2014 ANNUAL REPORT

ARIZONA AUTOMOBILE THEFT AUTHORITY

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Table of Contents

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.

AATA Staff

Frederick W. Zumbo
Executive Director

Arthur Myer
Chief Financial Officer

Ann Armstrong
Public Affairs Officer

Sgt. Terry Starner
AZ. DPS/AATA

Letter to the Governor

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

Dear Governor Brewer:

The Arizona Automobile Theft Authority (AATA) is pleased to present its 2014 Annual Report.

The AATA's strategies and programs continue to be effective in reducing Arizona's auto theft rate. Last year, Arizona experienced another year of declining auto theft rates with 17,438 total stolen cars in 2013; a 9% decrease from the previous year. Arizona currently ranks tenth (10th) in the nation for vehicle thefts per capita (theft rate per 100,000 population) and ninth (9th) for total stolen vehicles.

The AATA credits the continued decline to effective, statewide programs emphasizing law enforcement, prosecution and prevention strategies. New and emerging technologies like bait cars, license plate readers and theft deterrent/recovery systems along with proactive public awareness programs have also had a huge positive impact. The decline in numbers, however, does not accurately reflect the increased organized crime activity involving stolen vehicles in Arizona and the sophisticated criminal syndicates hard at work here.

Arizona's 378 mile of border with Mexico and our six ports of entry continue to pose a challenge for law enforcement. Auto theft is a transnational crime. Coordinated efforts with the Arizona Vehicle Theft Task Force, as well as our local and federal partners will have a future positive impact on detecting and apprehending criminal activity and increase border security.

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

In 2015, the AATA will co-host the 63rd Annual International Association of Auto Theft Investigators (IAATI) Training Seminar August 9-14, 2015 in Phoenix with 450 expected in attendance from across the United States and the world.

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

Respectfully,

Frederick W. Zumbo
AATA Executive Director

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.

Dean C. Butler
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
AZ. Motor Vehicle Division

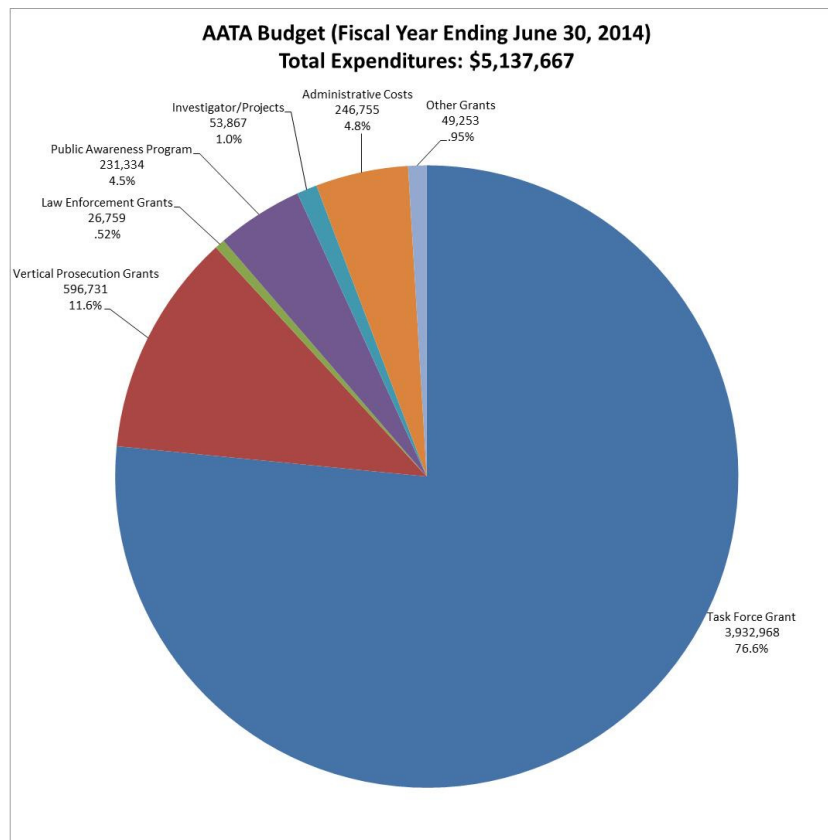**M. Lando Voyles**
Pinal County Attorney

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. In 2012, 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 public awareness partners working together to combat auto theft crimes across Arizona. By focusing resources in these areas, the AATA and its statewide law enforcement partners are impacting the state's declining auto theft rate.

In FY14, the AATA continued to focus a majority of its resource allocation ($3,932,968 or 76.6% of total budget) to the AZ. Vehicle Theft Task Force 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 with the highest theft rates. This year, the AATA has been actively expanding our reach to smaller Arizona counties to provide financial and/or resource support for their jurisdictional auto theft problems.

AATA Budget (Fiscal Year Ending June 30, 2014)
Total Expenditures: $5,137,667

- Investigator/Projects 53,867 1.0%
- Public Awareness Program 231,334 4.5%
- Law Enforcement Grants 26,759 .52%
- Vertical Prosecution Grants 596,731 11.6%
- Administrative Costs 246,755 4.8%
- Other Grants 49,253 .95%
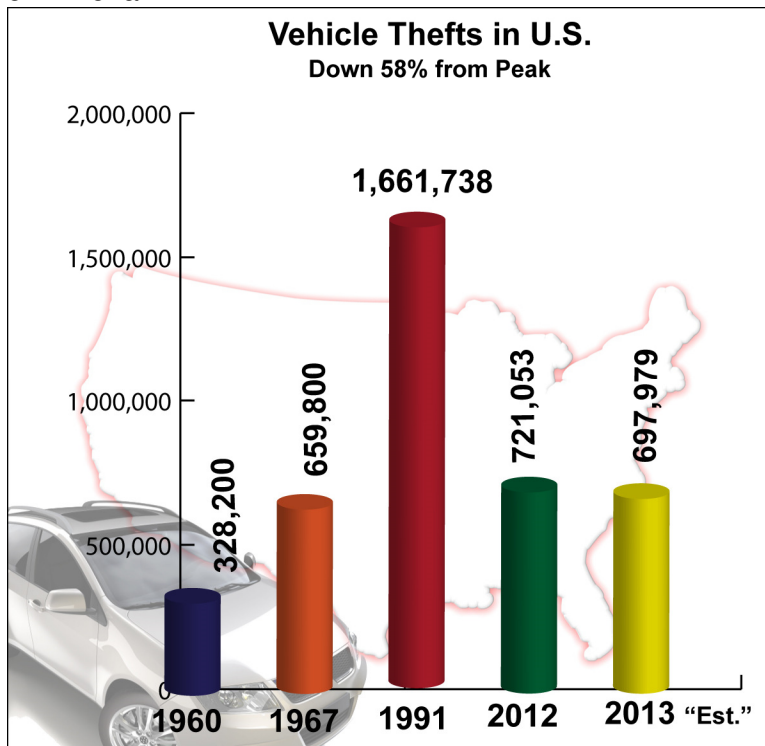- Task Force Grant 3,932,968 76.6%

Motor Vehicle Theft in Arizona and the United States

In 2013, Arizona vehicle thefts fell to 17,438, the 11th consecutive year for a statewide decrease.

Arizona currently ranks ten (10th) in the U.S., for vehicle thefts per capita; ninth (9th) in the nation for total number of vehicle thefts behind California, Texas, Florida, Washington, Georgia, Michigan, Illinois, and Ohio.

Nationwide in 2013, there were an estimated 699,594 vehicle thefts, a decrease of 3.3% from 2012 figures. The peak year for vehicle theft in the United States was 1991, with 1,661,738 stolen cars, which reflects a decrease of 58% since 1991. Additionally, more than $4.1 billion was lost nationwide to motor vehicle theft in 2013; over $86 million economic loss for the State of Arizona.

Vehicle Thefts in U.S.
Down 58% from Peak

Year	Thefts
1960	328,200
1967	659,800
1991	1,661,738
2012	721,053
2013 "Est."	697,979

To understand the nature of vehicle theft in Arizona, one must first recognize that it's primarily a gateway crime with much of the smuggling, trafficking, and violent crime in Arizona 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 though the state.

In Arizona, the theft of motor vehicles is commonly associated with various forms of organized crime. 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 cars 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.

Insurance fraud is another aspect of auto theft and often perceived as a victimless crime, however, but the estimated losses from this crime exceed $100 Billion annually. According to the Arizona Department of Insurance, ten percent (10%) of all types of insurance claims (property & casualty, health, life, workers' compensation) are suspected to be fraudulent. The losses from fraudulent auto insurance claims in Arizona cost policyholders an estimated average of $167 to $200 in higher annual premiums.

In the past, auto thieves were content stealing cars and trucks the old fashioned way, such as forcing entry and circumventing ignitions. Today, they have new scams for stealing vehicles that are much more difficult to detect. Criminals use fraudulent techniques to steal cars that do not involve smashing windows, disconnecting alarm systems or racing from the scene of a crime. Some of the most common vehicle theft fraud schemes include Owner Give-Ups, 30-Day Specials, Export Fraud and Phantom Vehicles. The AATA and Auto Theft Task Force

detectives work alongside the Arizona Department of Insurance (ADOI) Fraud Unit to combat insurance crimes in Arizona.

Auto theft has increasing 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 from/to port cities. Additionally, INTERPOL, the international intelligence community, has identified vehicle theft and related criminal activity, including insurance fraud, as one of the primary funding sources for international terrorism.

The Arizona Vehicle Theft Task Force and AATA's law enforcement partners are diligently working to disrupt the organized crime associated with auto theft. The AATA remains diligent despite the continued reduction in vehicle thefts. Arizona's proximity to Mexico mandates 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 of criminal activity financed by organized vehicle theft.

From 2002 to 2013, thefts have declined by 69.76 percent in Arizona. 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.

Arizona Vehicle Theft Rate 2002-2013

Arizona Total # of Stolen Vehicles 2002-2013
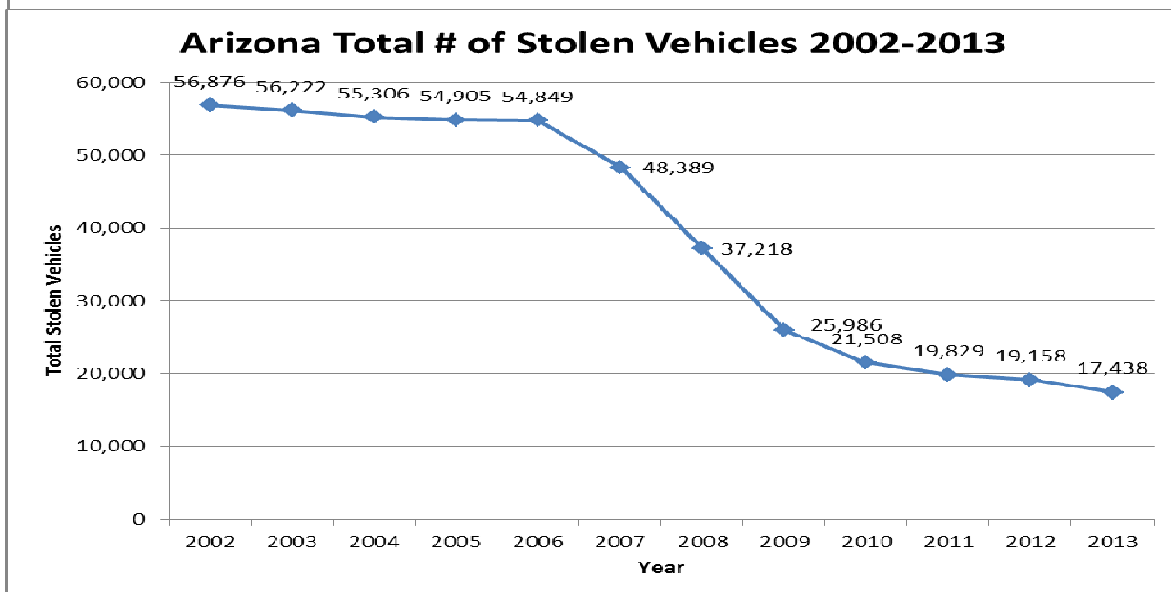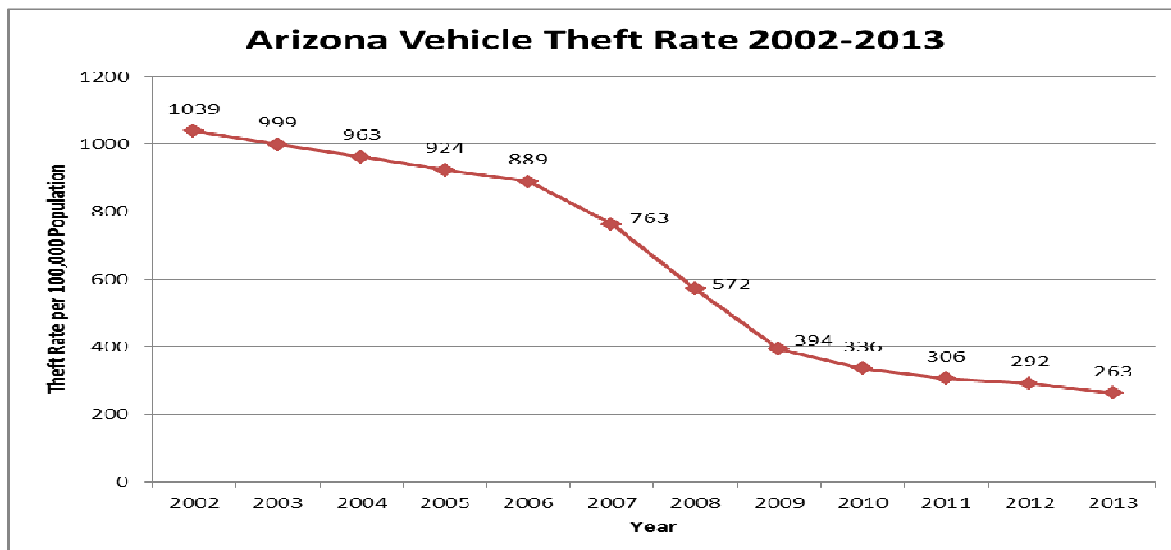
2013 Hot Spots - Last year, nine of ten MSA's (Metropolitan Statistical Area), with the highest theft rates were in California. The Phoenix MSA once ranked the #1 "Hot Spot" for auto theft just over ten years ago, plunged down the list to 83rd place. Tucson, which previously held the #2 spot, fell to #68 during that period; Yuma #99.

Top 10 MSA's with the Highest Vehicle Theft Rates *:

2013 Ranking		2012 Ranking
1.	Bakersfield, Calif.	3.
2.	Fresno, Calif.	2.
3.	Modesto, Calif.	1.
4.	San Francisco/Oakland/Hayward, Calif.	6.
5.	Stockton-Lodi, Calif.	4.
6.	Redding, Calif.	10.
7.	Spokane-Spokane Valley, Wash.	9.
8.	Vallejo-Fairfield, Calif.	8.
9.	San Jose/Sunnyvale/Santa Clara, Calif.	7.
10.	Yuba City, Calif.	31.
83.	Phoenix/Mesa/Glendale, AZ	70.
68.	Tucson, AZ	44.
99.	Yuma, AZ	119.

2013 Hot Wheels - Most Stolen Vehicles List

Top 10 Most Stolen Vehicles – 2013 United States:
1. Honda Accord
2. Honda Civic
3. Chevrolet Pickup (Full Size)
4. Ford Pickup (Full Size)
5. Toyota Camry
6. Dodge Pickup (Full Size)
7. Dodge Caravan
8. Jeep Cherokee/Grand Cherokee
9. Toyota Corolla
10. Nissan Altima

Top 10 Most Stolen Vehicles – 2013 Arizona

1. 1997 Honda Accord
2. 1997 Honda Civic
3. 2001 Chevrolet Pickup (Full Size)
4. 2004 Ford Pickup (Full Size)
5. 2005 Dodge Pickup (Full Size)
6. 1997 Nissan Altima
7. 1994 Nissan Sentra
8. 1991 Toyota Camry
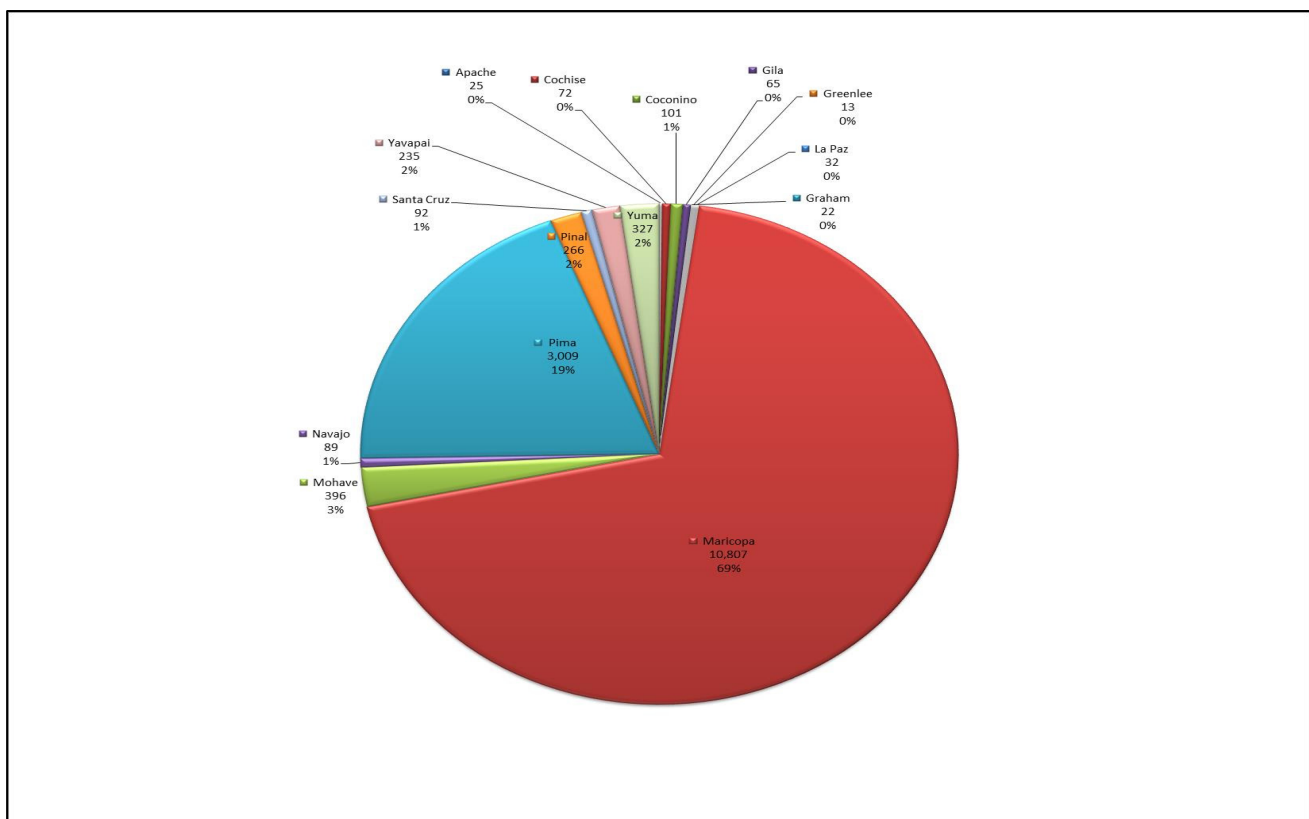9. 1996 Jeep Cherokee/Grand Cherokee
10. 1995 Nissan Maxima

Source: National Insurance Crime Bureau 2014 "Hot Spots" and "Hot Wheels" Reports.

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. 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.

As the graph below indicates, the majority of auto thefts occur in Maricopa and Pima counties, however, the smaller counties, specifically along the Arizona/Mexico border, are experiencing their own set of challenges with limited resources and operational support. Greater outreach to these smaller counties is planned in the two upcoming fiscal years.

2013 Arizona Vehicle Thefts by County - *2013 AZ. DPS Crime in Arizona Report

2013 State Rankings

State	2013 Total Vehicle Thefts	State	2013 Vehicle Theft Rate (Per 100,000 Population)
California	165,292	Dist. of Columbia	500.3
Texas	65,745	California	431.2
Florida	34,912	Washington	407.4
Washington	28,399	Nevada	358.3
Georgia	26,826	Oklahoma	291.2
Michigan	24,567	New Mexico	283.2
Illinois	20,933	Missouri	270.1
Ohio	19,532	Georgia	268.5
Arizona	17,438	South Carolina	263.5
Missouri	16,325	Arizona	263.2
New York	15,482	Hawaii	262.4
North Carolina	14,606	Utah	257.3
Indiana	14,204	Oregon	250.9
Pennsylvania	13,770	Texas	248.6
New Jersey	13,747	Michigan	248.3
Maryland	13,418	Nebraska	238.9
South Carolina	12,580	Colorado	237.9
Colorado	12,533	Alaska	230.6
Tennessee	11,828	Kansas	229.5
Oklahoma	11,214	Maryland	226.3
Alabama	10,571	Alabama	218.7
Nevada	9,998	Indiana	216.2
Oregon	9,862	Rhode Island	212.4
Louisiana	9,160	Louisiana	198.0
Massachusetts	9,122	North Dakota	195.7
Virginia	8,536	Arkansas	191.9
Minnesota	7,966	Montana	182.2
Utah	7,465	Tennessee	182.1
Wisconsin	7,388	Florida	178.6
Kansas	6,641	Connecticut	173.0
Connecticut	6,222	Ohio	168.8
Kentucky	6,032	Illinois	162.5
New Mexico	5,905	New Jersey	154.5
Arkansas	5,678	Puerto Rico	153.0
Puerto Rico	5,530	North Carolina	148.3
Nebraska	4,463	Minnesota	147.0
Mississippi	4,388	Mississippi	146.7
Iowa	4,246	Delaware	143.9
Hawaii	3,684	Iowa	137.4
Dist. of Columbia	3,234	Kentucky	137.2
Rhode Island	2,233	Massachusetts	136.3
West Virginia	1,916	Wisconsin	128.6
Montana	1,850	South Dakota	111.0
Alaska	1,695	Pennsylvania	107.8
Idaho	1,536	Virginia	103.3
North Dakota	1,416	West Virginia	103.3
Delaware	1,332	Wyoming	99.2
New Hampshire	940	Idaho	95.3
South Dakota	938	New York	78.8
Maine	914	New Hampshire	71.0
Wyoming	578	Maine	68.8
Vermont	334	Vermont	53.3

2014 Auto Theft Reduction Programs

AATA's three strategic initiatives - law enforcement, vertical prosecution and public awareness and prevention all work together to combat auto 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. 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.

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 (76.6% 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 trans-national crimes.

The Auto Theft Task Force provides technical expertise, criminal analysis, 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.

In 2014, the Task Force re-established its Border Squad of one sergeant and six detectives working collaboratively with local, state, and federal partners working along the international border between Arizona and Mexico.

Title Fraud continues to be a culprit in several Task Force investigations. Recently, many of the VIN-Switched vehicles recovered in Arizona had been titled with fraudulent titles from Georgia, New Jersey, New Mexico, and South Carolina. Some notable cases concluded by the Arizona Vehicle Theft Task Force this year include:

OPERATION PHANTOM - Suspects sold and provided stolen VIN-Switched vehicles to family and associates. They would mask these stolen vehicles with Sinaloan plates from Mexico try to

prevent law enforcement from identifying these stolen vehicles. In addition, most all vehicles had fraudulent Mexican purchase orders and fraudulent Mexican registration documents. Most of the vehicles were stolen by car-jacking's throughout Mexico.

On September 10, 2014 SWAT teams with the Goodyear Police Department and the Arizona Department of Public Safety (DPS), along with detectives from the Arizona Vehicle Theft Task Force (VTTF), served three search warrants early the morning netting 16 vehicles valued at over $400,000 and the arrest of two suspects.

These warrants were a culmination of a six-month investigation with the Vehicle Theft Task

View photo by David Weibel

SEVERAL STOLEN VEHICLES are displayed for the media Wednesday morning at the Department of Public Safety Knutson Station in Phoenix. The vehicles were seized last week by SWAT teams with the Goodyear Police Department and DPS at the culmination of a six-month investigation.

Goodyear Police Dept., DPS seize high-end cars in theft ring

by Rachel Trott
assistant editor

Goodyear Police Department SWAT teams and the Arizona Department of Public Safety seized 16 high-end vehicles [...] believed to have been carjacked in

The suspects switched the cars' vehicle identification numbers and imported them into the U.S. to be sold or traded for a profit. The men are believed to be part of a criminal organization that is responsible for stealing more than '00 cars, police said.

Force and Goodyear Police Department into a group that was carjacking high-end vehicles in Mexico, switching the Vehicle Identification Numbers (VINs), and then importing them into the United States for profit. The main suspect of the investigation was arrested at his home in Goodyear. The suspect, a Mexican national residing illegally in the United States and has been deported on more than one occasion. He was arrested without incident; four of the vehicles at his home were seized. Twelve other vehicles were seized at other locations in the Valley (one in Glendale and the others in Phoenix).

This criminal organization is believed to have stolen over 100 vehicles since starting their operation. This group would import the stolen cars, drive them for a short period of time, then sell them or trade them.

Stolen vehicles recovered and/or seized:
2014 BMW X5 M Series
2001 Chevrolet Tahoe
2002 Chevrolet Silverado
1989 Ford Mustang 5.0
2007 Volkswagen Jetta
1998 Yamaha quad
2013 Ford Explorer
2011 Toyota Sienna

2010 Dodge Ram
2003 Ford Mustang, Saleen
2013 Jeep Grand Cherokee
2011 Chevrolet Camaro
2005 Hummer
2013 Toyota Land Cruiser

OPERATION GM, NEW MEXICO - Two undercover operations across Arizona and New Mexico yielded 39 stolen vehicle recoveries, 22 arrests, weapons and drugs. The combined value of the stolen vehicles is estimated to be well over $2 million. Two of the suspects arrested worked for a third-party motor vehicle office. On June 26, 2014, law enforcement officers executed 12 search warrants in Albuquerque, New Mexico with Arizona Vehicle Theft Task Force (AVTTF) agents and

detectives assisting to gather additional evidence for the Arizona-based investigation.

Two investigations were run simultaneously because authorities were tracking two criminal organizations in different states. The investigations were named "Operation VIN-a-Palooza" and "Operation Interstate GM." The investigative operations began in the Fall of 2013.

 "VIN-a-Palooza" took place in New Mexico and was operated by the Albuquerque Police Department and the Department of Homeland Security Investigations (HSI). Authorities were responsible for tracking the actions of the New Mexico-based criminal organization headed by suspect Jose Alonso-Espinoza, 27. Alonso-Espinoza's crime group was responsible for stealing newer model GM vehicles and switching their vehicle identification numbers (VINs).

"Interstate GM" was operated by the Arizona Vehicle Theft Task Force (AVTTF) within Arizona and was responsible for tracking the actions of the Arizona based criminal organization. The organization was receiving the stolen GM vehicles from the New Mexico organization and selling them in Arizona.

AZ. VEHICLE THEFT TASK FORCE
FY'14 RESULTS

JULY 1 – JUNE 30	2013-2014	
Combined Activity	**Number**	**Estimated Value**
Stolen Vehicles Recovered	852	$8,002,721.00
Stolen Vehicle Locates	108	$1,464,800.00
"Chop Shops" Investigated	19	
Altered/Switched VIN's	161	
Felony Arrests	127	
Adults	125	
Juveniles	2	
Insurance Fraud Cases	13	
Business Inspections	57	
Border Interdiction Programs	9	
CORE Programs	1	
Training Provided	19	
Assist to Other Agencies	1,048	

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. 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 2014, the program has close to 500 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.

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.

Vertical Prosecution Programs

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'15, the AATA's Vertical Prosecution Programs remained the agency's second largest annual grant program. Grant funded prosecutors and support staff are currently located in Maricopa, Pima, Pinal and Santa Cruz counties. Future plans include expanding the Vertical Prosecution program to additional, smaller counties across the state.

Some results of the Vertical Prosecution Program during 2014 for the Maricopa County Attorney's Office, the AATA's largest Vertical Prosecution grant recipient, include:

January – December 2014 the Auto Theft bureau reviewed 1449 submittals, entered into 827 plea agreements and had 21 trials. In 2014, the court awarded $1,644,124 in victim restitution, which represents a significant increase in the amount of restitution being awarded to victims.

A few notable auto theft cases prosecuted by the Maricopa County Attorney's Office Auto Theft Bureau include:

State v. Richard Barker
Over the course of five weeks, the Defendant stole multiple cars from different victims at two different 24 hour fitness locations. On 11/5/13, Defendant posted a $75,000 cash only bond and then warranted. The State proceeded with trial in absentia but Defendant was picked up in California (for committing the same crime in San Diego) on the third day of trial. The court declared a mistrial and the Defendant plead guilty to the charge with a stipulated DOC term of 16 to 18 years. On 4/17/14, Judge Welty sentenced the Defendant to 18 years in DOC.

State v. Mark Anthony Bobacher
The Defendant's cases were an off-shoot of the "Tin Man" investigation conducted by the Arizona VTTF. Defendant was involved in the selling of stolen commercial vehicles (tractors, front loader(s), scissor lift(s) to undercover officers. Defendant pled guilty to 4 counts of the 7 filed charges including Theft (F2), Trafficking in Stolen Property, and Theft of a Means of Transportation (F3). He was sentenced to 11 years in prison, after a plea agreement, on July 3, 2014.

State v. Reynaldo Medina
When the jury came back with the verdict defendant absconded, knowing he is facing 7.5 to 25 years. Previously he had made all his court dates, and sat through the whole trial. I had requested a warrant on the day he did not appear for master calendar but it was denied. After his apprehension he was finally sentenced on September 12, 2014 to 10 years in prison on the Theft of a Means.

Professional Training Grants

A vital role of the AATA is to provide auto theft 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 has provided funding for training on a variety of topics concerning auto theft related crimes, including current trends, methods of theft, VIN cloning, titles and license plate theft, as well as heavy equipment and all-terrain vehicle identification.

Next August 9-14, 2015, the AATA will co-host the 63rd Annual International Association of Auto Theft Investigators (IAATI) Seminar, with over 450 attendees expected from across the United States and the world. The agency anticipates funding numerous Professional Training grants to statewide criminal justice agencies to attend this valuable seminar.

Public Awareness & Prevention Programs

The AATA's public awareness and prevention efforts continue to focus on strategic partnerships and collaborative efforts with statewide law enforcement and criminal justice agencies, community organizations, corporations and businesses. This year, the AATA partnered with AAA Arizona, AARP, the Arizona Crime Prevention Association (ACPA), Maricopa County Attorney's Office, SunWest Federal Credit Union and numerous corporations to promote auto theft and burglary prevention programs. The AATA provides grant funding and resource support to law enforcement agencies across the state to implement (and sustain) community-based public awareness programs.

Our goal is to educate and empower Arizona vehicle owners to protect and secure their vehicles and personal property at all times.

AATA Public Awareness & Auto Theft Prevention Programs include:

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 FREE, 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 available to all citizens with cars registered in the State of Arizona.

To promote the Watch Your Car program and auto theft prevention tips, the AATA partners with criminal justice agencies throughout Arizona and 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 2014, the AATA has approximately 50,000 vehicles enrolled in the program.

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 provides grant funding for VIN etching equipment and supplies needed to perform this service. The AATA owns equipment and regularly loans out to law enforcement agencies across the state. The AATA also sponsors VIN etching events that are conducted by agency staff and volunteers.


Annual Auto Theft Prevention Month in March

Since 2004, the AATA has sponsored the Annual Statewide Auto Theft Prevention & Awareness Month during 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. Events   are updated on the AATA website - https://aata.az.gov/upcoming-events.

Youth Auto Theft Deterrent Programs

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.
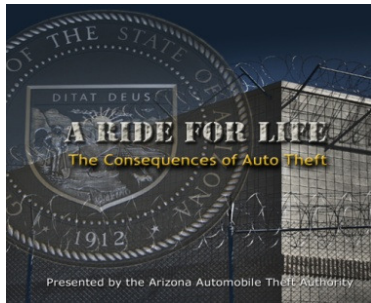
Building Partners in Crime Prevention

The AATA continues to partner with community organizations, corporations and businesses, including AAA Arizona, AARP, the Arizona Crime Prevention Association (ACPA), Arizona Insurance Council, SunWest Federal Credit Union, 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 services.

Bait Car & Auto Theft Deterrent Signs

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 secure their vehicles and protect themselves from becoming a theft victim.

Social Media & 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), 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, 2014

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 or court 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, 2014 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.

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, 2014 were $ 5,514,751, an increase of $182,679 or 3.43% from the prior year. All excess cash is invested with the State Treasurer and the Authority earned $19,113 in investment income during the current fiscal year.

Expenditures

Total expenditures for the current year were $5,137,667, an increase of $920,554 from the total expenditures from the previous year of $4,217,113. 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, 2014, the Authority was in compliance with this statute with "costs of administration" being 4.43%, of "the monies in the fund" as verified by the audit. The AATA's administrative costs for the fiscal year were 4.80% of total expenditures. The AATA ended the year with cash and investments with the State Treasurer of $1,722,141.

Revenue Forecast

The AATA reviewed and analyzed the revenue collection trends for several of the previous years in determining revenue projections, there are two collection periods per fiscal year. This analysis showed a small increase in revenue in each year over the previous year. The rate of revenue growth has increased slightly in FY11, FY12, FY13 and FY14. Therefore, in going forward the AATA was very cautious in its revenue projections, for the fiscal year ending June 30, 2015 the agency projects revenue growth of 1.00% (over the previous year), this means that the anticipated revenue in the next fiscal year should be approximately $5,569,898, ($55,147 above the revenue received in the current fiscal year).   Going forward, the agency expects revenue to increase slightly (approximately 1.25%) for the fiscal year ending June 30, 2016, with a projected revenue of $5,639,521 for FY16. 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, 2014

	June 30, 2013	June 30, 2014
Revenue		
Current Year Collections	5,332,073	5,514,752
Prior Year Collections	-	-
Investment Income	12,656	19,113
Grants	-	-
Refund of Unused Grant Funds/Miscellaneous Income	2,720	31,915
Total Cash Collections	5,347,449	5,565,780
Revenue Accrued at June 30th	97,084	70,121
Total Revenue	$5,444,533	$5,635,901
Expenditure by Program		
Administrative Costs (1,2)	226,021	246,755
Arizona Vehicle Theft Task Force Grant	3,064,000	3,932,968
Vertical Prosecution Program	382,017	596,731
Public Awareness /Programs	208,825	229,684
Public Awareness Grant Program	-	1,650
Law Enforcement Grant Program	73,878	26,759
Professional Training & Special Grant Program	15,274	34,253
Emergency/Discretionary Grant Program	71,262	
Investigator Projects	175,836	53,867
Reimbursable Programs	-	15,000
Miscellaneous	-	-
Total Expenditures (3)	4,217,113	5,137,667
Transfer to Primary Government		
Excess of Expenditures Over Revenues	1,227,420	467,434
Beginning Fund Balance (4,5)	3,114,039	4,491,459
Ending Fund Balance (4,5)	$4,341,459	$4,958,893

Footnotes

		June 30, 2013	June 30, 2014
1.	Administrative Costs as a Percentage of Cash Collections	4.23%	4.43%
2.	Administrative Costs as a Percentage of Total Expenditures	5.36%	4.80%
3.	Actual Expenditures by Category per Audited Financial Statements		
	Appropriated Current Operating Expenses		
	Personal Services	284,957	260,283
	Employee related expenses	108,913	100,581
	Professional services	14,507	9,947
	Travel-in-State	3,819	2,560
	Travel-out-State	6,905	1,883
	Aid to Organizations	3,606,431	4,582,361
	Other Operating	114,427	107,672
	Capital Outlay (Equipment)	77,154	47,380
	Total Expenditures	$4,217,113	$5,112,667
	Non-appropriated Expenses		
	Other Travel		-
	Miscellaneous		-
	Aid to Organizations	-	25,000
	Total Non-appropriated Expenditures		25,000
4&5.	Fund balance includes accrued income as per the audited financial statements		

	June 30, 2013	June 30, 2014
Total Expenditures	$4,217,113	$5,137,667
Cash invested with the State Treasurer as of June 30th	$1,503,030	$1,722,141
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) & Western Region Chapter
National Insurance Crime Bureau (NICB)
Policia International Arizona-Sonora (PISA)
Arizona Insurance Council (AIC)

Detective Ryan Barnhart, Gilbert Police Department
Eric Billings, Analyst, Joint Legislative Budget Committee
Scott Blum, Auto Theft Bureau Chief, Maricopa County Attorney's Office
Captain Bruce Campbell, AZ DPS/Arizona Vehicle Theft Task Force
Mary Curfman, AZ. DPS/Arizona Vehicle Theft Task Force
Sheriff Mark J. Dannels, Cochise County Sheriff
Rebecca Dial, Analyst, Governor's Office of Strategic Planning & Budgeting
Nicole Farr, Arizona Insurance Council
Tom Gaupel, Pinal County Sheriff's Office
Sergeant Danny Hannigan, AZ.DPS/Arizona Vehicle Theft Task Force
Kerry Hayden, Farmers Insurance Company
J.D. Hough, LoJack Corporation
Detective Annette Jacobs, Phoenix PD, AATIA President & IAATI W. Region Chapter Pres.
Steve Jimenez, AZ.DPS/Arizona Vehicle Theft Task Force
Heidi M. Jordan, NICB, IAATI President 2014-2015
Susan Laurence, ADOA, Human Resources
Ralph Lumpkin, National Insurance Crime Bureau
Detective Garth McClellan, Gilbert Police Department
Detective Dennis McNulty, AZ.DPS/Arizona Vehicle Theft Task Force (Ret. 2015)
Vickie Owen, Gilbert Police Department, AZ. Crime Prevention Association (ACPA) President
Bobby Owens, National Insurance Crime Bureau
Jerry Quarles, Mesa Police Department, ACPA President 2015
Frank Scafidi, National Insurance Crime Bureau
Major Larry Scarber, Arizona Department of Public Safety
Scott Selin, Analyst, Governor's Office of Strategic Planning & Budgeting
Rich Spallinger, National Insurance Crime Bureau
Sara Sparman, Kutak Rock, LLP
Johanna Bertoldo-Starner
Carmen Swanson, SunWest Federal Credit Union
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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