>	<u>94</u>
4&5. Fund balance includes accrued income as per the audited financial statements		
<b>Total Expenditures</b>		
	<b>\$4,775,337</b>	<b>\$4,199,156</b>
Cash invested with the State Treasurer as of June 30 <sup>th</sup>	\$64,577	\$146,007
Report based on audited financial statements		

# Impact of Motor Vehicle Theft Prevention Programs on Vehicle Insurance Costs

The Arizona Automobile Theft Authority reports annually on the impact of vehicle theft prevention programs on consumer automobile insurance rates, the AATA received the following statement from the Arizona Insurance Council (AIC):

Comprehensive coverage pays you if your automobile is stolen or for damage caused by things not covered under collision coverage, such as vandalism, flooding, fire, a broken windshield or damage from an animal.

In another statement released from AIC Executive Director, Ron Williams in December 2010, he adds that, "Importantly, insurers collect a separate fee from auto policyholders that provided over \$5 million dollars last year to operate the Arizona Automobile Theft Authority. With those funds and other insurance industry support, the AATA recorded the seventh consecutive yearly decrease in auto thefts -- down 30 percent in 2009. This is an outstanding success story for the AATA staff, insurance company partners, law enforcement and judicial prosecutors."

## Future of the AATA –

During 2011, the AATA will continue to focus on its bold mission to reduce Arizona's vehicle theft rate while also maximizing agency effectiveness, efficiency and stakeholder satisfaction. The AATA will continue to grow and maintain strong partnerships statewide.

In 2011 and beyond, the AATA will continue its efforts to reduce its administrative costs and maximize resources through cost saving and innovative measures. All agency programs are reviewed not only for cost effectiveness, and best practices, but also for ease of use for our law enforcement partners and stakeholders. The AATA will continue to utilize technology to streamline its processes and maximize resources in several areas including the Watch Your Car program and semi-annual insurance assessment collections. We also plan to continue to grow our intern and volunteer assistance programs.

The AATA, with the assistance of the AZ. Vehicle Theft Task Force, has been actively fostering a collaborative approach with law enforcement officials in Mexico to effectively resolve border issues. The AATA will continue to foster and promote cooperation at both state and national levels by developing a viable partnership among the Border States, various law enforcement agencies, the Department of Homeland Security and private sector stakeholders to expedite the completion and implementation of effective programs. The AATA will continue to promote the aggressive pursuit, capture, and prosecution of auto theft criminals that plague our state.

Although AATA funded grant programs have been reduced the past two fiscal years, the prosecution and public education efforts will continue to be vital components in the AATA's long term strategies to combat auto theft in Arizona. With some revision, the AATA intends to continue its annual grant assistance program to local law enforcement agencies and county attorney offices statewide. The efforts of the criminal justice agencies involved with the AATA's grant programs thus far have been impressively effective at addressing the law enforcement, prosecution and public awareness and community education components of the AATA's mission.

In 2011, the AATA will continue to sponsor VIN (Vehicle Identification Number) etching events with partnering agencies throughout the state, as an effective visual vehicle theft deterrent and law enforcement recovery aid.



Additionally, the AATA will continue to seek additional opportunities to promote public awareness through partnerships with corporations and businesses in the sponsorship of employee events, presentations by AATA staff and criminal justice personnel along with VIN etching.

The AATA is also looking to increase exposure through the Service Arizona website as another effective approach to educate the public about the Watch Your Car program and auto theft prevention safety tips.

The AATA is continuing its distribution of the youth prevention curricula programs for middle school and high school students in Arizona and will be evaluating the effectiveness of the program.

In 2011, the Agency will also look to expand our involvement with E-communications and web-based technologies.



# 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)**

**John V. Abounader**, Executive Director, IAATI  
**Camila Alarcon**, Arizona Attorney General's Office  
**Valeria Ahumada**, AATA Intern (ASU Class of 2010)  
**Sheriff Paul Babeau**, Pinal County Sheriff  
**Angie Bailey**, State of Arizona, Information Services Division  
**Eric Billings**, Analyst, Joint Legislative Budget Committee  
**John Blackburn, Jr.** Executive Director, Arizona Criminal Justice Commission  
**Sgt. Brandon Blanco**, Glendale Police Department  
**Michelle Brooks**, GAO, Central Services Bureau Manager  
**Captain Ramon Figueroa**, AZ DPS/Arizona Vehicle Theft Task Force  
**Tim Gaffney**, Pinal County Sheriff's Office  
**John Garcia**, Maricopa County Attorney's Office  
**Senator Chuck Gray**, Arizona State Senate, District 19  
**Richard Green**, Analyst, Governor's Office of Strategic Planning & Budgeting  
**Alberto Gutier**, Director, Governor's Office of Highway Safety  
**Sgt. JD Hough**, AZ DPS/Arizona Vehicle Theft Task Force  
**Don Isaacson**, Isaacson & Duffy, P.C.  
**Kim Kelly**, Gilbert Police Department  
**Deputy Chief Bill Knight**, Maricopa County Sheriff's Office  
**Mary Jo Kuzmick**, Gilbert Police Department  
**Michael Linton**, Pima County Attorney's Office  
**Representative David Lujan**, Arizona House of Representatives, District 15  
**Ralph Lumpkin**, National Insurance Crime Bureau  
**Det. Dale Mace**, AZ. DPS/Arizona Vehicle Theft Task Force  
**Mary Marshall**, Arizona Criminal Justice Commission  
**Christopher T. McDonold**, President, IAATI  
**Vickie Owen**, Gilbert Police Department  
**Bobby Owens**, National Insurance Crime Bureau  
**Senator Russell Pearce**, Arizona State Senate, District 18  
**Ellen Poole**, USAA Insurance  
**Susan Preston**, Arizona Criminal Justice Commission  
**Paul Ruwald**, GAO, Central Services Bureau  
**Frank Scafidi**, National Insurance Crime Bureau  
**Janet Shill**, AZ. DPS/Arizona Vehicle Theft Task Force  
**Gloria Sparling**, Criminal Analyst, AZ DPS/Arizona Vehicle Theft Task Force  
**Nancy Temporado**, AZ. DPS/Arizona Vehicle Theft Task Force  
**Lieutenant Colonel Brian Wilcox**, AZ. DPS/Arizona Vehicle Theft Task Force  
**Tony Wilcox**, State of Arizona, Information Services Division  
**Ron Williams**, Arizona Insurance Council

**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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