

2015 ANNUAL REPORT



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Arizona Automobile Theft Authority Mission Statement

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

AATA Staff

Frederick W. Zumbo
Executive Director

Arthur Myer
Chief Financial Officer

Ann Armstrong
Public Affairs Officer

Bree Boehlke
Administrative Assistant III

Sgt. Terry Starner
AZ. DPS/AATA
(Not pictured)



Letter to the Governor

The Honorable Douglas A. Ducey
Governor of Arizona
1700 West Washington
Phoenix, AZ 85007

Dear Governor Ducey:

The Arizona Automobile Theft Authority (AATA) is pleased to present its 2015 Annual Report.

The AATA's current strategies and programs emphasize funding for effective statewide law enforcement, prosecution and prevention efforts to combat auto theft crimes across Arizona. Last year, Arizona reported 17,587 total stolen cars in 2014; a 1% increase from the previous year and the first slight measurable up-tick in over a decade. Arizona currently ranks eleventh (11th) in the nation for vehicle thefts per capita (theft rate per 100,000 population) and eighth (8th) for total stolen vehicles.

The programs funded by the AATA have a direct impact on quality of life issues in Arizona. Maricopa County has the largest number of auto thefts and although the number of thefts has decreased, the vehicles stolen in the county are used for crimes such as drug and human smuggling along the Arizona-Mexico border. The AATA is committed to utilizing a data driven approach to determining where law enforcement needs to allocate their limited resources to efficiently target areas where vehicle theft is a problem. This will be accomplished by utilizing not only an enforcement aspect, but aggressively prosecuting offenders and educating the public on how to better protect their vehicles from theft.

Future goals include allowing the AATA to spend all monies collected by the insurance companies, which will enable the agency to continue the necessary programs to make our communities safe. This can be accomplished with no general fund money or any impact to other state agencies or programs. The AATA works closely with the Arizona DPS and the Arizona Counter Terrorism Information Center (ACTIC) and utilizes a holistic approach to combating vehicle theft and related crimes.

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 SUI's are all working together with law enforcement agencies to tackle the insurance fraud aspect of auto theft.

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

2015 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 Frank L. Milstead
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 Eric Jorgensen
AZ. Motor Vehicle Division



M. Lando Voyles
Pinal County Attorney

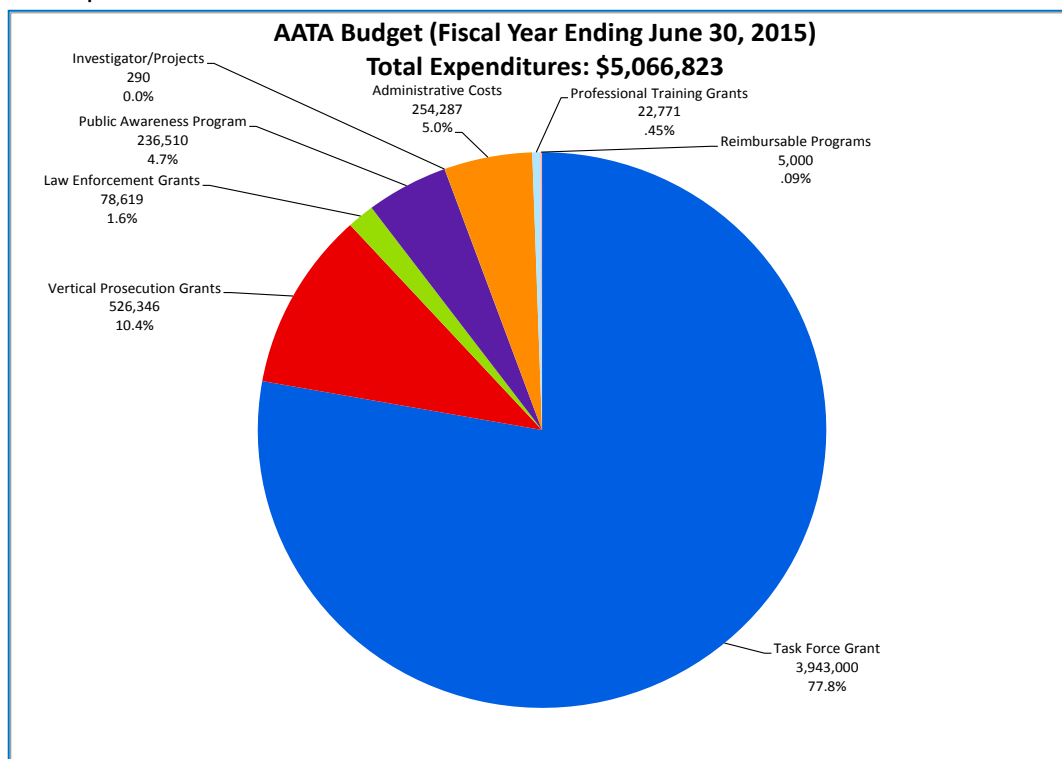
Agency Overview

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 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.

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. Arizona's Auto Theft Authority 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 most challenging obstacle facing the Agency in recent years, is obtaining the necessary legislative authority to spend the revenue collected from the semi-annual insurance assessment.

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 and prevention 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).

In FY15, the AATA continued to focus a majority of its resource allocation (\$3,932,968 or 77.8% of total budget) to the AZ. Vehicle Theft Task Force for its continued statewide enforcement and investigative efforts. Since 2000, the AATA has provided annual grant funding to law enforcement agencies and county attorney offices across Arizona with the highest auto theft rates. This year, the AATA has been actively expanding its reach to smaller Arizona counties to provide financial and/or resource support for their jurisdictional auto theft problems.

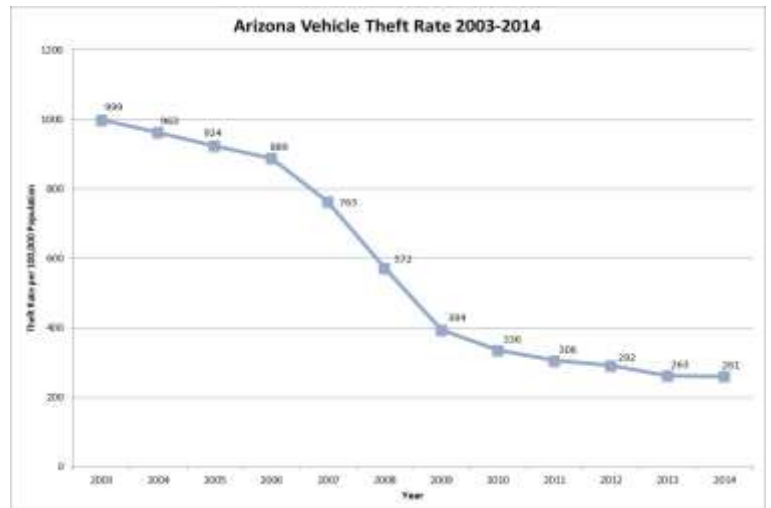
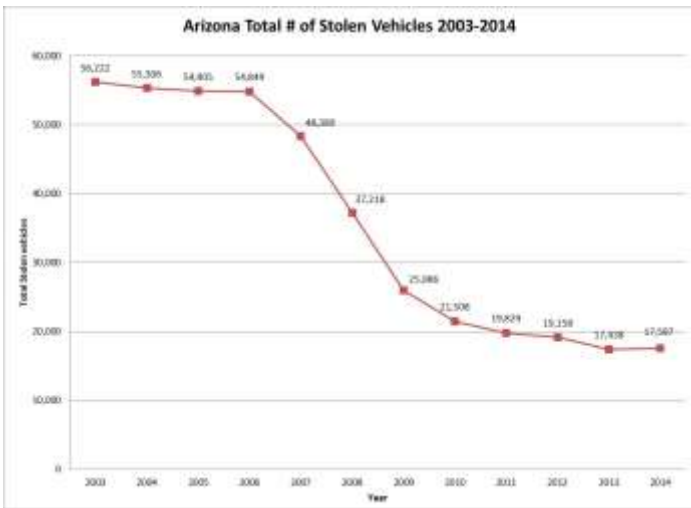


Motor Vehicle Theft in Arizona and the United States

In 2014, Arizona reported 17,587* stolen vehicles; a slight 1% increase from 2013 and the first up-tick in over a decade and an \$86 million economic loss for the state of Arizona.

Arizona currently ranks eleventh (11th) in the U.S., for vehicle thefts per capita; eighth (8th) in the nation for total number of vehicle thefts behind California, Texas, Florida, Washington, Georgia, Michigan, and Ohio.

Nationwide in 2014, there were an estimated 689,527 vehicle thefts, a decrease of 1.5% from 2013 figures. The peak year for vehicle theft in the United States was 1991, with 1,661,738 stolen cars. Additionally, more than \$4.5 billion was lost nationwide to motor vehicle theft in 2014.




Auto theft has increasingly become a Transnational Crime, featuring very sophisticated Organizations (TCO's) stealing vehicles in Arizona to conduct illicit activities on both sides of the border. Stolen vehicles are destined for foreign countries; crossing the Mexico border to the 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.


Insurance fraud remains another troubling aspect of auto theft and often perceived as a victimless crime, however, 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.

* According to the 2014 AZ. DPS Crime in Arizona Report, "Motor vehicles that were stolen in conjunction with a more "serious" index offense such as robbery, burglary, carjacking are not included in this count. This count represents only those instances in which a motor vehicle theft was the only or most "serious" offense committed."

State Ranking **2014 Total Stolen Vehicles**

California	151,852
Texas	68,546
Florida	42,579
Washington	30,647
Georgia	26,854
Michigan	21,157
Ohio	18,015
Arizona 	17,587
Illinois	17,451
Missouri	16,357
New York	15,736
Indiana	13,861
North Carolina	13,630
Maryland	13,102
Pennsylvania	13,040
South Carolina	12,902
Tennessee	12,599
Colorado	12,574
New Jersey	11,705
Oklahoma	10,583
Nevada	10,185
Alabama	10,141
Wisconsin	9,919
Louisiana	9,891
Oregon	9,549
Minnesota	8,367
Massachusetts	8,260
Virginia	7,665
Utah	7,298
Kansas	6,906
Kentucky	6,318
New Mexico	6,290
Connecticut	6,110
Arkansas	5,601
Puerto Rico	4,639
Mississippi	4,519
Nebraska	4,455
Iowa	4,151
Hawaii	3,879
District of Columbia	3,783
Montana	2,043
West Virginia	1,896
Rhode Island	1,833
Alaska	1,739
Idaho	1,661
North Dakota	1,514
Delaware	1,267
South Dakota	1,007
New Hampshire	857
Maine	799
Wyoming	603
Vermont	244

State Ranking **2014 Vehicle Theft Rate
(Per 100,000 Population)**

District of Columbia	574.1
Washington	434
California	391.3
Nevada	358.7
New Mexico	301.6
Hawaii	273.3
Oklahoma	272.9
Missouri	269.8
South Carolina	267
Georgia	266
Arizona 	261.3
Texas	254.3
Utah	248
Oregon	240.5
Kansas	237.8
Nebraska	236.8
Alaska	236
Colorado	234.8
Maryland	219.2
Florida	214
Michigan	213.5
Louisiana	212.7
Indiana	210.1
Alabama	209.1
North Dakota	204.7
Montana	199.6
Tennessee	192.4
Arkansas	188.8
Rhode Island	173.7
Wisconsin	172.3
Connecticut	169.9
Ohio	155.4
Minnesota	153.3
Mississippi	150.9
Kentucky	143.2
North Carolina	137.1
Illinois	135.5
Delaware	135.4
Iowa	133.6
New Jersey	131
Puerto Rico	130.7
Massachusetts	122.5
South Dakota	118
Wyoming	103.2
West Virginia	102.5
Pennsylvania	102
Idaho	101.6
Virginia	92.1
New York	79.7
New Hampshire	64.6
Maine	60.1
Vermont	38.9



2014 Hot Spots – According to the National Insurance Crime Bureau (NICB), in 2014, seven out 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 75th place. Tucson, which previously held the #2 spot, fell to #87 during that period; Yuma #79.**

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

<u>Ranking</u>		<u>Last Year</u>
1.	San Fran./Oakland/Hayward, California	4.
2.	Bakersfield, California	1.
3.	Stockton-Lodi, California	5.
4.	Odessa, Texas	6.
5.	Modesto, California	3.
6.	Spokane-Spokane Valley, Washington	7.
7.	Vallejo-Fairfield, California	8.
8.	Seattle-Tacoma-Bellevue, Washington	13.
9.	Fresno, California	2.
10.	San Jose/Sunnyvale/Santa Clara, California	9.
<hr/>		
75.	Phoenix/Mesa/Scottsdale, AZ	83.
87.	Tucson, AZ	68.
79.	Yuma, AZ	99.

2014 Hot Wheels - Most Stolen Vehicles List

Top 10 Most Stolen Vehicles – 2014 United States:

1. Honda Accord
2. Honda Civic
3. Ford Pickup (Full Size)
4. Chevrolet Pickup (Full Size)
5. Toyota Camry
6. Dodge Pickup (Full Size)
7. Dodge Caravan
8. Nissan Altima
9. Acura Integra
10. Nissan Maxima

**Source: National Insurance Crime Bureau 2015 “Hot Spots” and “Hot Wheels” Reports.*

Top 10 Most Stolen Vehicles – 2014 Arizona

1. 1997 Honda Accord
2. 1998 Honda Civic
3. 2006 Chevrolet Pickup (Full Size)
4. 2003 Ford Pickup (Full Size)
5. 2005 Dodge Pickup (Full Size)
6. 1997 Nissan Altima
7. 1998 Nissan Sentra
8. 2014 Toyota Camry
9. 1995 Nissan Maxima
10. 1999 GMC Pickup (Full Size)

2015 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 "RATTTLER" (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 and 2015, 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.

2015 Case Highlight: March 26, 2015 – "Operation Chewbacca." The Arizona Department of Transportation (ADOT) investigators requested the assistance of the Arizona Department of Public Safety (DPS) Vehicle Theft Task Force (VTTF) Detectives with seizing a trailer located outside a residence. VTTF detectives responded and executed a search warrant at the residence where the stolen trailer was located. During the execution of the search warrant, VTTF detectives identified two suspects a father and son. VTTF detectives began researching trailers previously owned and registered to both suspects and later their associates. All the trailers previously registered to them both were titled as "Homemade." Detectives began visually inspecting the trailers sold by the two suspects and learned the trailers were stolen manufactured dump trailers which had been allowed to be titled as "Homemade" and issued an Arizona Identification Number.

During the course of the investigation, VTTF detectives seized twenty-two flatbed and dump trailers valued at approximately \$200,000, three towable commercial concrete pumps valued at approximately \$150,000, a 2013 Bobcat valued at approximately \$40,000, and a towable Lincoln welder/generator valued at \$20,000. Additionally, VTTF detectives seized Arizona Identification Number plates and titles not yet affixed to stolen trailers and blank VIN/Identification plates for commercial concrete pumps at Baca's residence. VTTF detectives served four search warrants on residences, three cellular telephone search warrants, three GPS vehicle search warrants, one business search warrant, and conducted numerous knock and talks at associates of Baca's, during the course of their investigation. Currently, the father and son have been charged with over sixty felony charges related to the theft of the trailers, Bobcat, and commercial equipment recovered by Vehicle Theft Task Force detectives during the course of the investigation.

**AZ. VEHICLE THEFT TASK FORCE
FY'15 RESULTS**

JULY 1 – JUNE 30	2013-2014	
Combined Activity	Number	Estimated Value
Stolen Vehicles Recovered	1,023	\$11,905,698.00
Stolen Vehicle Locates	201	\$1,735,620.00
“Chop Shops” Investigated	15	
Altered/Switched VIN's	152	
Felony Arrests	241	
Adults	235	
Juveniles	6	
Insurance Fraud Cases	10	
Business Inspections	56	
Border Interdiction Programs	14	
CORE Programs	2	
Training Provided	21	
Assist to Other Agencies	615	



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.

Recent 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 2015, the program has over 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 related 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'16, 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, Santa Cruz, La Paz and Mohave counties. Future plans include expanding the Vertical Prosecution program to additional, smaller counties across the state.

Some results of the Vertical Prosecution Program during 2015 for the Maricopa County Attorney's Office, the AATA's largest Vertical Prosecution grant recipient, include:

During 2015 Auto Theft had 7 total attorneys, made up of 1 charging attorney, 3 full trial load attorneys, 2 Auto Theft Task Force grant attorneys, and 1 bureau chief.

January – October 2015 the Auto Theft bureau reviewed 1449 submittals, entered into 591 plea agreements and had 10 trials. During this year the court awarded \$1,200,627 in restitution to the victims.

Restitution: Task Force Attorneys: \$532,809, Total Restitution for all Auto Theft: \$1,200,627

Grand Jury (Task Force Attorneys) Presentations: 12

Trials: 10 trials – made up of: 7 guilty, 3 not guilty, 0 mistrial/ hung.

Auto Theft Prosecution case highlights include the following:

State v. Brandon Crow, CR 2014-139562-001, CR 2015-107526-001, and CR 2015-001602-001.

With three prior felony convictions, the Defendant burglarized a storage unit, led police on a high speed chase on a stolen motorcycle, and ran a chop shop out of his own storage unit. He had three stolen motorcycles in various stages of disassembly, as well as a motorcycle engine with the VIN scratched out. After the stolen motorcycles were returned to their owners, the

Defendant stole one of them again and crashed it through a brick wall, breaking his back in the process. The Defendant was sentenced to 9.25 years in the Department of Corrections, followed by three years of supervised probation.

State v. Ronald Webb, CR 2013-107482, CR 2015-105513, and CR 2015-109696

The Defendant was sentenced to nine (9) years in the Department of Corrections for three separate Auto Theft cases. The Defendant had two prior felony convictions and was placed on probation. While on probation he committed two more auto thefts.

State v. Kenneth Spradlin, CR 2014-149286-001

The Defendant was sentenced to 8 years in the Department of Corrections for Theft of a Means of Transportation, after taking the victim's car while she left it momentarily. Defendant and the abandoned car were located shortly nearby. Defendant had multiple auto theft convictions from California and Arizona.

AATA Professional Training Grants



A vital role of the AATA is to provide auto theft training and an array of experience and specialized resources in areas such as technical developments, trends, cooperation, intelligence information and investigative assistance to statewide law enforcement and criminal justice agencies.

In 2015, the AATA co-hosted the 63rd Annual International Association of Auto Theft Investigators (IAATI) Seminar in Phoenix, Arizona, with 350 attendees from across the United States, Canada, Europe, Latin America, and around the world.



The AATA also provided sponsorship support and funding for 83 Professional Training grants in FY2015. Attendees were treated to numerous blocks of instruction from nationally recognized subject matter experts in the field of auto theft related crimes. In total, the AATA invested well over \$50,000 in grant monies toward sponsorship, conference registrations and expenses for attendees at this valuable seminar. The AATA Board of Directors and staff knew this would be a wise investment of money, but had no idea the training would provide instant results in the field. **See example and published article below -**



Sharpening The Saw - How Relevant, Specialized Training Is Making A Difference In Vehicle Crimes Investigations

By Captain Frederick W. Zumbo, MPA (Ret.), Director, Arizona Automobile Theft Authority

We all know the routine. Attending training and conferences are a part of the job of professional law enforcement personnel. They sharpen the knowledge and skill set of the investigator and support staff. As training budgets shrink, agencies are looking to get the biggest bang for the buck when sending their people to specialized instruction. Everyone has attended training which was excellent and also went to training which was less than stellar. The bottom line is, with the changing technology in investigations, continuing training in specialized areas is critical to reducing crime and keeping our communities safe.

During August of 2015, the International Association of Auto Theft Investigators (IAATI) recently held their 63rd Annual Training Conference in Phoenix, Arizona. Attendees were treated to numerous blocks of instruction from nationally recognized subject matter experts in the field of automobile theft related crimes. The Arizona Automobile Theft Authority (AATA) invested well over \$50,000 in grant money toward sponsorship, conference registrations and expenses for 83 attendees. The AATA Board of Directors and staff knew this would be a wise investment of money, but had no idea the training would provide instant results in the field.

The Pima County Sheriff's Office, in Tucson Arizona sent several investigators and staff to the IAATI conference, utilizing grant funding from the AATA. This training paid dividends just two weeks later when Deputy Eric Heath, who was working off duty in uniform at a local swap meet, observed two men arguing about a vehicle. One of the men told the deputy the other subject was trying to sell his truck, which was stolen. The victim was able to describe specific damage to his vehicle, and had keys to the truck, a 1997 Ford truck. The other subject claimed the truck was a 1986 model, which matched the public VIN. Using the VIN identification fraud training provided at the IAATI conference, Deputy Heath was able to determine the truck was indeed stolen and belonged to the victim. The person attempting to sell the truck, Ryan Park, was arrested and had an extensive criminal history. Park had recently been released from prison after serving three years for trafficking in stolen property and running a chop shop. Deputies obtained a search warrant for Park's residence and uncovered evidence of a chop shop. A total of 14 vehicles were confiscated, including a motor home, an ATV and several trailers. Detectives were able to determine six of the vehicles were stolen by checking secondary VIN's.

In a second case which occurred a week later, another Pima County Deputy was able to use the training he received at the IAATI conference to identify a stolen Harley Davidson motorcycle which was in parts and being transported in the back of a pickup truck. The deputy told his supervisor he would not have been able to determine the motorcycle was stolen without the information he obtained at the training.

These are two examples of how relevant, specialized training assists law enforcement in performing their duties and uncover criminal activity which ordinarily would have been missed. In today's world, there is no such thing as routine and all law enforcement personnel need to attend ongoing training to keep current on trends and technology. As administrators, it is our duty to ensure our staff continues to grow and develop the knowledge, skills and expertise in vehicle crimes. The criminals never stop learning how to apply their illegal activities; we too should not stop learning how to combat the emerging trends.



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 along with proactive auto theft prevention tips, the AATA partners with law enforcement agencies throughout Arizona and participates in auto theft prevention events and safety fairs as well as homeowner's 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 2015, the AATA has approximately 40,000 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.

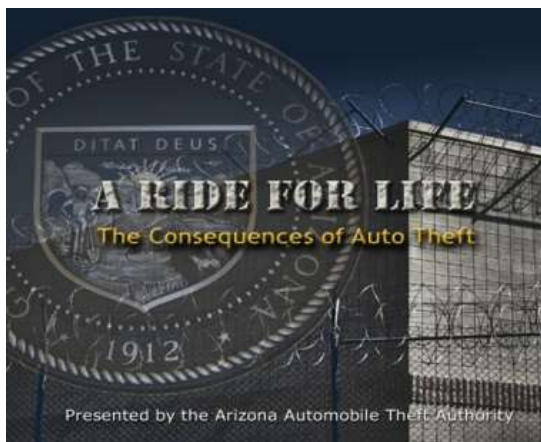


Annual Auto Theft Prevention Month in March

This March, the AATA sponsored the 10th Annual Statewide Auto Theft Prevention & Awareness Month 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 Auto Theft & Crime Prevention Partnerships -

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.

2015 AUTO THEFT PREVENTION DAY at the ARIZONA STATE CAPITOL – March 31st



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, 2015

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 ordered 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, 2015 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, 2015 were \$ 5,666,451, an increase of \$151,700 or 2.75% from the prior year. All excess cash is invested with the State Treasurer and the Authority earned \$17,702 in investment income during the current fiscal year.

Expenditures

Total expenditures for the current year were \$5,066,823, a decrease of \$45,844 from the total expenditures from the previous year of \$5,112,667. 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, 2015, the Authority was in compliance with this statute with "costs of administration" being 4.47%, of "the monies in the fund" as verified by the audit. The AATA's administrative costs for the fiscal year were 5.02% of total expenditures. The AATA ended the year with cash and investments with the State Treasurer of \$2,439,845.

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 FY12, FY13, FY14 and FY15. Therefore, in going forward the AATA was cautious in its revenue projections. For the fiscal year ending June 30, 2016 (FY16), the agency projects revenue growth of 1.25% (over the previous year), this means that the anticipated revenue in FY16 from insurance collections should be approximately \$5,737,281, (\$70,830 above the revenue received in the FY15). Going forward, the agency expects revenue to increase slightly (approximately 1.25%) for the fiscal year ending June 30, 2017 (FY17), with a projected revenue of \$5,808,997. 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, 2015

	June 30, 2014	June 30, 2015
Revenue		
Current Year Collections	5,514,752	5,666,451
Prior Year Collections	-	-
Investment Income	19,113	17,702
Grants	-	-
Refund of Unused Grant Funds/Miscellaneous Income	31,915	7,943
Total Cash Collections	<u>5,565,780</u>	<u>5,692,096</u>
Change in Revenues Accrued	70,121	94,290
Total Revenue	<u>\$5,635,901</u>	<u>\$5,786,386</u>
Expenditure by Program		
Administrative Costs (1,2)	246,755	254,287
Arizona Vehicle Theft Task Force Grant	3,932,968	3,943,000
Vertical Prosecution Program	596,731	526,346
Public Awareness	231,334	236,510
Law Enforcement Grant Program	26,759	78,619
Professional Training & Special Grant Program	34,253	22,771
Emergency/Discretionary Grant Program		
Investigator Projects	53,867	290
Reimbursable Programs	15,000	5,000
Miscellaneous	-	-
Total Expenditures (3)	<u>5,137,667</u>	<u>5,066,823</u>
Transfer to Primary Government		
Excess of Expenditures Over Revenues	<u>467,434</u>	<u>719,563</u>
Beginning Fund Balance (4,5)	4,491,459	4,958,893
Ending Fund Balance (4,5)	<u>\$4,958,893</u>	<u>\$5,678,456</u>
Footnotes		
1. Administrative Costs as a Percentage of Cash Collections	4.43%	4.47%
2. Administrative Costs as a Percentage of Total Expenditures	4.80%	5.02%
3. Actual Expenditures by Category per Audited Financial Statements		
Appropriated Current Operating Expenses		
Personal Services	260,283	222,295
Employee related expenses	100,581	90,056
Professional services	9,947	25,232
Travel-in-State	2,560	685
Travel-out-State	1,883	3,397
Aid to Organizations	4,582,361	4,584,747
Other Operating	107,672	120,534
Capital Outlay (Equipment)	47,380	19,877
Total Expenditures	<u>\$5,112,667</u>	<u>\$5,066,823</u>
Non-appropriated Expenses		
Other Travel		-
Miscellaneous		-
Aid to Organizations	25,000	-
Total Non-appropriated Expenditures	<u>25,000</u>	<u>-</u>
4&5. Fund balance includes accrued income as per the audited financial statements		
Total Expenditures	\$5,137,667	\$5,066,823
Cash invested with the State Treasurer as of June 30 th	\$1,722,141	\$2,439,845
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 (WRC)
National Insurance Crime Bureau (NICB)
Policia Internacional Arizona-Sonora (PISA)
Arizona Insurance Council (AIC)

Celine Baker, GAO, Central Services Bureau
Eric Billings, Analyst, Joint Legislative Budget Committee
Todd Blair, IAATI President 2015-2016
Scott Blum, Auto Theft Bureau Chief, Maricopa County Attorney's Office
Sergeant Bob Bowers, AZ. DPS/Arizona Vehicle Theft Task Force
Captain Bruce Campbell, AZ DPS/Arizona Vehicle Theft Task Force (Ret. 2015)
Captain Sean Carney, AZ. DPS/Arizona Vehicle Theft Task Force
Mary Curfman, AZ. DPS/Arizona Vehicle Theft Task Force
Trooper Kyle DeForest, 2015 AATA Outstanding Service Award Recipient
Nicole Farr, Arizona Insurance Council
Tom Gaupel, Pinal County Sheriff's Office
Kerry Hayden, Farmers Insurance Company
J.D. Hough, LoJack Corporation
Detective Annette Jacobs, Phoenix PD, AATIA President & IAATI Western Region Chapter President.
Steve Jimenez, AZ.DPS/Arizona Vehicle Theft Task Force
Diane Muniz, La Paz County Attorney's Office
Vickie Owen, Gilbert Police Department, ACPA Past-President, BOLOCOP
Bobby Owens, National Insurance Crime Bureau
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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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Arizona Automobile Theft Authority

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

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

Website: www.azwatchyourcar.com



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