

Arizona Automobile Theft Authority

2007 Annual Report



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Mission Statement

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

Letter to the Governor

The Honorable Janet Napolitano
Governor of Arizona
1700 West Washington
Phoenix, AZ 85007

Dear Governor Napolitano:

It is with great pleasure that we present the Arizona Automobile Theft Authority's (AATA) Annual Report for the fiscal year ending June 30, 2007.

The AATA is pleased to report another slight reduction (3.8%) in Arizona's vehicle theft rate for 2006. This reduction represents the fourth straight year Arizona has realized a decrease in its auto theft rate. Arizona remains the number two state for auto thefts behind Nevada according to recent statistics released in the 2006 FBI Uniform Crime Report. The AATA is encouraged by the downward trend in the vehicle theft rate and attributes this success in part to the current initiatives, programs and partnerships that have been cultivated. Although the Agency is pleased with the reduction, we recognize a great deal of work remains to continue to reduce Arizona's vehicle theft rate.

The continuing vehicle theft problem and growing population in Arizona requires a coordinated statewide effort to develop, implement and sustain successful programs and inter-agency cooperation to combat vehicle theft in the state. Arizona's proximity to Mexico, the moderate recovery rate 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 AATA remains committed to reducing the incidence of vehicle theft in the state with support from the insurance industry, criminal justice agencies, community organizations, and business partners, and looks forward to continued service to the citizens of Arizona.

Respectfully,



Dean C. Butler
Chairman of the Board

Board of Directors June 30, 2007



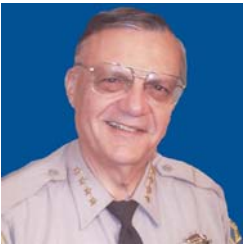
Dean C. Butler, Chairman of the Board
Farmers Insurance Company

Dean Butler was appointed to the AATA Board of Directors on January 5, 2001. Mr. Butler is the Marketing Support Manager with the Phoenix Service Center of Farmers Insurance and has over 25 years of experience in the insurance industry. Mr. Butler represents one of two insurance industry positions on the AATA Board.



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

Chief Sharp was appointed to the AATA Board of Directors in October 2000 by the Arizona Chiefs' of Police Association and represents a city with a population of one hundred thousand or less. Chief Sharp has served as Oro Valley Police Chief since January 2000 and had been with the Tucson Police Department prior to his appointment. Chief Sharp brings over 25 years of law enforcement experience to the AATA Board.



Sheriff Joe Arpaio
Maricopa County Sheriff's Office

Sheriff Joe Arpaio was appointed to the AATA Board of Directors in February 2003 by the Arizona Sheriff's Association. Sheriff Arpaio occupies one of two Sheriff positions on the AATA Board, representing a county with a population of five hundred thousand or more. Sheriff Arpaio has been the Sheriff of Maricopa County since 1993 and brings with him over 40 years of law enforcement experience.



Joe Brosius
Public Member

Governor Napolitano appointed Sergeant Joe Brosius of the Tempe Police Department, to the AATA Board of Directors on January 19, 2004. Sergeant Brosius occupies one of two public member positions on the AATA Board. He brings over thirty years of law enforcement experience, with eighteen of those years in the area of vehicle theft investigation.



Brian L. Garrett
State Farm Insurance Company

Brian Garrett was appointed to the AATA Board of Directors in 2005. Mr. Garrett represents one of two insurance industry positions on the AATA Board. Mr. Garrett has been with the State Farm Insurance Company since 1982 and is currently the Section Manager of the Special Investigative Units in Arizona, Nevada and New Mexico.



Chief Sherry Kiyler
Chandler Police Department

Chief Sherry Kiyler was appointed to the AATA Board of Directors in 2004 by the Arizona Chiefs' of Police Association and represents a city with a population of one hundred thousand or more. Chief Kiyler was appointed Chandler Police Chief on February 2, 2004. Prior to her appointment as Chandler Police Chief, she served the citizens of Phoenix and the Phoenix Police Department for over thirty-one years.



Sheriff Ralph E. Ogden
Yuma County Sheriff's Office

Sheriff Ralph Ogden was appointed to the AATA Board of Directors in 1997 by the Arizona Sheriff's Association. Sheriff Ogden occupies one of two Sheriff positions on the AATA Board, representing a county with a population of five hundred thousand or less. Sheriff Ogden began his career in law enforcement more than 30 years ago and was elected Yuma County Sheriff in 1993. His experience includes four years in the Marine Corps, Chief Deputy for the Yuma County Sheriff's Office and a graduate of the FBI National Academy.



Ellen Poole
Public Member

Ellen Poole has been a member of the AATA Board of Directors since 1999 and occupies one of two public member positions. Ms. Poole joined the USAA Insurance Company in October 2002 as Executive Director, Southwest Region Government Liaison. Prior to joining USAA, Ms. Poole was with the Arizona Bankers Association and had served three years as the legislative research analyst for the Arizona State Senate Banking and Insurance Committee. Ms. Poole earned her law degree from George Washington University and holds two bachelor's degrees from Virginia Tech.



Director Stacey K. Stanton
Motor Vehicle Division, Arizona Department of Transportation

Stacey Stanton has been a member of the AATA Board of Directors since 1999. Ms. Stanton was appointed to lead the Arizona Department of Transportation's Motor Vehicle Division in December 1999. She has worked with the Motor Vehicle Division for many years, overseeing the division's customer service program in Phoenix and later, heading the division's legislative program and policy unit. Ms. Stanton has a bachelor's degree from Arizona State University.



Director Roger Vanderpool
Arizona Department of Public Safety

Roger Vanderpool was appointed Director of the Department of Public Safety by Governor Napolitano in March 2005. Director Vanderpool is the former Pinal County Sheriff; twice elected Sheriff. Prior to being first elected Sheriff, Director Vanderpool served 20 years with DPS and had been a police officer in Indiana. Director Vanderpool is a U.S. Army veteran, having served in Germany. He serves on over 40 different state boards and commissions.



Andrew P. Thomas
Maricopa County Attorney

Andrew Thomas was appointed to the AATA Board of Directors on January 19, 2007. Mr. Thomas occupies the County Attorney position on the AATA Board, representing a county with a population of one million or more. Mr. Thomas was elected Maricopa County Attorney in November, 2004. He is a former prosecutor and published author. He received his B.A. in Political Science from the University of Missouri in 1988 and his law degree from Harvard Law School in 1991.



James P. Walsh
Pinal County Attorney

Governor Napolitano appointed Mr. Walsh to the AATA Board of Directors on June 29, 2007. Mr. Walsh occupies the County Attorney position on the AATA Board, representing a county with a population of one million or less. Mr. Walsh became the Pinal County Attorney on May 18, 2007 after being appointed by the Pinal County Board of Supervisors. Before the Pinal County Attorney position, he served as Chief Deputy and Special Counsel for Southern Arizona in the Arizona Attorney General's Office.

Arizona Automobile Theft Authority Staff

Enrique Cantu
Executive Director

Paul Boelhauf
Chief Financial Officer

Ann Armstrong
Public Affairs Officer

John Almasan
Public Information Officer

Arthur Myer
Fiscal Services Specialist

Nichole Thompson
Administrative Assistant

Executive Summary

Introduction

The Arizona Automobile Theft Authority (AATA) fiscal year is from July 1st to June 30th. The budget is appropriated biannually by the Arizona Legislature.

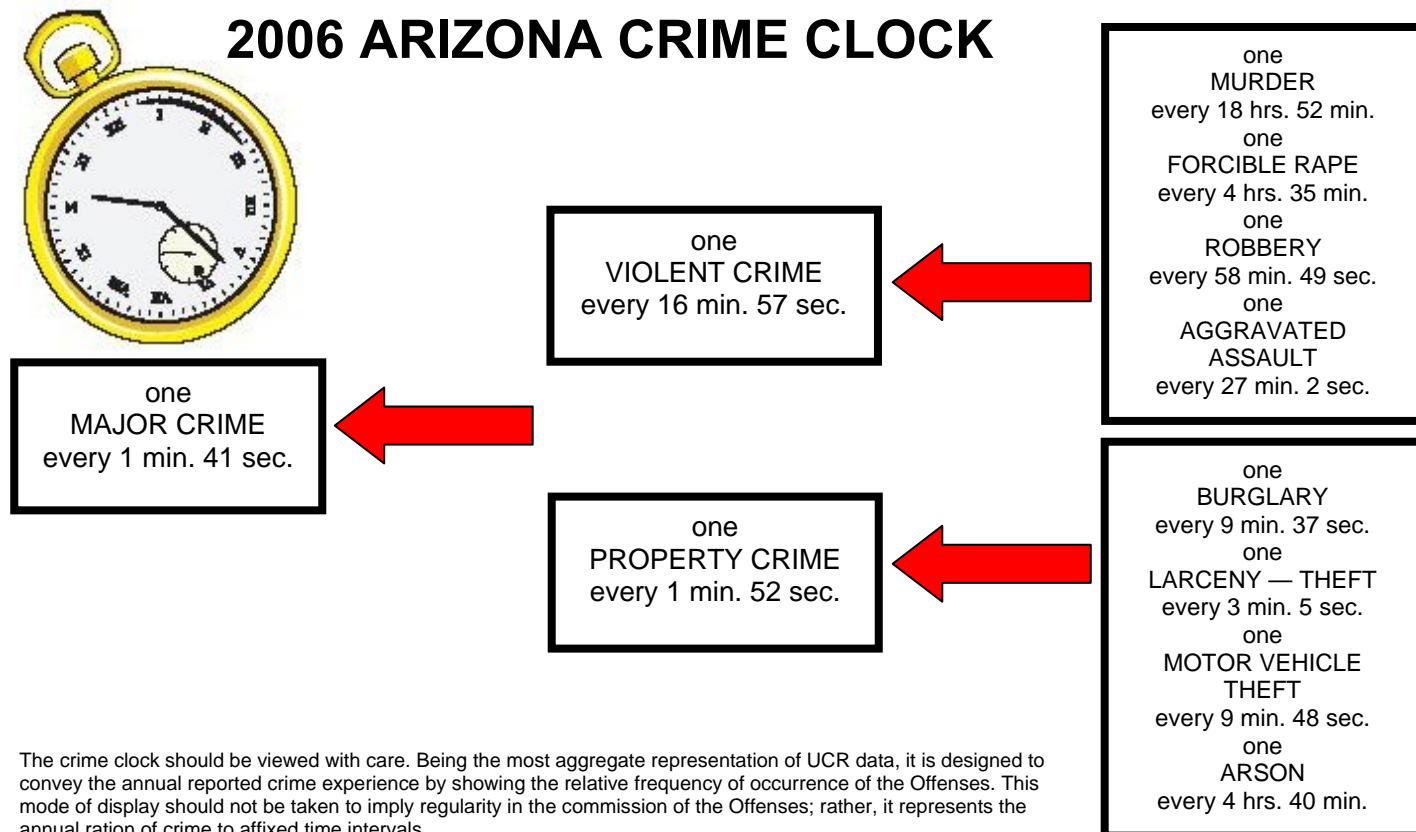
All motor vehicle theft statistics included in this report are based on the calendar year ending December 31, 2006 including those statistics cited from the 2006 *Uniform Crime Report*, published by the Federal Bureau of Investigation (FBI) and the 2006 *Crime in Arizona Report* published by the Arizona Department of Public Safety.

Accordingly, this report contains a combination of data sources reflecting both calendar year 2006 and fiscal year 2007 information. Discrepancies are recognized between the *Uniform Crime Report* and the *Crime in Arizona Report*, due to different reporting requirements. Statistics listed in the *Crime in Arizona Report* do not include crimes reported to Federal or tribal agencies located in Arizona.

The funding mechanism for the AATA is a premiere example of a unique government/business/consumer partnership. The prime beneficiaries, specifically the insurance industry and vehicle owners/insurance consumers totally support the government services from which they benefit. Additionally, all citizens benefit from the services provided by this Agency, since vehicle theft is associated with many other criminal activities.

Summary

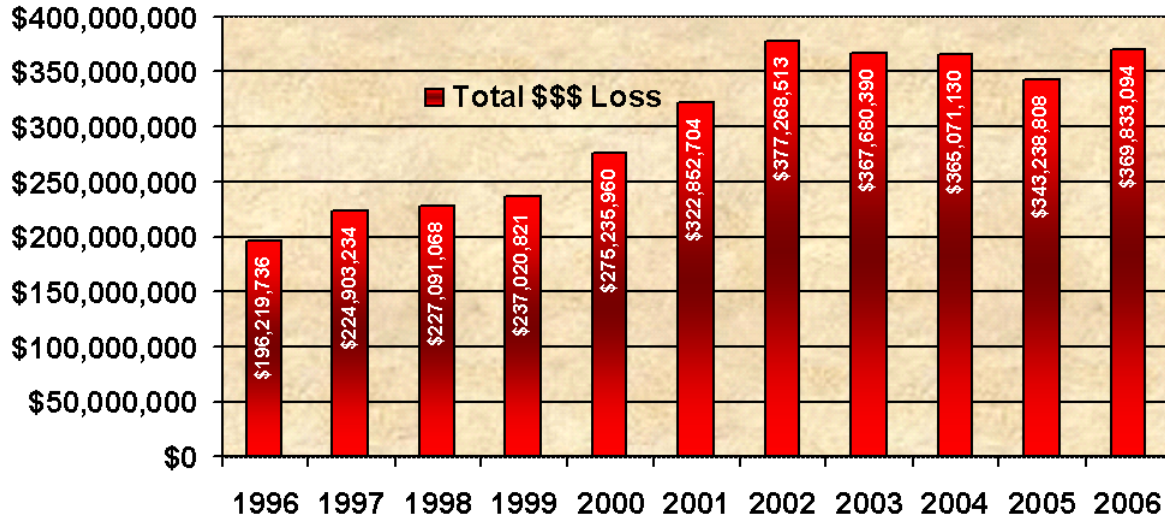
The FBI's 2006 Uniform Crime Report (UCR) indicates there were more than 1.2 million motor vehicle thefts in the United States in 2006, with an estimated value of approximately \$8.2 billion dollars. In Arizona, there were 54,849 vehicles reported stolen during 2006, which reflects a 3.8% decrease in the theft rate from 2005.



The FBI's UCR reflects that in 2006 the Western states have approximately 23 percent of the U.S. population and they accounted for 37 percent of all motor vehicle thefts in the Nation. By volume, the largest number of motor vehicle thefts, an estimated 438,426 occurred in this region.

The estimated number of motor vehicle thefts in the U.S. went down 3.5 percent from last year's number. In addition, the motor vehicle theft rate, estimated at 398.4 thefts per 100,000 inhabitants, had a decrease of 4.4 percent.

Arizona Economic Loss: 1996-2006

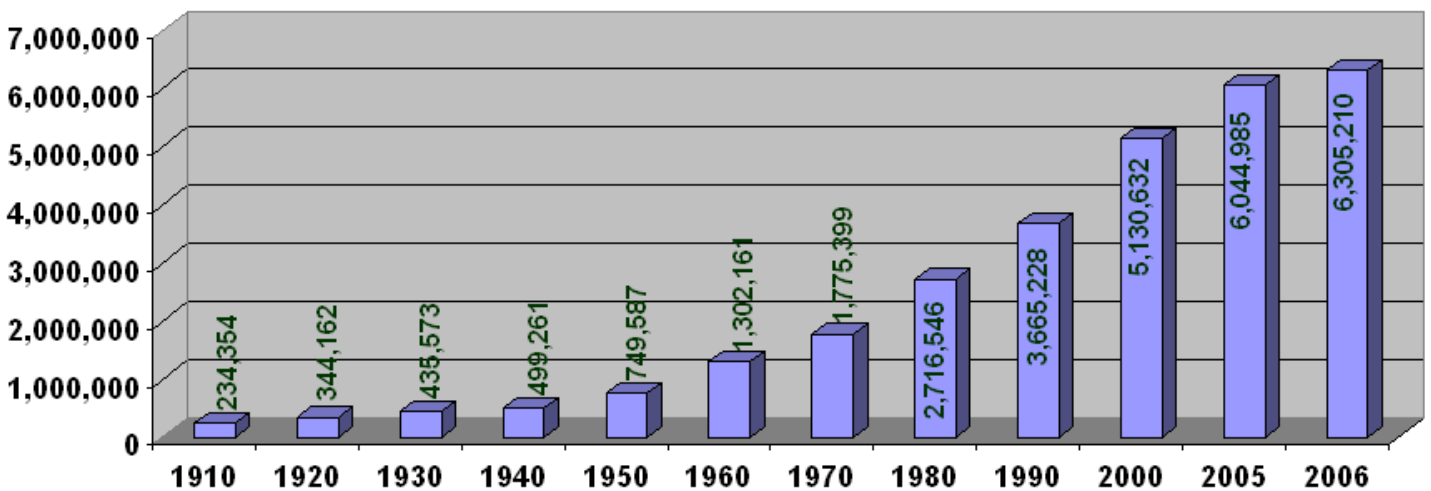


The UCR also shows that of the eight states in the West Mountain Region, Nevada, New Mexico and Wyoming are the only states to experience an increase in the total number of vehicle thefts.

increase of over 1,174,000 people or 22.3 percent since 2000. Arizona's population growth and our proximity to Mexico, remain primary factors that significantly impact the vehicle theft rate and other criminal activity. Despite the growth in population, the 2006 UCR report shows that Arizona's theft rate decreased almost 4.0% from 2005 and remained number two in the nation, behind Nevada.

According to Arizona Department of Economic Security, Arizona's population for 2006 is 6,305,210 which reflects an

Arizona Population: 1910 - 2006



*Arizona's current estimated population (2006) = 6,306,210
 Note: Source — Arizona Department of Economic Security

Summary continued

Arizona ranks fourth (4th) in the nation in actual number of vehicles stolen, and remained in third (3rd) place in the country for vehicle thefts per capita, behind Washington, D.C., and Nevada. Arizona experienced a decrease in vehicle thefts and its theft rate, while other western region states posted significantly higher percentage increases in 2006, as demonstrated on the chart below.



Motor Vehicle Theft by State

Comparison 2005/2006

Ranked by **Total Vehicle Thefts % Change** for Calendar Year 2005 to 2006

RANK	STATE	TOTAL# in 2006	TOTAL# in 2005	% CHANGE	2006 THEFT RATE*	2005 THEFT RATE*	% CHANGE
1	Delaware	2,816	2,349	19.88%	329.9	278.5	18.46%
2	New Mexico	9,225	7,993	15.41%	472.0	414.5	13.87%
3	Alabama	14,840	13,140	12.94%	322.7	288.3	11.93%
4	Wisconsin	14,031	12,546	11.84%	252.5	226.6	11.43%
5	Mississippi	8,347	7,492	11.41%	286.8	256.5	11.81%
6	Louisiana	15,640	14,389	8.69%	364.8	318.1	14.68%
7	New Hampshire	1,422	1,337	6.36%	108.1	102.1	5.88%
8	North Carolina	30,126	28,466	5.83%	340.2	327.8	3.78%
9	Kentucky	9,243	8,796	5.08%	219.8	210.8	4.27%
10	Wyoming	776	739	5.01%	150.7	145.1	3.86%
11	Michigan	50,017	48,223	3.72%	495.4	476.5	3.97%
12	West Virginia	3,921	3,816	2.75%	215.6	210.0	2.67%
13	Arkansas	7,463	7,284	2.46%	265.5	262.1	1.30%
14	Texas	95,429	93,423	2.15%	405.9	408.7	-0.69%
15	Florida	76,437	75,303	1.51%	422.5	423.3	-0.19%
16	Indiana	21,866	21,744	0.56%	346.3	346.7	-0.12%
17	Pennsylvania	29,540	29,394	0.50%	237.4	236.5	0.38%
18	South Carolina	16,402	16,358	0.27%	379.6	384.4	-1.25%
19	Nevada	26,961	26,931	0.11%	1,080.4	1,115.2	-3.12%
20	Arizona	54,849	54,905	-0.10%	889.5	924.4	-3.78%
21	Connecticut	10,390	10,418	-0.27%	296.4	296.8	-0.13%
22	Maine	1,340	1,348	-0.59%	101.4	102.0	-0.59%
23	Missouri	25,433	25,699	-1.04%	435.3	443.1	-1.76%
24	Utah	8,299	8,493	-2.28%	325.4	343.9	-5.38%
25	Alaska	2,529	2,595	-2.54%	377.4	391.0	-3.48%
26	Georgia	43,163	44,477	-2.95%	460.9	490.2	-5.98%
27	Oklahoma	13,358	13,900	-3.90%	373.2	391.8	-4.75%
28	North Dakota	1,012	1,057	-4.26%	159.2	166.0	-4.10%
29	Illinois	37,641	39,385	-4.43%	293.3	308.6	-4.96%
30	Massachusetts	17,961	18,880	-4.87%	279.0	295.1	-5.46%
31	District of Columbia	7,321	7,720	-5.17%	1,258.9	1,402.3	-10.23%
32	California	242,693	257,543	-5.77%	665.7	712.8	-6.61%
33	Minnesota	13,379	14,281	-6.32%	258.9	278.2	-6.94%
34	Kansas	8,703	9,322	-6.64%	314.9	339.6	-7.27%
35	Washington	45,899	49,287	-6.87%	717.6	783.9	-8.46%
36	Virginia	14,814	15,972	-7.25%	193.8	211.1	-8.20%
37	Puerto Rico	8,593	9,299	-7.59%	218.8	237.7	-7.95%
38	Iowa	5,006	5,475	-8.57%	167.9	184.6	-9.05%
39	Vermont	586	641	-9.39%	93.9	102.9	-8.75%
40	Nebraska	5,038	5,567	-9.50%	284.9	316.5	-9.98%
41	Ohio	37,425	41,379	-9.56%	326.1	360.9	-9.64%
42	Tennessee	22,593	25,078	-9.91%	374.1	420.6	-11.06%
43	New York	32,134	35,736	-10.08%	166.4	185.6	-10.34%
44	Maryland	30,522	34,070	-10.41%	543.5	608.4	-10.67%
45	New Jersey	24,724	27,683	-10.69%	283.4	317.5	-10.74%
46	Montana	1,748	1,971	-11.31%	185.0	210.7	-12.20%
47	South Dakota	718	841	-14.63%	91.8	108.4	-15.31%
48	Hawaii	7,763	9,135	-15.02%	603.9	716.4	-15.70%
49	Idaho	2,429	2,884	-15.78%	165.6	201.8	-17.94%
50	Rhode Island	3,582	4,398	-18.55%	335.5	408.7	-17.91%
51	Colorado	20,795	26,101	-20.33%	437.5	559.5	-21.81%
52	Oregon	14,460	19,262	-24.93%	390.7	529.0	-26.14%

*Motor Vehicle Theft Rate Per 100,000 Inhabitants

Information obtained from the U.S. Department of Justice Federal Bureau of Investigation 2006 Uniform Crime Report



Motor Vehicle Theft by State

Comparison 2005/2006

Ranked by **Total Vehicle Thefts** for Calendar Year 2005 to 2006

RANK	STATE	TOTAL# in 2006	TOTAL# in 2005	% CHANGE	2006 THEFT RATE*	2005 THEFT RATE*	% CHANGE
1	California	242,693	257,543	-5.77%	665.7	712.8	-6.61%
2	Texas	95,429	93,423	2.15%	405.9	408.7	-0.69%
3	Florida	76,437	75,303	1.51%	422.5	423.3	-0.19%
4	Arizona	54,849	54,905	-0.10%	889.5	924.4	-3.78%
5	Michigan	50,017	48,223	3.72%	495.4	476.5	3.97%
6	Washington	45,899	49,287	-6.87%	717.6	783.9	-8.46%
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11	Maryland	30,522	34,070	-10.41%	543.5	608.4	-10.67%
12	North Carolina	30,126	28,466	5.83%	340.2	327.8	3.78%
13	Pennsylvania	29,540	29,394	0.50%	237.4	236.5	0.38%
14	Nevada	26,961	26,931	0.11%	1,080.4	1,115.2	-3.12%
15	Missouri	25,433	25,699	-1.04%	435.3	443.1	-1.76%
16	New Jersey	24,724	27,683	-10.69%	283.4	317.5	-10.74%
17	Tennessee	22,593	25,078	-9.91%	374.1	420.6	-11.06%
18	Indiana	21,866	21,744	0.56%	346.3	346.7	-0.12%
19	Colorado	20,795	26,101	-20.33%	437.5	559.5	-21.81%
20	Massachusetts	17,961	18,880	-4.87%	279.0	295.1	-5.46%
21	South Carolina	16,402	16,358	0.27%	379.6	384.4	-1.25%
22	Louisiana	15,640	14,389	8.69%	364.8	318.1	14.68%
23	Alabama	14,840	13,140	12.94%	322.7	288.3	11.93%
24	Virginia	14,814	15,972	-7.25%	193.8	211.1	-8.20%
25	Oregon	14,460	19,262	-24.93%	390.7	529.0	-26.14%
26	Wisconsin	14,031	12,546	11.84%	252.5	226.6	11.43%
27	Minnesota	13,379	14,281	-6.32%	258.9	278.2	-6.94%
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36	Hawaii	7,763	9,135	-15.02%	603.9	716.4	-15.70%
37	Arkansas	7,463	7,284	2.46%	265.5	262.1	1.30%
38	District of Columbia	7,321	7,720	-5.17%	1,258.9	1,402.3	-10.23%
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40	Iowa	5,006	5,475	-8.57%	167.9	184.6	-9.05%
41	West Virginia	3,921	3,816	2.75%	215.6	210.0	2.67%
42	Rhode Island	3,582	4,398	-18.55%	335.5	408.7	-17.91%
43	Delaware	2,816	2,349	19.88%	329.9	278.5	18.46%
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2	Nevada	26,961	26,931	0.11%	1,080.4	1,115.2	-3.12%
3	Arizona 	54,849	54,905	-0.10%	889.5	924.4	-3.78%
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44	Iowa	5,006	5,475	-8.57%	167.9	184.6	-9.05%
45	New York	32,134	35,736	-10.08%	166.4	185.6	-10.34%
46	Idaho	2,429	2,884	-15.78%	165.6	201.8	-17.94%
47	North Dakota	1,012	1,057	-4.26%	159.2	166.0	-4.10%
48	Wyoming	776	739	5.01%	150.7	145.1	3.86%
49	New Hampshire	1,422	1,337	6.36%	108.1	102.1	5.88%
50	Maine	1,340	1,348	-0.59%	101.4	102.0	-0.59%
51	Vermont	586	641	-9.39%	93.9	102.9	-8.75%
52	South Dakota	718	841	-14.63%	91.8	108.4	-15.31%

*Motor Vehicle Theft Rate Per 100,000 Inhabitants


Information obtained from the U.S. Department of Justice Federal Bureau of Investigation 2006 Uniform Crime Report



Motor Vehicle Theft by State

Comparison 2005/2006

Ranked by **Vehicle Theft Rate % Change** for Calendar Year 2005 to 2006

RANK	STATE	TOTAL# in 2006	TOTAL# in 2005	% CHANGE	2006 THEFT RATE*	2005 THEFT RATE*	% CHANGE
1	Delaware	2,816	2,349	19.88%	329.9	278.5	18.46%
2	Louisiana	15,640	14,389	8.69%	364.8	318.1	14.68%
3	New Mexico	9,225	7,993	15.41%	472.0	414.5	13.87%
4	Alabama	14,840	13,140	12.94%	322.7	288.3	11.93%
5	Mississippi	8,347	7,492	11.41%	286.8	256.5	11.81%
6	Wisconsin	14,031	12,546	11.84%	252.5	226.6	11.43%
7	New Hampshire	1,422	1,337	6.36%	108.1	102.1	5.88%
8	Kentucky	9,243	8,796	5.08%	219.8	210.8	4.27%
9	Michigan	50,017	48,223	3.72%	495.4	476.5	3.97%
10	Wyoming	776	739	5.01%	150.7	145.1	3.86%
11	North Carolina	30,126	28,466	5.83%	340.2	327.8	3.78%
12	West Virginia	3,921	3,816	2.75%	215.6	210.0	2.67%
13	Arkansas	7,463	7,284	2.46%	265.5	262.1	1.30%
14	Pennsylvania	29,540	29,394	0.50%	237.4	236.5	0.38%
15	Indiana	21,866	21,744	0.56%	346.3	346.7	-0.12%
16	Connecticut	10,390	10,418	-0.27%	296.4	296.8	-0.13%
17	Florida	76,437	75,303	1.51%	422.5	423.3	-0.19%
18	Maine	1,340	1,348	-0.59%	101.4	102.0	-0.59%
19	Texas	95,429	93,423	2.15%	405.9	408.7	-0.69%
20	South Carolina	16,402	16,358	0.27%	379.6	384.4	-1.25%
21	Missouri	25,433	25,699	-1.04%	435.3	443.1	-1.76%
22	Nevada	26,961	26,931	0.11%	1,080.4	1,115.2	-3.12%
23	Alaska	2,529	2,595	-2.54%	377.4	391.0	-3.48%
24	Arizona 	54,849	54,905	-0.10%	889.5	924.4	-3.78%
25	North Dakota	1,012	1,057	-4.26%	159.2	166.0	-4.10%
26	Oklahoma	13,358	13,900	-3.90%	373.2	391.8	-4.75%
27	Illinois	37,641	39,385	-4.43%	293.3	308.6	-4.96%
28	Utah	8,299	8,493	-2.28%	325.4	343.9	-5.38%
29	Massachusetts	17,961	18,880	-4.87%	279.0	295.1	-5.46%
30	Georgia	43,163	44,477	-2.95%	460.9	490.2	-5.98%
31	California	242,693	257,543	-5.77%	665.7	712.8	-6.61%
32	Minnesota	13,379	14,281	-6.32%	258.9	278.2	-6.94%
33	Kansas	8,703	9,322	-6.64%	314.9	339.6	-7.27%
34	Puerto Rico	8,593	9,299	-7.59%	218.8	237.7	-7.95%
35	Virginia	14,814	15,972	-7.25%	193.8	211.1	-8.20%
36	Washington	45,899	49,287	-6.87%	717.6	783.9	-8.46%
37	Vermont	586	641	-9.39%	93.9	102.9	-8.75%
38	Iowa	5,006	5,475	-8.57%	167.9	184.6	-9.05%
39	Ohio	37,425	41,379	-9.56%	326.1	360.9	-9.64%
40	Nebraska	5,038	5,567	-9.50%	284.9	316.5	-9.98%
41	District of Columbia	7,321	7,720	-5.17%	1,258.9	1,402.3	-10.23%
42	New York	32,134	35,736	-10.08%	166.4	185.6	-10.34%
43	Maryland	30,522	34,070	-10.41%	543.5	608.4	-10.67%
44	New Jersey	24,724	27,683	-10.69%	283.4	317.5	-10.74%
45	Tennessee	22,593	25,078	-9.91%	374.1	420.6	-11.06%
46	Montana	1,748	1,971	-11.31%	185.0	210.7	-12.20%
47	South Dakota	718	841	-14.63%	91.8	108.4	-15.31%
48	Hawaii	7,763	9,135	-15.02%	603.9	716.4	-15.70%
49	Rhode Island	3,582	4,398	-18.55%	335.5	408.7	-17.91%
50	Idaho	2,429	2,884	-15.78%	165.6	201.8	-17.94%
51	Colorado	20,795	26,101	-20.33%	437.5	559.5	-21.81%
52	Oregon	14,460	19,262	-24.93%	390.7	529.0	-26.14%

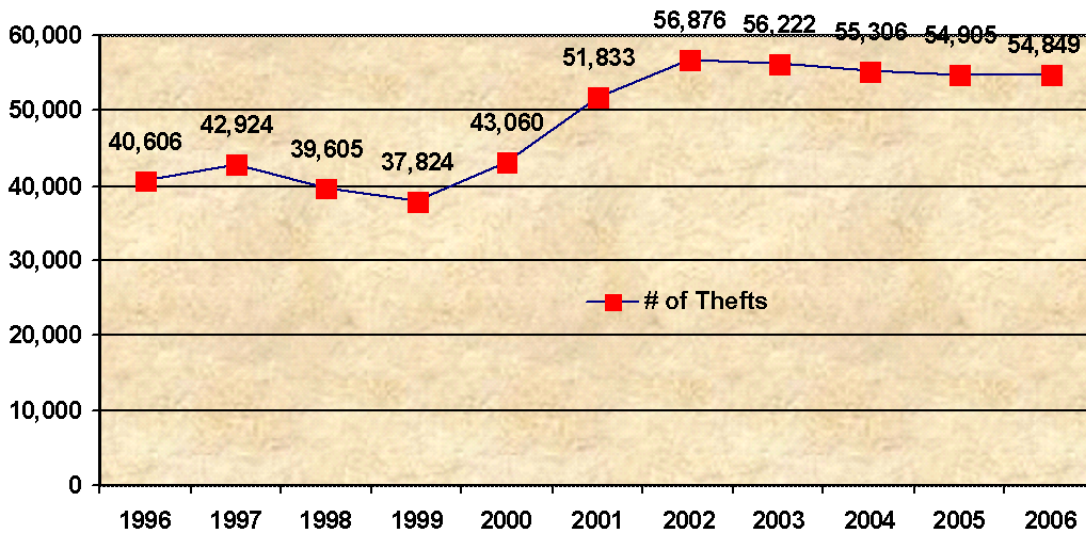
*Motor Vehicle Theft Rate Per 100,000 Inhabitants

Information obtained from the U.S. Department of Justice Federal Bureau of Investigation 2006 Uniform Crime Report

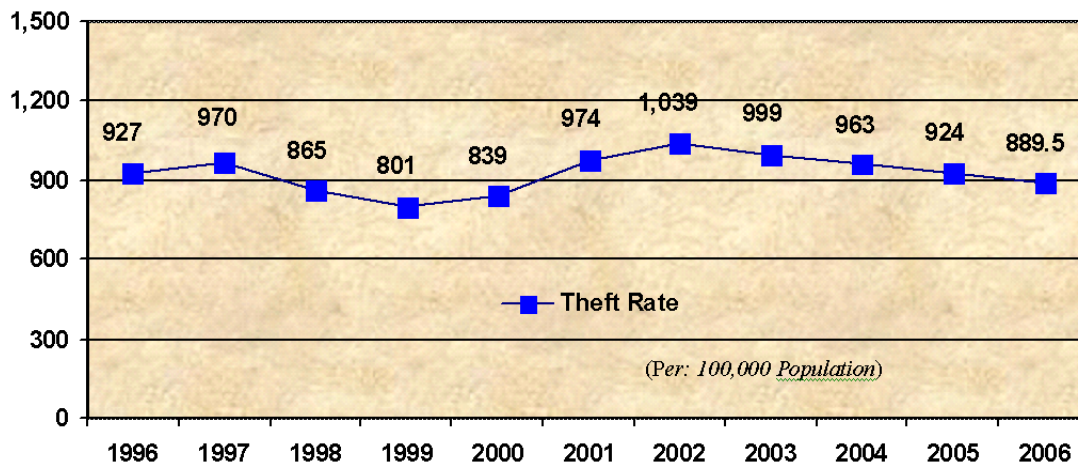
As of October 31, 2007, the Motor Vehicle Division (MVD) reported that there were 6,649,584 vehicles registered in Arizona. With 54,849 vehicles reported stolen, according to the 2006 FBI Uniform Crime Report, this equates to about 0.8% of the total number of vehicles registered in Arizona.

Vehicle theft continues to be a challenge for Arizona, and current statistics continue to reinforce the importance of a coordinated effort to effectively deter, investigate, prosecute as well as educate the public on vehicle theft prevention strategies.

Arizona Vehicle Theft Trends *Total Vehicle Thefts: 1996-2006



*Vehicle Theft Rates: 1996-2006



*Note: Numbers/values used in the above graphs reflect information contained in the 2006 FBI Uniform Crime Report

Summary continued

The AATA is governed by a 12-member Board of Directors, appointed by the Governor and other organizations. Members of the AATA Board include: two police chiefs; two sheriffs; two county attorneys; the Directors of the Department of Public Safety, and Motor Vehicle Division; two employees representing the insurance industry; and two members of the general public. The AATA has a six-person staff responsible for executing the Agency's strategic plan.

Each year the AATA Board of Directors awards grants to law enforcement agencies and county attorney offices throughout the State. The grant programs work to prevent and deter vehicle theft, as well as apprehend and prosecute auto theft criminals.

In fiscal year 2007, the AATA continued to focus the majority of its grant allocation to the Arizona Vehicle Theft Task Force (AVTTF), because of its continued aggressive enforcement/investigative efforts and impressive stolen vehicle recovery results.

During fiscal year 2007, the AATA also expanded its grant funding allocations towards local law enforcement activities, professional training, prosecution and public awareness programs. The AATA approved grants of more than \$1.1

million to law enforcement and criminal justice agencies throughout Arizona as part of the Law Enforcement, Professional Training, Public Awareness, and Vertical Prosecution Programs.

This year, the AATA sponsored and tracked several key pieces of auto theft related legislation. Senate Bill 1061 successfully passed, which continues the AATA for another five (5) years. Senate Bill 1043 also passed, requiring a signed affidavit on all stolen vehicle reports taken in Arizona.

In August, the AATA, in conjunction with the Arizona Department of Public Safety and the Arizona Auto Theft Investigators Association hosted the 55th Annual International Association of Auto Theft Investigators (IAATI) Training Seminar in Phoenix. The Conference was attended by over 350 attendees from throughout the United States, Canada, the UK, Estonia, Romania, Norway, Sweden, Italy, Netherlands, and the Antilles.

Conference presenters provided valuable information on current auto theft related topics, including vehicle, watercraft and commercial cargo theft trends, VIN switching and cloning of vehicles, and International border issues. Several exhibitors attended to display and distribute product information to Conference attendees.



In September 2006, the AATA mailed 220 Customer Satisfaction surveys to a random sampling of current Watch Your Car Program members. The AATA received 94 completed surveys (42.7% return rate) and the responses have been tabulated. (See Figure 2)

In general, the returned surveys have served as an effective tool to measure awareness and effectiveness of the AATA and its Watch Your Car Program. Additional comments have also provided useful information about what additional steps the public is taking to prevent vehicle theft. (See Figure 10)

An overwhelming 77.66% of the respondents enrolled in the Watch Your Car program via the MVD mailer piece sent with their registration renewal tag. More than 2 percent of people (2.13%) applied for the Watch Your Car program by participating in law enforcement/AATA vehicle theft prevention events in their community. Another 7.45% of the members enrolled in the program through the Pay Check Inserts project developed by the AATA for government employees. The AATA was pleased to learn that almost 13% of the respondents enrolled via the AATA website by completing an on-line application form. This is the easiest method of enrollment in this program and will continue to be actively promoted by the AATA. (See Figure 1)

Almost 76% of the respondents learned about the Watch Your Car program from the Motor Vehicle Division (MVD) partnership mailing. An additional 11.70% learned of the program from either a law enforcement agency or AATA presentation/special event. The remaining respondents learned of the program from a Blockwatch or neighborhood meeting, or through other campaigns including mailing advertising/pay check inserts. (See Figure 3)

Most respondents (over 94.68%) did not request assistance at the time they enrolled in the program. This may be an indication that the on-line, electronic and hard copy Watch Your Car Program enrollment forms are user friendly to follow and do not require any further clarification. (See Figure 4)

Almost all respondents (98.93%) agreed or strongly agreed that overall, they are satisfied with the Watch Your Car Program. (See Figure 5)

Every respondent (100%) agreed that overall, AATA staff was readily available to assist them. (See Figure 6)

More than 93% of the respondents indicated they would not want to receive updates by email on AATA or other theft prevention events, with over 6% indicating they would. (See Figure 7)

More than 10% of the respondents have had a vehicle stolen in the State of Arizona. The remaining 89% indicated they had not. (See Figure 8)

Regarding demographics, about 78% of the respondents were age 60 and over. Roughly 6% were between 41-59 years of age. More than 5% of the respondents were age 26-40, and 1% respondents were age 18-25. (See Figure 9)

The AATA appreciates the vehicle owners who took the time to complete the surveys. The AATA values the feedback and comments received and looks forward to enhancing the Watch Your Car Program as well as improving our overall customer service.

How did you enroll in the Watch Your Car program?

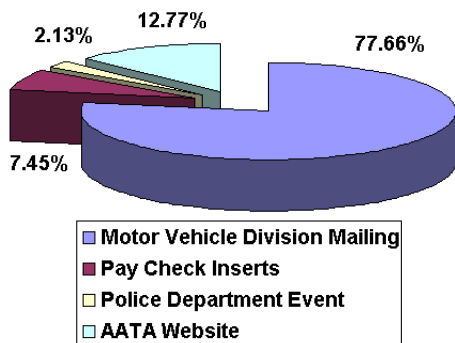


Figure 1

Percent Responding

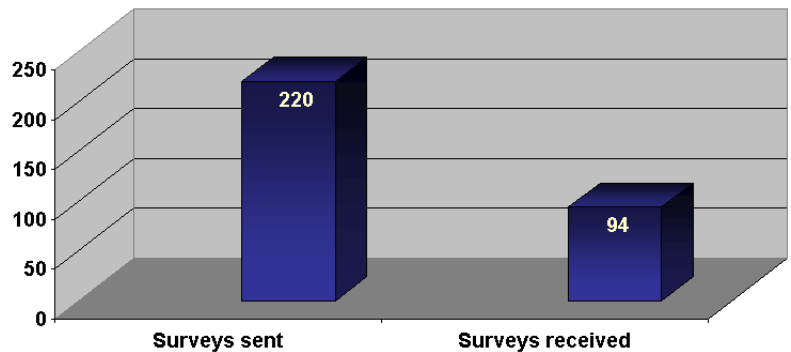


Figure 2

How did you hear about the Watch Your Car Program?

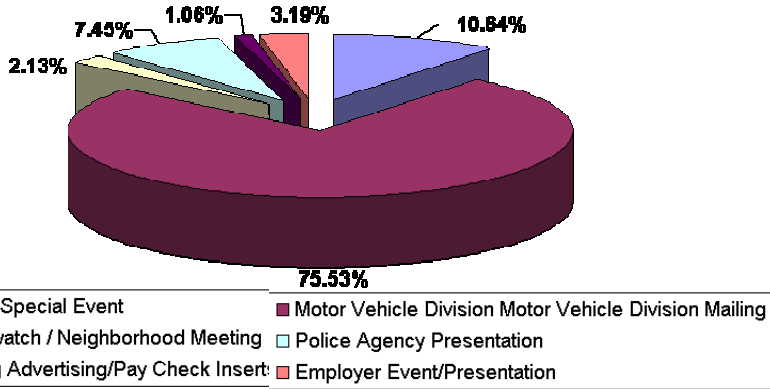


Figure 3

Did you request assistance at the time you enrolled in the WYC program?

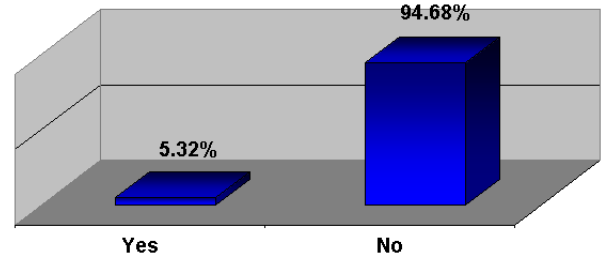


Figure 4

Are you satisfied with the Watch Your Car Program?

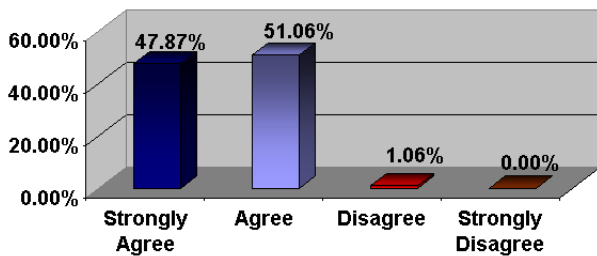


Figure 5

Was staff readily available to assist you?

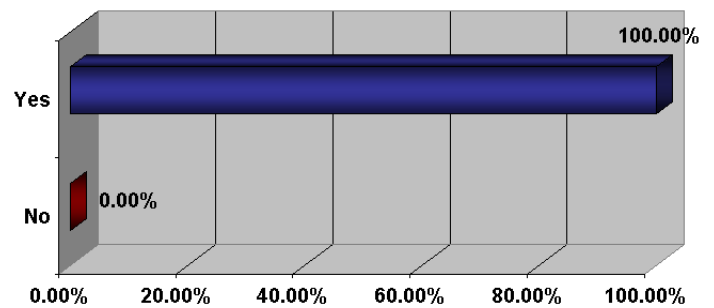


Figure 6

Would you be willing to provide us with your email address to receive updates on events?

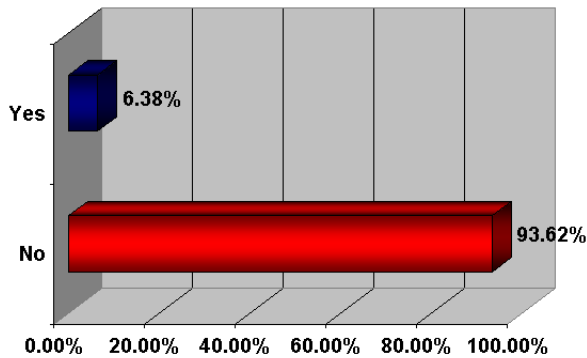


Figure 7

Have you ever had a vehicle stolen in the State of Arizona?

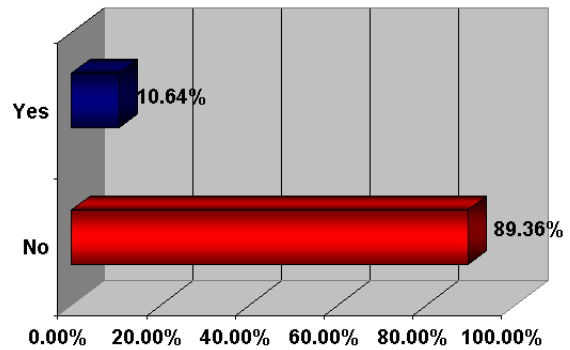


Figure 8

What is your age range?

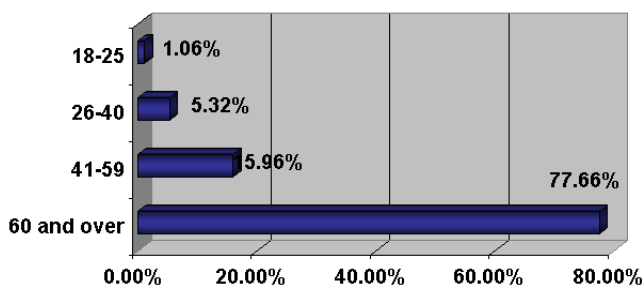


Figure 9

Has being a member of the WYC program encouraged you to take extra precautions in protecting your vehicle?

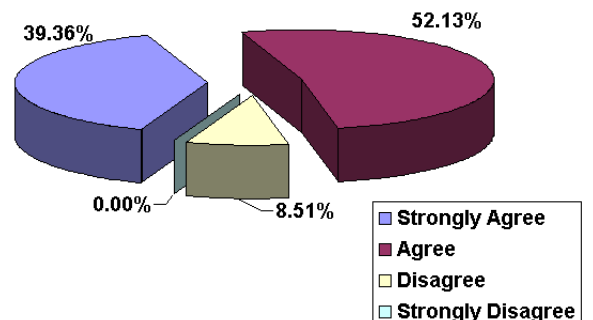


Figure 10

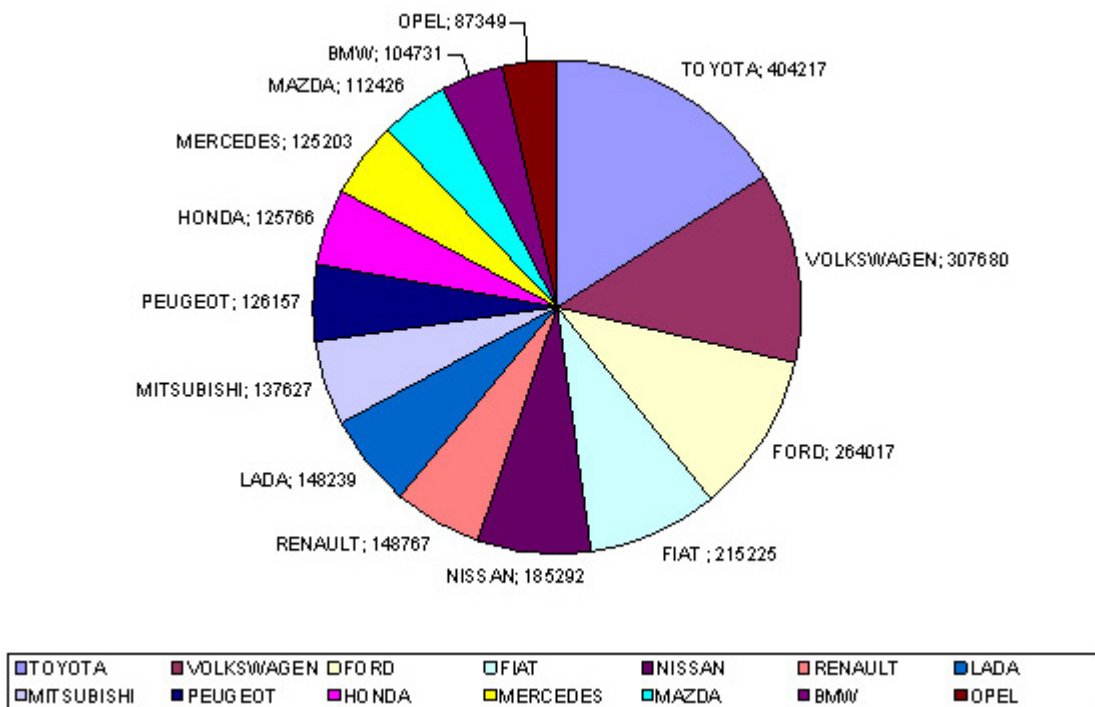
Summary continued

Problem Assessment

Vehicles are stolen for a variety of reasons. They may be stolen simply as a means of transportation. Criminals often steal vehicles in order to facilitate other crimes, such as residential and commercial burglaries, robberies, ID theft, illegal drug and human smuggling activities and drive-by-shootings. Professional auto thieves steal vehicles for economic benefit. They operate "chop shops," where vehicles are stripped and component parts are sold to unsuspecting buyers, or unscrupulous auto repair shops. They also attempt to conceal the identity of stolen vehicles by "VIN-switching" with wrecked, or salvaged vehicles and then

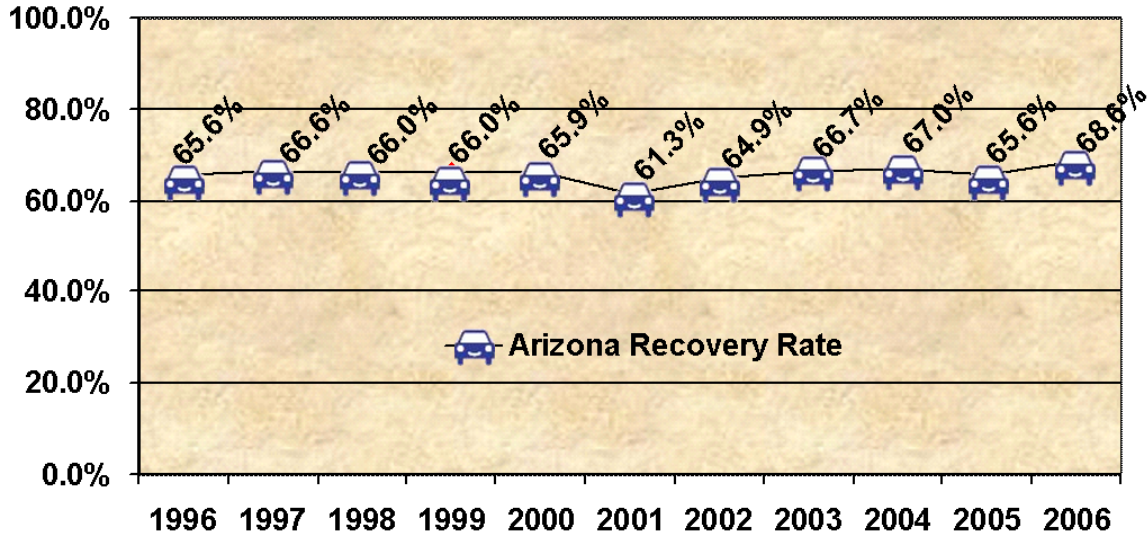
sell them to unsuspecting buyers. VIN cloning is a growing national problem. The "VIN" is the vehicle identification number and is unique to only one vehicle. Vehicles are also stolen and smuggled out of the country. Stolen vehicles from the U.S. and other affluent countries end up in Asia, Eastern Europe, the Middle East, Mexico, Central and South America. The moderate recovery rate of stolen vehicles indicates greater organized criminal activity. Additionally, the international intelligence community (Interpol) has identified vehicle theft and related criminal activity, including insurance fraud, as a primary illicit fundraising source supporting international terrorism.

INTERNATIONAL TOP 14 - Makes of Stolen Motor Vehicles May 2006



*Reported to INTERPOL

Arizona Vehicle Theft Trends Recovery Rate: 1996 - 2006



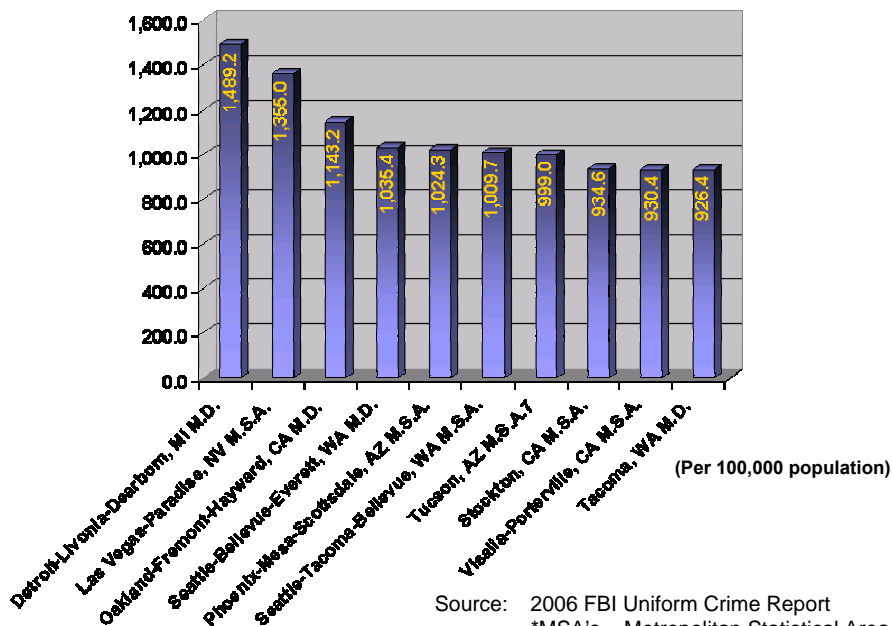
There are a number of reasons that contribute to the vehicle theft problem in Arizona. Arizona has experienced a dramatic population increase over the past 20 to 25 years. There is a rather transient nature of our population, with many people living in multi-family housing units, such as apartments, condominiums and so forth. In these types of residential areas, vehicles are at greater risk to be stolen. Due to the dry, moderate climate in Arizona our vehicles tend to maintain higher value than in other areas of the Nation.

Probably the greatest influence on Arizona's vehicle theft problem is due to the close proximity with Mexico. Research indicates that the highest motor vehicle theft vicinities are major metropolitan statistical areas (MSA's), near seaports or

international borders. In 2006, most of the leading MSA's vehicle theft rates were in the western United States. Three of the top ten were in California. Phoenix remained at number five and Tucson went from number 12 to number 7; with a 13 percent increase in the auto theft rate.

There are seven official ports-of-entry along the 354-mile Arizona-Mexico border, and major California seaports are less than eight hours away. One of the biggest problems is that most vehicle thefts occur at night and it is typically hours later that the victim discovers that their vehicle is gone. A stolen vehicle can be stripped for parts, used to facilitate other crimes, or smuggled into Mexico before the owner realizes that it's missing.

National Vehicle Theft Trends Vehicle Theft Rates 2006: Leading MSA's*



Source: 2006 FBI Uniform Crime Report
*MSA's - Metropolitan Statistical Area (encompasses multiple jurisdictions)

Initiatives

Each of the three strategic initiatives of the AATA – public awareness and community education, law enforcement activities, and vertical prosecution all work together to combat vehicle theft throughout the State of Arizona.

Public Awareness and Education

The AATA's public awareness initiatives during fiscal year 2007, focused on strengthening our partnerships and collaborative efforts with community organizations, corporations and businesses, as well as criminal justice agencies throughout the State.

During fiscal year 2008, the AATA awarded nearly \$187,708 in grant funds to twenty-four (24) criminal justice agencies to conduct public awareness activities on vehicle theft prevention, while also promoting the Watch Your Car Program, one of several elements of the "layered approach" to protect vehicles. Grant agencies are required to submit quarterly performance reports to the AATA on their public awareness and community education efforts. During fiscal year 2007, these agencies participated in 500 public awareness events and meetings, VIN etched over 10,000 vehicles, and conducted on-going law enforcement personnel training within their agencies.

On March 3, 2007, the AATA, in partnership with the Gilbert Police Department and statewide law enforcement agencies hosted the Second Annual Statewide Vehicle Theft Prevention Day. Almost 60 agencies participated throughout the state by hosting auto theft prevention and/or free Vehicle Identification Number (VIN) etching events in an effort to increase awareness about theft prevention.

In 2007, the AATA continued its partnership with the Arizona Multihousing Association to participate in the Annual Project S.A.F.E (Safety Awareness Family Education) program at statewide multi-family communities. The AATA provided vehicle theft prevention presentations to residents at these communities.

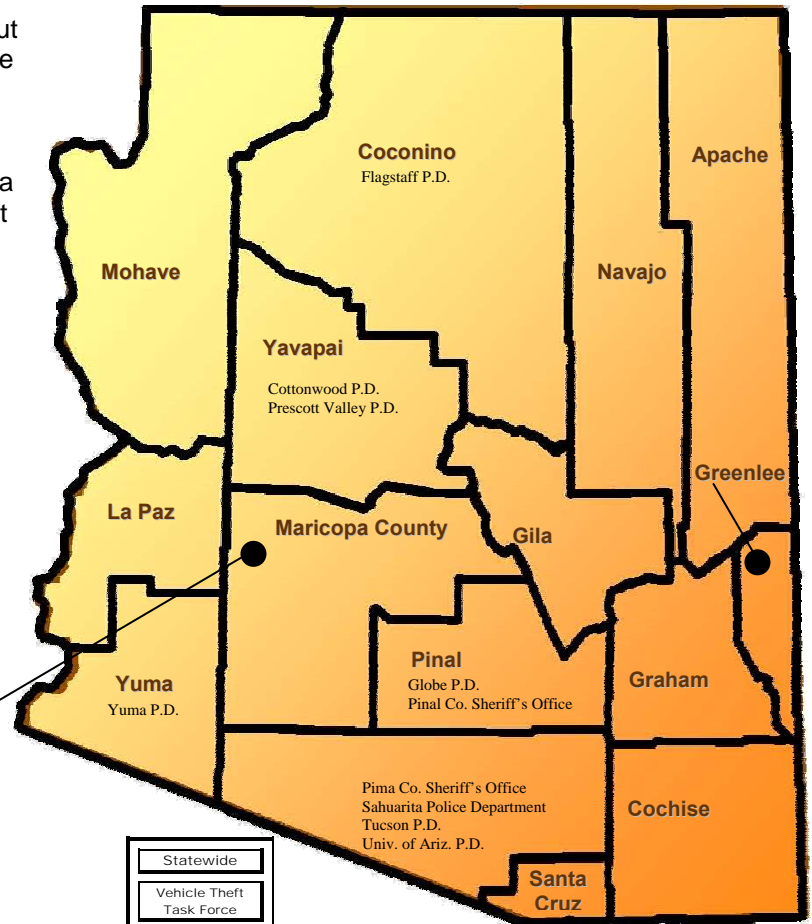
During 2007, the AATA continued promotion of a public service announcement (PSA) highlighting the Bait Vehicle Program. The PSA features two convicted bait vehicle thieves, which serves to warn the public, specifically any would-be-thieves, of the existence of this program. In addition, the "Stop the Fast Break to Auto Theft" PSA, featuring Al McCoy and developed in partnership with the Tempe Police Department, was distributed and promoted. These PSA's can all be downloaded from the AATA's website.

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.

In addition, media releases were distributed regularly to encourage consistent coverage of the AATA's efforts, current crime trends and statistics, and consumer protection topics. As a result of these on-going press releases and media relations, the AATA participated in several newspaper, television, and radio interviews that generated over 32 million media impressions throughout the state.

In 2007, the AATA continued its partnerships with the Motor Vehicle Division Service Centers, AAA Arizona Travel Offices, Apartment Community and Rental Offices for distribution of Watch Your Car program brochures.

AATA 2007/2008 Public Awareness Grant Recipients



Since March 2004, the AATA has conducted a corporate outreach program to local businesses to educate their employees about vehicle theft prevention. The Agency received numerous requests to attend employee presentations and host on-site safety fairs and employee VIN etching events. Some of the corporations include: Arizona Public Service (APS), Bank One, Bedford Group, Blue Cross and Blue Shield, Collins College, SW Gas, American Express, Farmers Insurance, Farnam Companies, Gateway Community College, Honeywell, MFS Investment Management, TriWest Healthcare Alliance and Wells Fargo.

The AATA also partnered with Maricopa County and the State of Arizona to distribute payroll inserts containing vehicle theft prevention information inside employee paychecks.

The AATA has also participated in greater outreach to the Hispanic community with the creation and printing of Spanish Watch Your Car brochures and literature, and increased media relations with local Spanish language newspapers, radio and television.

The AATA's web site at www.azwatchyourcar.com continues to be updated and enhanced for greater public accessibility and averages approximately 64 hits per day. The site provides information on the AATA, current auto theft statistics, theft prevention tips, current community events, posting of all grant program application procedures and requirements, as well as information for the insurance industry on the semi-annual insurance assessment and numerous relevant links.

For the public's convenience, an on-line Watch Your Car application form is available for easy enrollment in the program. The AATA's website is continually updated to contain the most current motor vehicle theft related information, statistics and upcoming special events.



The AATA's Watch Your Car van continues to be a popular promotional tool utilized consistently by the AATA and its law enforcement partners at community events, safety fairs, and promotional opportunities throughout Arizona.

The van is complete with exterior advertising graphics and theft prevention messages to be used to promote vehicle theft prevention and the AATA's free Watch Your Car program. The van is also equipped with several theft deterrent devices to educate the public on the various choices available for theft prevention.

In 2007, the AATA continued its expansion of the VIN (Vehicle Identification Number) Etching Program. VIN Etching is the process of etching the vehicle's 17 digit (in most cases) VIN number on the vehicle's window glass and is an effective visual deterrent against auto theft. The AATA continues hosting and co-hosting free VIN etching events throughout the state in conjunction with our criminal justice partners. In 2007, it is estimated over 20,000 vehicles received free VIN etching utilizing the AATA's equipment.

The AATA continues to participate and promote grass-roots public awareness campaigns targeting communities throughout the State. The AATA participated in numerous community events featuring vehicle theft prevention information, Watch Your Car program enrollment and free VIN etching.



AATA Promotional Items

The following are examples of these types of events the AATA participated in during fiscal year 2006:

[Neighborhood Safety Fairs and Blockwatch Meetings](#)

[Law Enforcement Sponsored Safety Fairs](#)

[Corporate Employee Health/Safety Fairs and Presentations](#)

[Shopping Mall Crime Prevention Events](#)

[Senior Center and Retirement Community Presentations](#)

[Insurance Company Sponsored Vehicle Theft Prevention Fairs with Free VIN Etching](#)

[Getting Arizona Involved in Neighborhoods \(GAIN\) Events](#)

[State University and Community College Events](#)

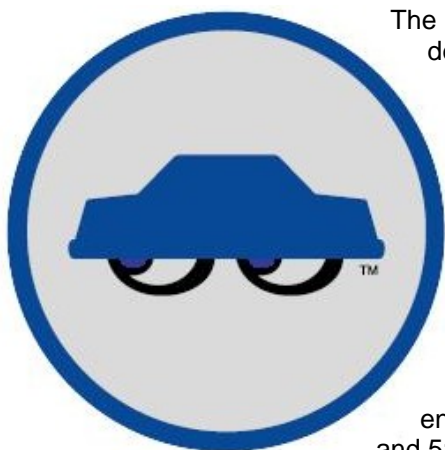
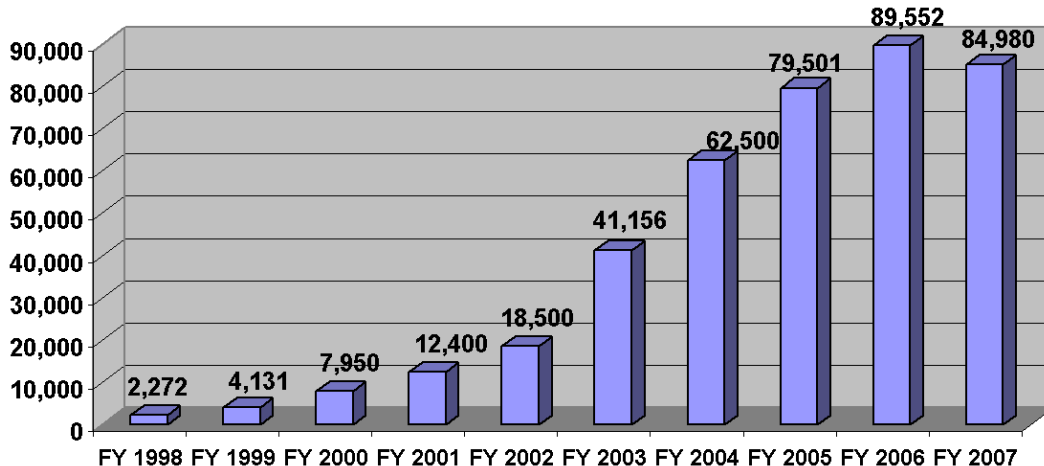
[AARP's 55 Alive Driver's Education Classes and Town Hall Meetings](#)

[Civic Group Presentations](#)

Watch Your Car Program Enrollments

1998 - 2007

Watch Your Car Program Active Enrollments



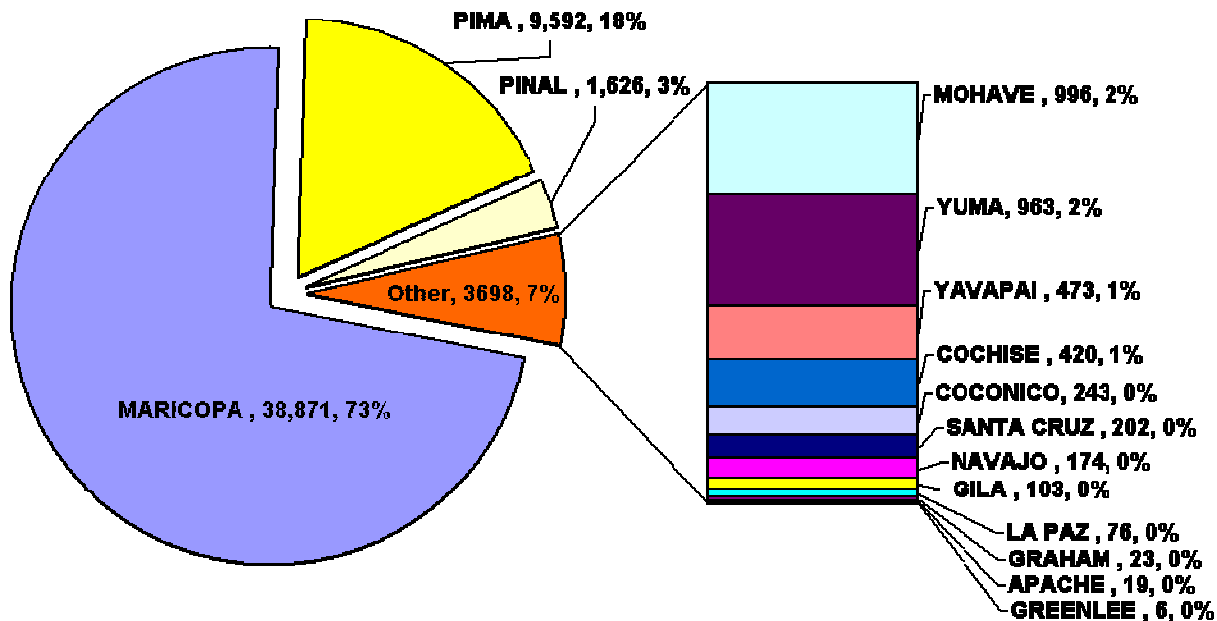
The Motor Vehicle Theft Prevention Act of 1994 authorized the U.S. Attorney General to develop, in cooperation with the states, a national voluntary motor vehicle theft prevention program. The National Watch Your Car program is designed as a cooperative initiative between the states and the Bureau of Justice Assistance. The Watch Your Car program serves as the centerpiece of the AATA's vehicle theft prevention and deterrence programs, and is just 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 information at events and/or via the Internet at 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 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. At the end of the fiscal year 2006, the AATA had nearly 85,000 vehicles enrolled in the Watch Your Car program. The AATA anticipates an increase in Watch Your Car Program enrollments in fiscal year 2007.

The partnership-mailing project between AATA and the Motor Vehicle Division (MVD), which was originally launched in 2003, was interrupted in 2007 because of new mailing technologies implementations. AATA hopes to restart this project as soon as these implementations are finalized. This project was providing vehicle theft prevention and Watch Your Car program information in the registration renewal tag mailing to vehicle owners in Arizona and has contributed to successful results.

*2006 Arizona Vehicle Thefts By County



*Source: Arizona Department of Public Safety - Crime in Arizona 2006

Vertical Prosecution

The Arizona Automobile Theft Authority 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.

A review of performance evaluations, and information obtained from law enforcement personnel indicates a significant improvement in the prosecution of vehicle theft suspects, particularly those identified as career criminals. The AATA has received favorable support from the county attorneys, and law enforcement executives to continue and expand this program. The AATA provides funding to the county attorneys in those 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 FY 2008, the program included full-time prosecutors in Cochise, Maricopa, Mohave Pima, and Pinal counties.

A part-time prosecutor was funded in Santa Cruz County.

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

	<u>2006</u>	<u>2007</u>
Number of participating counties	6	8
Number of vehicle theft cases filed	851	871
Number of convictions	667	628
Percent of convictions to cases closed	90%	93%
Amount of restitution ordered (in thousands)	\$1,830	\$1,129

Law Enforcement Activities

Since 2002, the AATA has awarded grants to law enforcement agencies throughout the state to promote more efficient and effective law enforcement activities in vehicle theft investigation, enforcement and prevention within their jurisdiction. Law enforcement agencies in the State of Arizona are notified of the availability and purpose of grant funds and are eligible to submit applications for grants, provided they comply with the terms and conditions of the grant. Awards are based on the evaluation of the grant proposal by the AATA staff and subcommittee of the AATA Board, with final approval given by the full Board of Directors. Grants approved in the current fiscal year are funded on July 1st for the following fiscal year.

In May 2007, the AATA Board awarded \$175,461 in Law Enforcement Grants to eighteen (15) agencies. The awards included \$40,000 to eight (7) law enforcement agencies for continuation and expansion of the bait vehicle systems and \$87,000 in overtime funds for vehicle theft investigations for eleven (11) agencies. In addition, grants for two mobile LPR's were funded at the cost of \$44,000.

The Bait Vehicle Program, a joint project between the AATA, National Insurance Crime Bureau (NICB) and law enforcement agencies continues to demonstrate successful results. As of June 2007, there have been over 175 arrests since the program began in 2003. Vehicles provided by the NICB are equipped with bait systems funded by the AATA. The technology utilizes computers, satellites and tracking devices, which alerts police when the bait vehicle has been entered. The vehicles, which have been donated by insurance companies, are deployed in high auto theft areas then police wait for a signal to be transmitted alerting them the vehicle has been entered or moved so they can catch the thieves in the act of stealing a vehicle. The prosecution of these cases in Maricopa County has been highly successful and funded through the AATA's Vertical Prosecution Program.

Professional Training Grants

The Professional Training Grants are awarded to law enforcement and prosecutorial agencies to promote professional training and development of its personnel. Criminal justice agencies within the State of Arizona are notified of the availability and purpose of grant funds, and are eligible to submit applications for grants provided they comply with the terms and conditions of the grant. Awards are based on the evaluation of the training requested as well as the impact the training will have on the statewide effort to combat vehicle theft.

The AATA staff and subcommittee of the AATA Board evaluate the requests, with final approval given by the full Board of Directors. Both tuition and travel expenses are considered. The amounts of these grants may vary in future years depending on the location and availability of training opportunities.

In fiscal 2007, the AATA awarded grants of \$57,650 for professional training costs for 128 Arizona criminal justice personnel to attend the 55th conference and training seminar of the International Automobile Theft Investigators Association and co-sponsored by the AATA. The seminar was held in Litchfield Park in August, 2007. In addition, the AATA awards 5 grants total \$ 4,150 for five Task Force officers to attend the 2007 conference of the Western States Automobile Theft Investigators held in San Diego.

Arizona Vehicle Theft Task Force or "RATTLER" Regional Auto Theft Team Law Enforcement Response

Mission Statement

The Arizona Vehicle Theft Task Force 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.

The Arizona Vehicle Theft Task Force (AVTTF) continues to provide exceptional service to the citizens of Arizona through various enforcement strategies and public awareness programs. The AVTTF is recognized within the State of Arizona and nationally as a model multi-agency auto theft task force. The task force has clearly defined goals and objectives which are outlined in our mission statement, policies, and strategic plan.

The AVTTF was the recipient of the prestigious International Association of Chief's of Police 2006 Vehicle Theft Award of Merit.

The AVTTF has established numerous community and business partnerships. In FY07, the task force participated in a multitude of public awareness and community education programs in addition to providing law enforcement related training within the state and the Republic of Mexico.

Between July 2006 and December 2006, the AVTTF participated in 18 interdiction enforcement details in Arizona's four U.S./Mexico border counties. These details were planned and operated in conjunction with Arizona Department of Public Safety Highway Patrol, U.S. Border Patrol, U.S. Customs, and local/county law enforcement agencies.

During FY07, the AVTTF conducted a number of special proactive enforcement operations in Maricopa, Pinal, Pima, and Yuma counties designed to detect and recover stolen vehicles. These operations were worked in partnership with local/county law enforcement agencies and have been successful in locating and arresting auto theft suspects.

In August 2007, Vehicle Theft Task Force detectives, GIITEM and Glendale Police Department conducted a Vehicle Theft Interdiction detail in the City of Glendale. Task force detectives recovered 23 stolen vehicles, conducted 63 traffic stops, issued five citations and completed two consent searches. Three vehicles were recovered while occupied. Two vehicles were recovered through LoJack and two by Mobile License Plate Readers (LPR). A total of 10,041 license plates were queried using two LPR's. Eight stolen and 16 fictitious license plates were recovered/seized. GIITEM detectives arrested two suspects on outstanding warrants and possession of marijuana. One arrest was made for possession of methamphetamine.

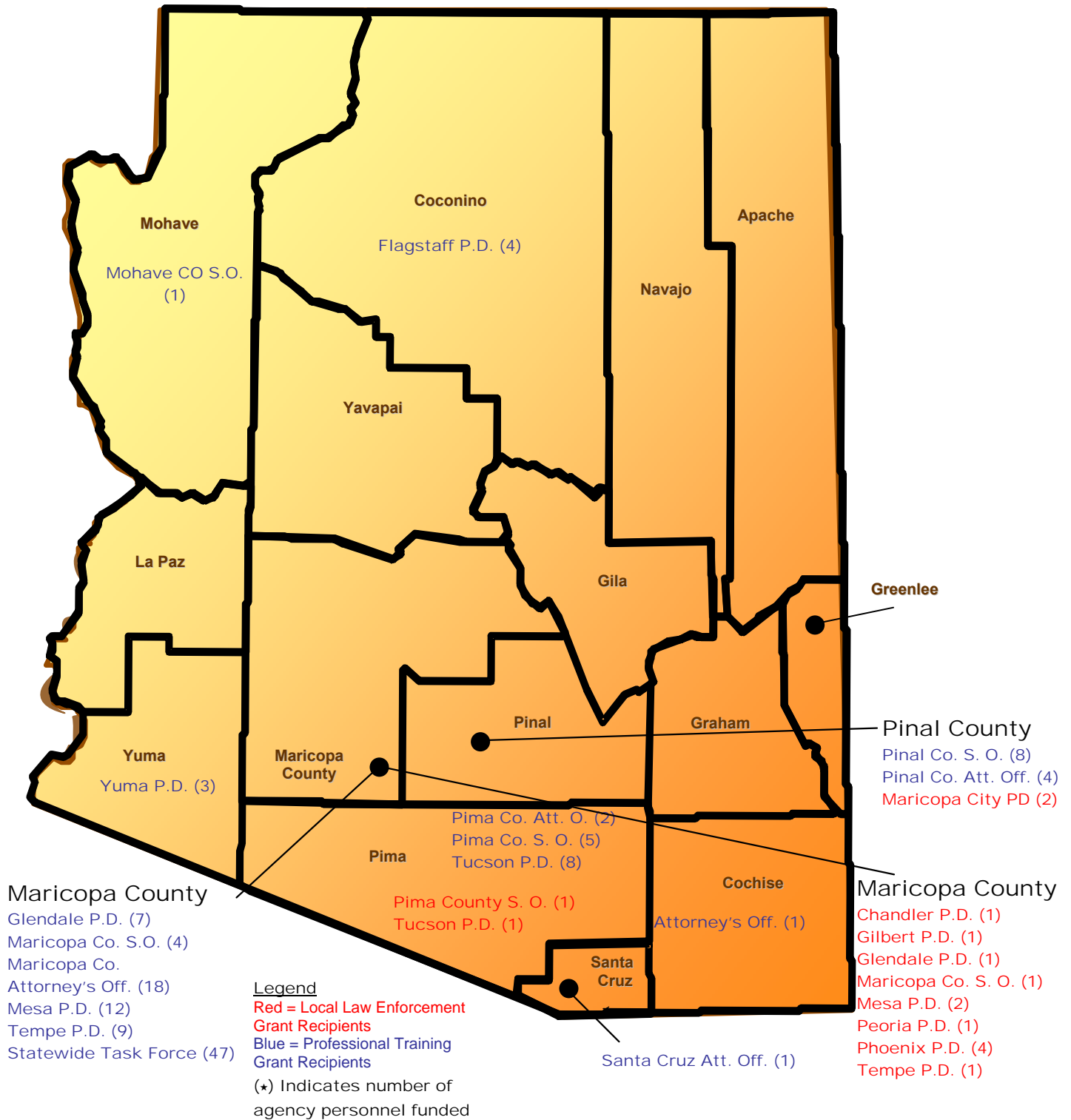


AZ Vehicle Theft Task Force detectives conduct proactive enforcement operation.

FY2007 Task Force Performance Measures

Combined Activity	Number	Estimated
Stolen Vehicles Recovered	3301	\$40,968,790.00
Stolen Vehicle Locates	529	
“Chop Shops” Investigated	35	
Altered/Switched VIN's	388	
Felony Arrests	366	
Adults	338	
Juveniles	28	
Insurance Fraud Cases	42	
Business Inspections	92	
Border Interdiction Programs	18	
CORE Programs	39	
Training Provided	87	
Assist to Other Agencies	1156	

AATA 2007/2008 Law Enforcement & Professional Training Grant Recipients



**IAATI 55TH Annual Training Seminar, Phoenix, Arizona
August 5-10, 2007**



Keynote Speaker, Terry Goddard, Arizona Attorney General



David Felix, Deputy Director, AZ Department of Public Safety



Enrique Cantu, Executive Director, Arizona Automobile Theft Authority



The Australian Contingent.



AATA Board designee and IAATI First Vice-President, Mikel Longman and his wife, Linda.



AATA Board and IAATI Fourth Vice-President, Joe Brosius.



IAATI European Branch Members.



“Arizona Night BBQ”



2007 IAATI On-Site Committee Members.

Financial Report

For the Year Ended June 30, 2007

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, 2007 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 noted no matters involving the internal control over financial reporting and its operation 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 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, 2007 were \$ 4,828,550, an increase of \$342,896 or 7.6%. Until December 2000, most insurers had been calculating the assessment based on a pro rata method known as earned car years. However, effective July 1, 1997 the Arizona Legislature changed the assessment calculation method to the actual number of vehicles insured. During the last five fiscal years, the Authority worked with insurers to correct this error and collect past due assessments. As the graph on page 28 indicates, the revenue correction has been completed.

All excess cash is invested with the State Treasurer and the Authority earned \$42,256 investment income in the current year. The decrease of \$696 from \$42,952 in the prior year resulted from higher rates of return in the current year due to market trends even though the cash and investment balance declined by \$258,745.

Expenditures

Total expenditures for the current year were \$5,202,075 an increase of \$220,365 from the total expenditures from the previous year of \$4,981,710.

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, 2007, the Authority was in compliance with this statute with "costs of administration" being 7.1%, of "the monies in the fund" as verified by the audit. The AATA's administrative costs for the fiscal year were 6.7 % of total expenditures.

The AATA ended the year with cash and investments with the State Treasurer of \$342,414.

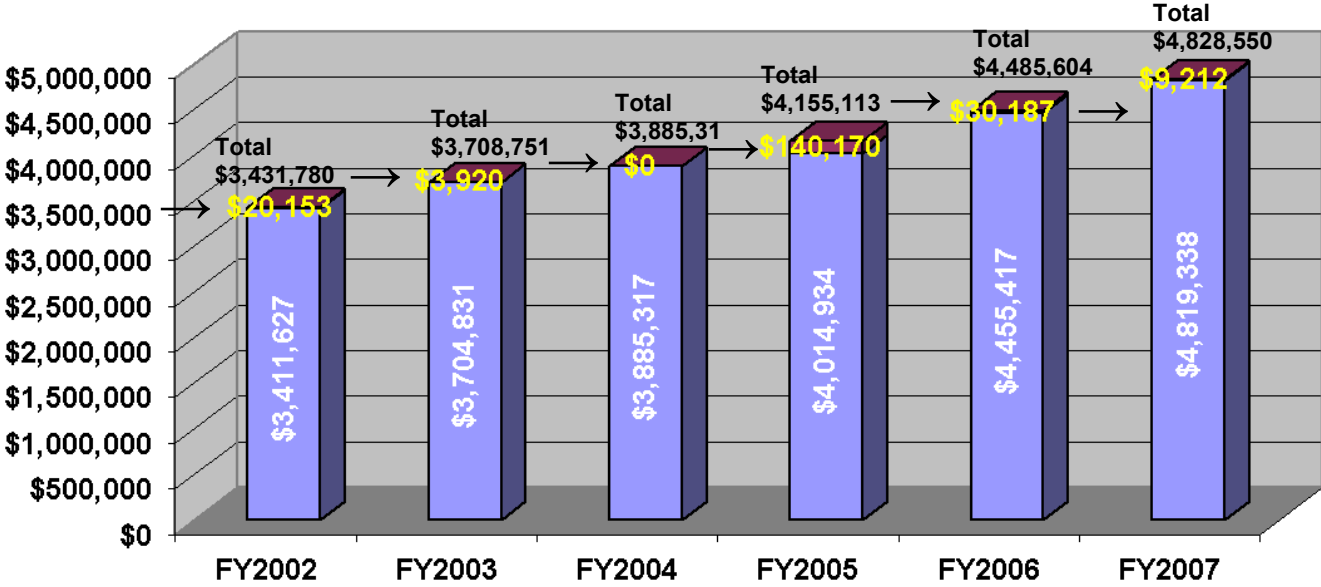
Revenue Forecast

Revenue from the Insurance Assessment has continued to grow each year for the last six years, and will continue to do so at an annual rate of at least 6%. The following factors will contribute to revenue growth:

- I. Increase growth in Arizona's population and corresponding growth in the number of vehicles registered and insured within the State.
- II. Continued review by staff to verify that the companies are paying the assessment on actual number of vehicles insured rather than just policies or other methods.

Financial Report continued

Insurance Assessment Revenue



Arizona Auto Theft Authority Fund

Statement of Operations by Program for the Fiscal Year Ended June 30, 2007

	.June 30, 2006	.June 30, 2007
Revenue		
Current Year Collections	\$4,455,417	\$4,819,338
Prior Year Collections	30,187	9,212
Auto Theft Summit	5,775	2,000
Investment Income	42,952	42,256
Grants	1,500	-
Refund of unused grant funds	20,627	11,608
Total cash Collections	<u>4,556,458</u>	<u>4,884,414</u>
Revenue Accrued at June 30th	154,376	(31,506)
Total Revenue	<u>4,710,834</u>	<u>4,852,908</u>
Expenditure by Program		
Administrative Costs (1,2)	313,613	346,707
Arizona Vehicle Theft Task Force Grant	3,251,600	3,348,500
Vertical Prosecution Program	650,807	775,521
Public Awareness	291,499	323,378
Public Awareness Grant Program	183,951	195,763
Law Enforcement Grant Program	236,991	167,059
Professional Training Grant Program	48,077	42,926
Auto Theft Summit	5,172	2,220
Total Expenditures (3)	<u>4,981,710</u>	<u>5,202,080</u>
Excess of revenues over expenditures	<u>(270,876)</u>	<u>(349,172)</u>
Beginning Fund Balance (4,5)	3,274,191	3,003,315
Ending Fund Balance (4,5)	<u>3,003,315</u>	<u>2,654,143</u>
Footnotes		
1. Administrative Costs as a percentage of cash collections	6.9%	7.1%
2. Administrative Costs as a percentage of total expenditures	6.3%	6.7%
3. Actual expenditures by category per audited financial statements		
Appropriated Current Operating Expenses		
Personal Services	265,322	328,685
Employee related expenses	80,822	114,516
Professional services	24,843	14,475
Travel-in-State	2,708	3,914
Travel-out-State	9,152	7,160
Aid to Organizations	4,380,333	4,560,659
Other Operating	196,071	159,195
Non-capital equipment	17,287	11,256
Total Expenditures	<u>4,976,538</u>	<u>5,199,260</u>
Non-appropriated Expenses		
Watch Your Car Grants		
Auto Theft Summit	5,172	2,220
Total non-appropriated expenditures	<u>5,172</u>	<u>2,220</u>
Total	\$4,981,710	\$5,202,080
4. Fund balance includes accrued income as per the audited financial statements		
5. Cash invested with the State Treasurer as of June 30 th	\$601,159	\$342,414
6. 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 Information Association (AIIA):

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.

The efforts of the AATA in implementing innovative theft-prevention awareness programs, coupled with its commitment to investigations and aggressive prosecutions of vehicle thieves, has played a significant role in stabilizing comprehensive insurance rates in Arizona.

For those Arizona consumers who purchase "full coverage" vehicle insurance, comprehensive coverage represents between 15 and 20 percent of their total premium, according to the Arizona Insurance Information Association.

State Farm Insurance Company Lowers Arizona Rates

The largest insurer of autos in Arizona and in the nation, is lowering its overall rate level in Arizona an average 8.6 percent effective January 2nd.

This represents an annual savings of \$41.1 million to the company's Arizona customers.

Future of the AATA

In 2008, the AATA will continue to focus on its bold mission to address the epidemic problem of vehicle theft. The Agency is experiencing remarkable support from the criminal justice community, insurance industry and the general public. The AATA's Board of Directors has committed the maximum available resources to support an aggressive anti-vehicle theft campaign which it expects will result in a continued reduction in vehicle theft in Arizona.

The Authority will continue to expand cooperative efforts with other governmental agencies in Arizona and other states, the Federal Government, Mexico and Canada, including other auto theft prevention authorities, to combat vehicle theft.

These efforts will include:

1. Continue to focus the Authority's resources on criminal justice agencies within the State of Arizona to develop effective law enforcement and prosecutorial programs to combat vehicle theft.
2. Continue to evaluate and seek support for deploying both fixed and mobile license plate reading cameras to aid in interdicting stolen vehicles.
3. Continue partnership with the Motor Vehicle Division to disseminate vehicle theft prevention and Watch Your Car enrollment information in registration renewals.
4. Cooperation with the State of Sonora, Mexico and to deter exportation of stolen vehicles.
5. Work with neighboring states to develop regional projects to combat vehicle theft.
6. Expand cooperative efforts with auto theft authorities in other states to promote cooperative efforts on a national level.
7. Petition automobile manufacturers and the Federal government to improve vehicles theft technology,

making it more difficult to steal and or provide enhanced recovery efforts by supporting component parts marking.

8. Continue to promote cross-border cooperation to stop criminal car theft rings operating along Arizona-Mexico border.
9. Continue to advocate for effective legislation related to auto theft issues and vehicle owner/consumer protection. We will continue to pursue seeking legislative measures to reduce vehicle theft similar to the affidavit legislation passed in 2007 which requires individuals reporting a stolen vehicle to sign an affidavit attesting that the information provided is accurate.

If fully operational, the license plate readers (LPR's) would capture the license plate of all vehicles entering and leaving the United States via the ports-of-entry. The LPR's will record the license plate, and the data will be instantaneously forwarded to the DPS in order to check ACIC and NCIC to determine if the vehicle is reported stolen. This will enable enforcement personnel to stop the vehicle before leaving the U.S.

If the vehicle cannot be stopped, the information will be forwarded to the appropriate law enforcement agency. The AATA, with the assistance of the Task Force, has been actively fostering a collaborative approach with law enforcement officials in Mexico to effectively resolve this issue. The intent is to develop a means to immediately communicate law enforcement and intelligence related information between officials in Sonora and Arizona. 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 the LPR system.

The prosecution and public awareness efforts will continue to be vital components in the AATA's efforts to combat vehicle theft in Arizona. The AATA intends to continue and expand 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 fiscal year 2008, the AATA will continue to sponsor VIN (Vehicle Identification Number) etching with partnering agencies throughout the state to actively promote free VIN etching on window glass as an effective visual vehicle theft deterrent and recovery aid.



**Tempe Police Department's VIN Etching Event
March 2007**

In addition, the AATA will continue to seek additional opportunities to promote public awareness through partnerships with corporations and businesses in the sponsorship of employee events featuring the Watch Your Car Van, presentations by AATA staff and criminal justice personnel and VIN etching.

In 2008, the AATA plans to continue the partnership mailing project with the Motor Vehicle Division, which began in January 2003. This partnership mailing entails sending vehicle theft prevention and Watch Your Car program information in the registration renewal tag mailer to vehicle owners in Arizona. The AATA is also looking to increase exposure through the Service Arizona website as another effective medium to educate the public about the Watch Your Car program and general vehicle theft prevention safety tips.

The AATA will continue to provide grant funding to Arizona law enforcement agencies to implement and/or expand bait car programs, which continue to demonstrate significant theft reduction results.

In 2008, the AATA will once again partner with the Arizona Multihousing Association to participate in the Project S.A.F.E (Safety Awareness Family Education) program at statewide multi-family communities. The AATA will provide vehicle theft prevention presentations to residents at these communities.

Also in 2008, the AATA, in partnership with statewide law enforcement agencies will host the Third Annual Statewide Vehicle Theft Prevention Day on March 1, 2008. This year's event, held on March 2, 2007 was another extremely successful event with over 60 sponsored events throughout the state.



**Officer Obed Gaytan, Tolleson Police
Department at Clear Channel Radio Station**

In fiscal year 2008, the AATA will continue distribution of our two 30-second PSA's highlighting the Bait Vehicle Program and our new auto theft prevention PSA featuring Al McCoy titled, "Stop The Fast Break To Auto Theft." The new auto theft prevention PSA is available for TV and Radio and may also be viewed and downloaded from the AATA's website. The Agency is hopeful that statewide media companies will continue their commitments to donate air-time, including prime time, to support these PSA's.

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.

During fiscal year 2008, the AATA will continue its efforts to reduce its administrative costs and maximize resources through cost saving programs. Cost savings are being realized through utilization of bulk mail, additional reliance on the Internet for communication and greater utilization of our staff's talent to perform tasks, once contracted out. A good example of these efforts are represented in the production of this Annual Report which was entirely written, produced and displayed on the AATA website by AATA staff, at a cost-savings of nearly \$3,000.

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.

Ric Athey, AZ. Motor Vehicle Division
Sergeant David Azuelo, Arizona Vehicle Theft Task Force/Tucson Police Department
Christi Billquist, State Farm Insurance Company
John Blackburn, Jr., Executive Director, Arizona Criminal Justice Commission
Michael Bredimus, Pinal County Attorney's Office
Officer Eric Breindl, Phoenix Police Department
Ruben Chavez, AZ. DPS, CORE Video Unit
Officer Bob Cummins, Phoenix Police Department
Mimi Daiza, Maricopa County Attorney's Office – Auto Theft Bureau
Sergeant Tom Dorn, Phoenix Police Department
Mark Faull, Maricopa County Attorney's Office
Senator Pamela Gorman, Arizona State Senate, District 6
Senator Chuck Gray, Arizona State Senate, District 19
Kathy Groenewold, Crime Free Multi-Housing Coordinator, Tempe Police Department
Don Isaacson, Isaacson & Duffy, P.C.
Michael Jette, Santa Cruz County Attorney's Office
Kellie Johnson, Pima County Attorney's Office
Wayne Kaplan, AATA Volunteer, Arizona Multihousing Association Community Relations Director (retired)
Kim Kelly, Gilbert Police Department
Deputy Chief Bill Knight, Maricopa County Sheriff's Office
Mary Jo Kuzmick, Gilbert Police Department
Tim LaSota, Maricopa County Attorney's Office
Jennifer Levinson, Pinal County Attorney's Office
Cara Liu, KPHO TV 5 News
Chief Mikel Longman, Arizona Department of Public Safety
Ralph Lumpkin, National Insurance Crime Bureau
Sergeant Tom Macari, Scottsdale Police Department
Philip J. MacDonnell, Maricopa County Attorney's Office
Mary Marshall, Arizona Criminal Justice Commission
Michael McGill, Mohave County Attorney's Office
Officer Jennifer Miller, Prescott Valley Police Department
Lieutenant Dan Mitchell, Commander, AZ. DPS/Arizona Vehicle Theft Task Force
Mark Offenhartz, Cochise County Attorney's Office
Victoria Otto, Pima County Attorney's Office
Vickie Owen, Gilbert Police Department
Bobby Owens, National Insurance Crime Bureau
Dalvin S. Palmer, AARP Driver Safety Program
Christine Pinuelas, Maricopa County
Representative Bob Robson, Arizona House of Representatives, District 20
Brian R. Salata
Frank Scafidi, National Insurance Crime Bureau
Sergeant Terry Starner, AZ. DPS/Arizona Vehicle Theft Task Force
Sergeant Howard Stevenson, Phoenix Police Department
Nancy Temporado, AZ. DPS/Arizona Vehicle Theft Task Force
Ron Williams, Arizona Insurance Information Association
Michelle Wood, Arizona Attorney General's Office

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.

Thank you to the private sector and community partners who helped support the 55th Annual IAATI Training Seminar through financial and in-kind donations.

A special thank you to the National Insurance Crime Bureau (NICB) and the following insurance companies for providing vehicles for the AATA's Bait Car Program; Allstate, American Family, Country Mutual, CSAA, Farmers, Farm Bureau, Geico, Liberty Mutual, Nationwide-Victoria/Titan, Progressive, State Farm, and USAA.

Arizona Automobile Theft Authority

1400 W. Washington Street, Suite 270
Phoenix, AZ 85007

Tel: (602) 364-2886
Fax: (602) 364-2897
Toll Free 1-888-668-4433

Website: www.azwatchyourcar.com



An Equal Employment Opportunity Agency

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