

ANNUAL REPORT



2017

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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.

2017 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.

AATA Staff

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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 2017 Annual Report. This year the Authority celebrated its 25th Anniversary (1992-2017) of continued service to Arizona as we work collaboratively to reduce auto crimes in all corners of our state.

Although auto theft rates have declined significantly the past two decades, it has NOT been eradicated. In fact, both individual thieves and crime rings continue to evolve using increasingly sophisticated means to steal cars, causing a ripple effect of criminal activity. Vehicle crime is often a high impact crime correlating with carjackings, home burglaries & invasions, drug trafficking, homicide and sophisticated financial/insurance fraud schemes.

Last year, auto theft rates increased 6.6% nationwide. Arizona's theft rate increased 8.1% from 2015 to 2016. Based on preliminary data for 2017, authorities estimate similar, if not higher increases this year. Currently, Arizona's auto theft rate ranks #14 nationally.

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. The insurance industry remains a vital partner in Arizona's fight to combat auto theft, insurance fraud, and related crimes across our state. **We accomplish this using NO State General Fund monies; we're self-fund through an annual assessment of more than 400 insurance companies writing auto policies in Arizona.**

Resources, technology and support are needed more than ever to stay current on crime trends. The AATA and its law enforcement partners remain dedicated to enforcing, prosecuting and preventing vehicle crimes in Arizona.

We look forward to continued service to the citizens of Arizona and we thank you for your support.

Respectfully,

A handwritten signature in blue ink, appearing to read "F. Zumbo".

Frederick W. Zumbo
AATA Executive Director

Who is the Arizona Automobile Theft Authority?

The AATA's mission is to prevent and combat auto theft through a statewide cooperative effort by supporting law enforcement, vertical prosecution, and prevention programs across Arizona.

History - The Arizona Automobile Theft Authority (AATA) was established by the Arizona Legislature in 1992 to create a statewide effort to reduce auto theft. Per A.R.S. § 41-3451, the Agency is governed by a 12-member Board of Directors, appointed by the Governor, statute, and/or law enforcement organizations.

The AATA is funded through semi-annual assessments of over 400 insurance companies writing auto policies in Arizona. The Agency receives NO funding from the State's General Fund. The AATA is recognized as a national model for sustainable auto theft reduction strategies.

The AATA functions as the lead agency in a statewide network of law enforcement, criminal justice, and crime prevention partners working together to combat auto theft crimes across Arizona. By focusing resources in these areas, the AATA and its statewide partners are impacting the state's auto theft rate.

This year the Authority celebrated its 25th Anniversary (1992-2017) of continued service to Arizona citizens as we work collaboratively to reduce auto crimes across the state. Arizona has seen a 57% decrease in vehicle thefts since inception.

Funding – The AATA collects approximately \$6.2 million annually from the insurance industry. Nearly 90% of collected funds are issued for Law Enforcement, Vertical Prosecution and Public Awareness Grant programs administered by AATA staff. The Arizona Vehicle Theft Task Force remains our largest grantee project at \$3,650,000 annually or 70% of total budget for continued enforcement and investigative efforts. The AATA also administers the free, statewide Watch Your Car decal program, sponsors free VIN Etching events, and numerous community & police-based prevention projects. Our message encourages the public to be diligent about practicing theft prevention and utilize a "layered approach" to protection.

Challenges – As we celebrate the Agency's 25th year, we are in a funding crisis – FY'17 marked the third straight year with no appropriation increase from the Arizona Legislature, which resulted in program and budget cuts during the last few years. In addition, all funds collected by the AATA are not able to be spent, creating a fund balance, and no available funding for enforcement and innovative technology. The Auto Theft Task Force has received cuts in funding and officer positions; the Vertical Prosecution Grant programs were also cut despite an increase in caseloads. Despite efforts to expand the prosecution program into more counties, it remains in only six of the fifteen counties. No additional targeted counties (Cochise and Yuma) can be added due to current funding issues.

Results - Arizona has seen a 57% decrease in vehicle thefts since the AATA's inception. The agency and its law enforcement partners and grantees all work together to prevent, identify, and prosecute auto theft crimes across Arizona. In 2016, the Auto Theft Task Force alone recovered 1,561 stolen vehicles, made 369 felony arrests, and provided 2,084 assists to other law enforcement agencies. Last year, AATA grant funded Vertical Prosecutors filed over 1,500 auto theft charges and secured nearly \$1 million in restitution for victims.

25 Years Combating Auto Crimes in Arizona 1992-2017

As the agency marks its 25th year, we celebrate our many success stories, including a 57% decrease in vehicle theft rates since the AATA's inception. Arizona once the #1 state for auto theft rates, has dropped down the list to #14. Although auto theft rates have improved, auto theft and related crime continue to pose a threat to our communities and its residents. Last year, Arizona's theft rate increased 8.1% from the previous year, the largest annual increase reported since the early 2000's.

This year, the AATA's Legislative Subcommittee accomplished one of its long time goals to increase the Executive Director's salary cap by (1992) statute from \$75,000 to \$100,000.

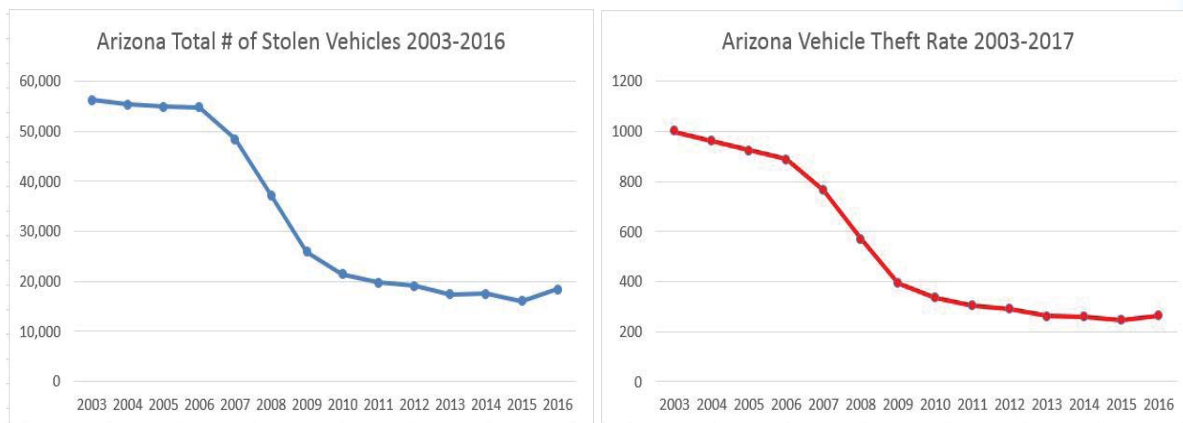


Current Auto Theft Trends in Arizona & United States

In 2016, Arizona reported 18,421 stolen vehicles; an 8.1% increase from 2015 and an \$65 million economic loss for the state of Arizona.

Once the #1 state for vehicle thefts, Arizona currently ranks fourteenth (14th) in the U.S., for vehicle thefts per capita; tenth (10th) in the nation for total number of vehicle thefts behind California, Texas, Florida, Washington, Georgia, Michigan, Illinois, Ohio, and Colorado.

Law enforcement officials report an increase in violent crime, fraud & insurance schemes, weapons, and police shootings and pursuits. Also, an increase in juvenile arrests, with weapons and drug, gang affiliations.

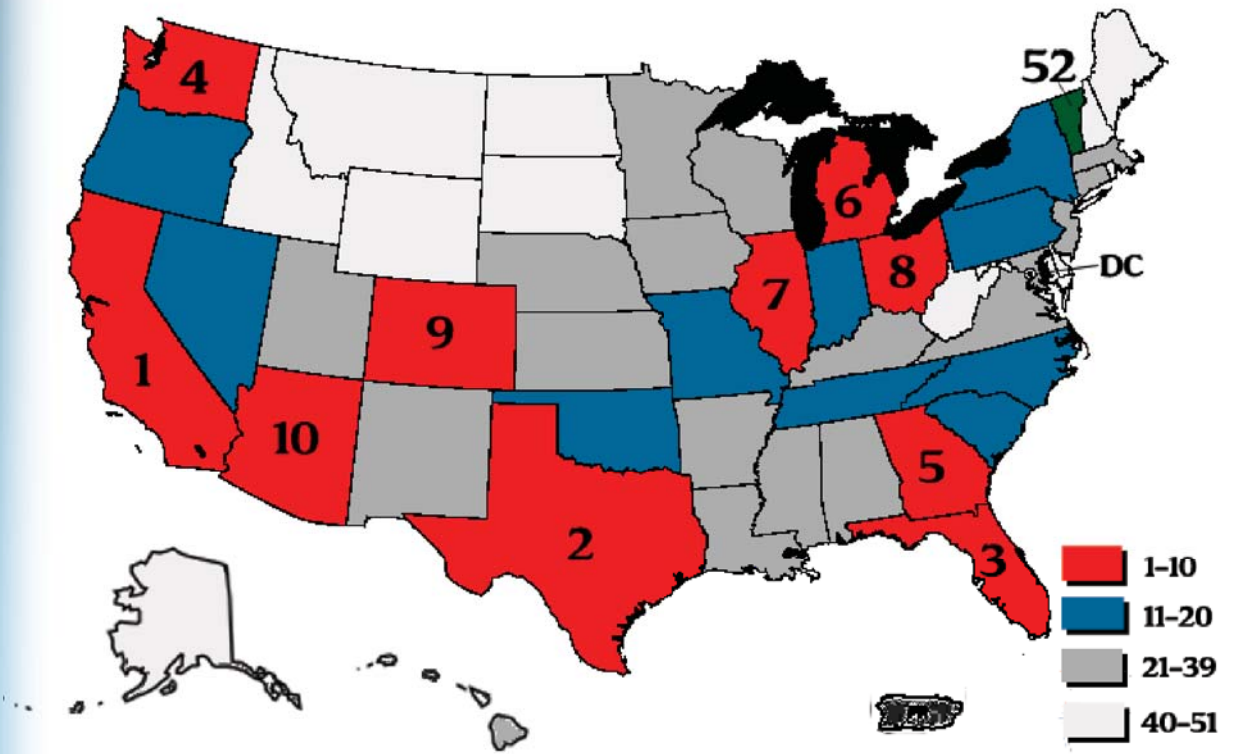


Nationwide in 2016, there were an estimated 765,484 motor vehicle thefts. The estimated rate of motor vehicle thefts per 100,000 population, was 236.9; an increase over 7% from the previous year. Additionally, more than \$5.9 Billion was lost nationwide to motor vehicle theft in 2016; the average dollar loss per stolen vehicle was \$7,680.

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.

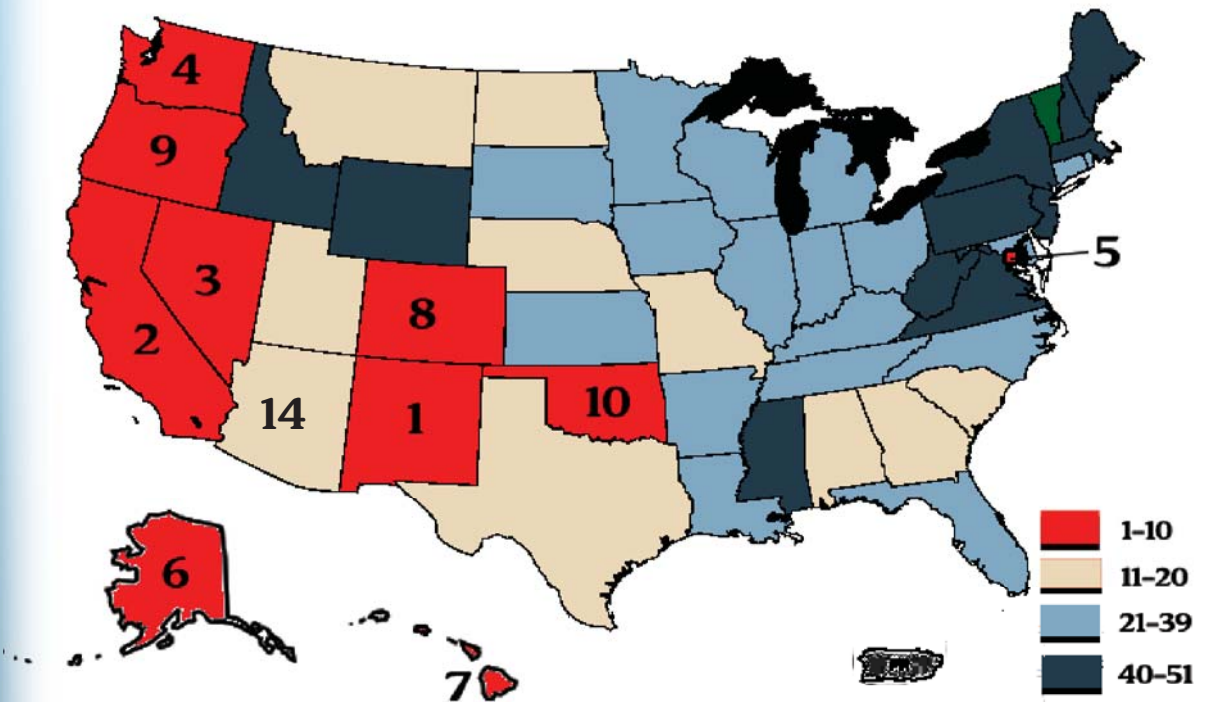
Insurance fraud remains another troubling aspect of auto theft and often perceived as a victimless crime, however, the estimated losses from this crime exceed \$100 Billion annually. Per the Arizona Department of Insurance (ADOI), ten percent (10%) of all types of insurance claims (property & casualty, 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.

2016 TOTAL STOLEN VEHICLES



*INCLUDED 50 STATES, PUERTO RICO & DISTRICT OF COLUMBIA

2016 THEFT RATE U.S. RANKINGS



*INCLUDED 50 STATES, PUERTO RICO & DISTRICT OF COLUMBIA



2016 Hot Spots -

The Albuquerque, N.M. metropolitan statistical area (MSA) had the highest per capita auto theft rate in 2016, according to the National Insurance Crime Bureau's (NICB) latest Hot Spots report.

New to the top 10 this year, the metro areas of Anchorage, Alaska (No. 6) and Billings, Montana (No. 10). As a population-based survey, an area with a much smaller population and a moderate number of thefts can, and often does, have a higher theft rate than an area with a much more significant vehicle theft problem and a larger population to absorb it. Which is how Billings, with 877 thefts, places 10th while Los Angeles, with 60,670 thefts places 35th.

For 2016, the 10 MSAs with the highest vehicle theft rates were: (# thefts in parentheses)

	Location	2016 Ranking	2015	Ranking
1.	Albuquerque, N.M.	(10,011)	2.	(6,657)
2.	Pueblo, Colo.	(1,325)	7.	(983)
3.	Bakersfield, Calif.	(7,176)	3.	(6,000)
4.	Modesto, Calif.	(3,820)	1.	(4,072)
5.	Riverside-San Bernardino-Ontario, Calif.	(25,708)	9.	(25,001)
6.	Anchorage, Alaska	(2,273)	47.	(1,359)
7.	Merced, Calif.	(1,605)	21.	(1,132)
8.	San Francisco-Oakland-Hayward, Calif.	(29,414)	5.	(30,554)
9.	Fresno, Calif.	(5,682)	13.	(5,149)
10.	Billings, Mont.	(877)	21.	(775)

The Phoenix MSA once ranked the #1 "Hot Spot" for auto theft over ten years ago, plunged down the list to 52nd place. Tucson, which previously held the #2 spot, fell to #89 during that period; Yuma #138.

2016 Hot Wheels - Most Stolen Vehicles List

Arizona TOP 10

1. Honda Civic '98
2. Honda Accord '97
3. Chevy Pickup (Full Size) '01
4. Ford Pickup (Full Size) '06
5. Dodge Pickup (Full Size) '01
6. Nissan Altima '15
7. Toyota Camry '16
8. Jeeps Cherokee/Grand Cherokee '01
9. Toyota Corolla '15
- 10 Chevy Malibu '15

U.S.A. TOP 10

- 1 Honda Accord 1997
- 2 Honda Civic 1998
- 3 Ford Pickup (Full Size) 2006
- 4 Chevrolet Pickup (Full Size) 2004
- 5 Toyota Camry 2016
- 6 Nissan Altima 2015
- 7 Dodge Pickup (Full Size) 2001
- 8 Toyota Corolla 2015
- 9 Chevrolet Impala 2008
- 10 Jeep Cherokee/Grand Cherokee 2000

2017 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.

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. The AATA partners with the Arizona Department of Public Safety, state, local, and county law enforcement agencies to fund the **Arizona Auto Theft Task Force, or "RATTLER" (Regional Auto Theft Team Law Enforcement Response) which is the AATA's largest grantee annually (\$3.25 Million - 70% of AATA's annual budget).**

The Auto Theft Task Force is comprised of local, county, state, and federal law enforcement agencies & agents from the National Insurance Crime Bureau participating in a cooperative effort to identify, apprehend, and prosecute individuals and criminal organizations that profit from vehicle theft crimes. The Task Force serves as a statewide resource for the investigation of auto thefts, chop shops, financial and insurance fraud, and organized, criminal organizations. The Task Force also provides technical expertise, criminal analysis, training and investigative support to law enforcement agencies targeting vehicle theft in their jurisdictions.

In 2017, the Task Force experienced increased arrests, recoveries and convictions across the state.

AZ. VEHICLE THEFT TASK FORCE FY'17 RESULTS



July 1 – June 30

Combined Activity	Number
Stolen Vehicles Recovered	1561
Stolen Vehicle Locates	235
"Chop Shops" Investigated	16
Altered/Switched VIN's	76
Felony Arrests	369
Adults	353
Juveniles	16
Insurance Fraud Cases	15
Business Inspections	43
Border Interdiction Programs	10
CORE Programs	2
Training Provided	12
Assist to Other Agencies	2084

2016-2017

Estimated Value
\$14,758,513.00
\$3,333,800.00



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.

In September 2017, the Quartzsite Police Department rolled out a newly equipped vehicle and license plate reader, which was funded by an AATA Law Enforcement Grant. In no less than 12 hours from its official launch, this vehicle located and assisted in its first arrest of a suspect in a stolen 2003 White Toyota 4Runner out of the neighboring Town of Parker. All of this comes just a week after the town of Quartzsite gained national attention with a highway traffic stop that turned into a 3-hour multi-agency police pursuit, involving a carjacked tractor-trailer and shootout that ultimately resulted in the death of one suspect and the arrest of another.

Since the vehicle's roll-out, Quartzsite PD has been scouring the area for more stolen vehicles and has been called upon as a resource to assist other agencies, such as DEA, in looking for vehicles in crime related matters.

Additionally, the reliance on LPR technology for criminal investigations continues to expand across the United States. Just recently, the Cobb County, Georgia Police Department resolved a missing person case — that ended up being a homicide where the suspect was arrested with the help of license plate recognition technology. In Maricopa County, Arizona, the murderer of a sheriff's deputy and two others was arrested after LPR technology was used to locate the home of the suspect. Officers from the El Cajon, California Police Department rescued an insulin dependent diabetic after locating him using LPR data. Many other such examples exist and continue to occur.



Vertical Prosecution Program Results

The AATA has identified Vertical Prosecution as a vital component of a comprehensive vehicle theft reduction strategy for 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 related crimes from the investigative phase through sentencing.** Vertical Prosecution has been highly successful in dealing with other criminal activities such as, homicide, narcotics, organized crime, sexual assault and crimes against children.

Current Vertical Prosecution grant funding is for eight Prosecutors in six counties (Maricopa, Pima, Pinal, Santa Cruz, La Paz and Mohave). Last year, in total, more than 1,500 auto theft charges were filed and nearly \$1 million ordered in restitution for victims.

In FY'17, 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. Future plans include expanding the Vertical Prosecution program to additional, smaller counties across the state (Cochise and Yuma county).

During fiscal year 2017, the **Maricopa County Attorney's Office**, the largest AATA Vertical Prosecution Grant program, reported the following success data.

Filed 1,347 cases of auto theft or related charges.

Disposed of 1,230 separate cases (with at least one of the aforementioned charges): by guilty plea (1,169), guilty verdict (9), or by dismissal (52) (dismissal includes dismissal pursuant to a plea agreement and purging of warrants).

1,011 defendants were sentenced. Of those, 347 defendants were sentenced to prison, with an average prison sentence of 5.1 years in the Arizona Department of Corrections. Of the 498 defendants sentenced to probation, the average term of probation imposed was 2.4 years. Also during the same period, the Auto Theft Task Force prosecutors secured over \$280,000 in restitution orders.

Maricopa County Attorney's Office

State v. Antolin Montero

Defendant Antolin Montero was arrested and charged with multiple felony offenses in two cases. In one case the defendant entered a Pep Boys store and took \$300 worth of merchandise without paying for the items. As he was leaving with the stolen property, a store clerk attempted to stop him. The defendant threatened to shoot the clerk and fled the robbery in a stolen vehicle. Police located the defendant driving the stolen vehicle a short time later. The defendant began to drive erratically to lose the police, he stopped and fled on foot. Police were able to take him into custody as he was attempting to break into a residence. The Defendant had two prior felony convictions, including a previous Unlawful Use of Means of Transportation charge. After pleading guilty to Armed Robbery, Theft of Means of Transportation, Possession of Dangerous Drugs, and Burglary in the Second Degree, the defendant was sentenced to 10 years in the Arizona Department of Corrections.

Pima County Attorney's Office

State v. Rahim Jaffar Harper

On January 26, 2017, Defendant Rahim Jaffar Harper attempted to rob victim #1 at a Circle K gas station. He followed the victim into the store, full of people, and shot a round into the ground. He threatened to shoot the victim as well. He then left the store and carjacked victim #2 of a Toyota Corolla, waving the gun. On January 31st, he approached victim #3 from behind at a QT gas station, had a hand in his pocket, demanded keys, and threatened to kill victim #3. Victim #3 fought for her Nissan Pathfinder and she was thrown out of the car onto the ground. He later used victim #3's credit card. He was apprehended on February 2nd by Pima County ATTF after parking the Pathfinder in the same parking lot as where the Corolla was abandoned. He was convicted by jury trial on two armed robberies, attempted armed robbery, aggravated assault, disorderly conduct, identity theft, and fraudulent use of a credit card. He later plead guilty to three counts of armed robberies for the CR20171080 case, armed robberies at a Sprint store and Home Depots. Defendant Harper has 3 prior felonies and was on parole at the time of these offenses. He will be facing no less than 15.75 years with a top exposure of over 70 years at his sentencing on December 19, 2017 before the Honorable Janet Bostwick.



Pinal County Attorney's Office

State v. Lawanna Nabor

This year, Pinal County has seen an increase in vehicle theft cases coming directly from the Auto Theft Task Force. This increase is largely due to the efforts of Detectives Danny Garcia and Scott Abernathy, who have actively pursued several high-profile cases within the county. Word spreads in the criminal community, and the criminals are worried about the Auto Theft Task Force.



One trial victory of note occurred in June of this year when a known crime den in Arizona City was broken up following a series of plea agreements and a guilty verdict in the State v. Lawanna Nabor's case. In that case, two BMW motorcycles that were stolen in a residential burglary were recovered and traced back to the Defendant and her associates. Defendant was convicted of the theft and sentenced to serve 6.5 years in the Arizona Department of Corrections. See photo of one of the recovered motorcycles (the back tire was lost in a chase).

La Paz County Attorney's Office

State v. Jyrkinen

Defendant pleaded guilty to Theft of Means and Burglary in the Second Degree in an open prison or probation plea, in addition to his pleading guilty to Criminal Trespass, Class 6 felony, in a separate case. Defendant broke into his former boss' home and stole approximately \$40,000 worth of personal property including a Rolex watch, and then stole the victims' Mercedes from the garage, which he drove to Phoenix. When the victims returned home from a trip to Las Vegas, they discovered the missing vehicle; just after this discovery the defendant drove up to the house in the stolen vehicle, abandoned it, and fled. This defendant was a former employee of the victims, who had been taken into their circle of trust and had been previously welcomed into the victims' home for employee functions. The defendant was sentenced to 7 years on the stolen vehicle, an aggravated sentence, as

La Paz County Attorney's Office

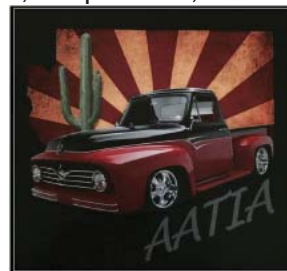
State v. Jyrkinen -continued

the court found a prior felony conviction within ten years as an aggravating factor. The defendant was sentenced to 8.25 years consecutive on the burglary, with the court finding the emotional and financial harm to the victims as an aggravating factor – the victim (wife) stated at sentencing that she felt unsafe in her home and told the court of her broken trust and how it continued to affect her. Defendant was sentenced to 2 years in the Criminal Trespass case consecutive, for a total sentence of 17.25 years.

Specialized Auto Theft TRAINING Grant Programs

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.

This year, the Arizona Auto Theft Investigators Association (AATIA), along with the Bullhead City Police Department, AATA and International Association of Special Investigations Units (IASIU) - AZ. Chapter hosted their 2017 Auto Theft & Insurance Fraud Seminar September 11th – 15th in Laughlin, Nevada.

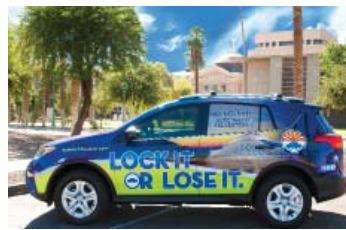


The Seminar was attended by nearly 150 law enforcement, insurance fraud, and criminal justice partners from across Arizona, Nevada, California, and as far away as Maryland and Michigan. IAATI's Western Region Chapter Officers were also in attendance for meetings and specialized training. The AATA provided grant funding for approximately 70 auto theft detectives, and prosecutors.

This year, the Auto Theft Authority awarded the Director's Professional Excellence Award to AZ. DPS Trooper Braden McBride for his exemplary efforts detecting and apprehending three subjects in a stolen vehicle on June 5, 2017 in the Safford-Thatcher area.



The Trooper's initial investigation revealed the vehicle was stolen from Apache Junction and connected to an armed robbery. Numerous stolen items were located inside the vehicle. With the assistance of his Sergeant, Stewart Shupe, a Graham County Sheriff's deputy, and local residents, all three suspects were apprehended and booked into jail on multiple charges. The trio have since been charged by the Pinal County Attorney's Office with kidnapping, aggravated assault and robbery, burglary, theft of means of transportation, armed robbery, and theft of a gun.



AATA Public Awareness & Outreach Programs

“Auto Theft Affects Everyone”

Advertising/Marketing/Media - Print ads featured in the Arizona Diamondbacks and Cardinals Annual Year books. Issued several press releases, including the new “Watch Your Tail” Campaign in Feb 2017, focusing on tailgate theft prevention.

This year, the AATA increased Public Outreach & Social Media efforts, include daily PSA ads on Facebook, Twitter & Instagram.

AATA staff and partners participate in multiple GAIN (Get Arizona Involved in Neighborhoods) events, VIN etching events. The Agency has regular feature articles in the IAATI Auto Theft Today and APB Magazine, as well as the Arizona Insurance Institute's (AII) E-Newsletters.



AATA Public Awareness & Outreach Programs- continued

The AATA's public awareness and prevention efforts continue to focus on strategic partnerships with statewide law enforcement, criminal justice, 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 valuables at all times.



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 2017, the AATA has approximately 35,300 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

March 2017, the AATA sponsored the 11th Annual Statewide Auto Theft Prevention & Awareness Month in partnership with statewide law enforcement & community partners. Agencies host Free Auto Theft Prevention & VIN Etching events to increase public awareness about auto theft/burglary prevention. Events are posted on Social Media and AATA's website - <https://aata.az.gov/upcoming-events>.

Youth Auto Theft Deterrent Programs

AATA has 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

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.

Tailgate Theft Prevention – “Watch Your Tail” Campaign

Recent reports from the National Insurance Crime Bureau (NICB), show a national trend continuing across the U.S. in the theft of pick-up truck and SUV tailgates. Tailgates can be easily stolen in less than 30 seconds, making them prime targets of opportunity. With replacement costs reaching \$1,300 or more, it makes sense for pickup owners to make their tailgates less attractive to thieves. To protect from thieves, there are numerous anti-theft tailgate locking devices available. In 2015, the AATA launched a “Watch Your Tail” campaign, featuring a Do-it-Yourself using a 1-inch metal hose clamp. Other theft preventive measures include parking indoors and backing up against a wall or other impediment when parking.

The top five states for tailgate thefts were: Texas, California, Florida, Arizona, and Pennsylvania. The top five cities for tailgate thefts during these years were: Houston, Dallas, San Antonio, Phoenix, and Fresno, California.



Building Auto Theft & Crime Prevention Partnerships

The AATA continues to partner with community organizations, corporations and businesses, including AARP, Arizona Crime Prevention Association (ACPA), Arizona Auto Theft Investigator's Association, NICB, BOLOCOP, International Association of Auto Theft Investigators, Arizona Insurance Institute, SunWest Federal Credit Union, Valley Metro, to name a few. 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.

Social Media Outreach Campaigns -

The AATA's 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, 2017

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, 2017 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, 2017 were \$ 6,225,788, an increase of \$79,196 or 1.29% from the prior year. All excess cash is invested with the State Treasurer and the Authority earned \$31,061 in investment income during the current fiscal year.

Expenditures

Total expenditures for the current year were \$5,261,124, an increase of \$131,022 from the total expenditures from the previous year of \$5,130,102. 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, 2017, the Authority was in compliance with this statute with "costs of administration" being 6.21%, of "the monies in the fund" as verified by the audit. The AATA's administrative costs as a percent of total expenditures for the fiscal year were 7.40%. The AATA ended the year with cash and investments with the State Treasurer of \$1,747,255. The AATA did transfer \$3,000,000 to the State of Arizona Border Strike Force, and \$500 to the E-Procurement System, to assist in the funding of those programs.

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. As the population of the state has continued to grow, the revenue collected by the AATA has also continued to grow. Therefore, in going forward the AATA was cautious in its revenue projections. For the fiscal year ending June 30, 2018 (FY18), the agency projects revenue growth of 3.00% (over the previous year), this means that the anticipated revenue in FY18 from insurance collections should be approximately \$6,412,561, (\$186,773 above the revenue received in the FY17). Going forward, the agency expects revenue to increase at the 3.00% rate for the fiscal year ending June 30, 2019 (FY19), with a projected revenue of \$6,604,937. 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, 2017

	June 30, 2016	June 30, 2017
Revenue		
Current Year Collections	6,146,592	6,225,788
Prior Year Collections	-	-
Investment Income	29,686	31,061
Grants	-	-
Refund of Unused Grant Funds/Miscellaneous Income	<u>8,213</u>	<u>14,530</u>
Total Cash Collections	6,184,491	6,271,379
Change in Revenues Accrued	<u>176,432</u>	<u>(27,785)</u>
Total Revenue	<u>\$6,360,923</u>	<u>\$6,243,594</u>
Expenditure by Program		
Administrative Costs (1,2)	304,462	389,324
Arizona Vehicle Theft Task Force Grant	3,650,000	3,650,000
Vertical Prosecution Program	831,622	870,141
Public Awareness	216,108	231,383
Law Enforcement Grant Program	97,910	81,916
Professional Training & Special Grant Program	30,000	38,360
Emergency/Discretionary Grant Program		
Investigator Projects		
Reimbursable Programs		
Miscellaneous	-	-
Total Expenditures (3)	<u>5,130,102</u>	<u>5,261,124</u>
Transfer to Primary Government		<u>(3,000,500)</u>
Changes in Fund Balance	<u>1,230,821</u>	<u>(2,018,030)</u>
Beginning Fund Balance (4,5)	<u>5,678,456</u>	<u>6,909,277</u>
Ending Fund Balance (4,5)	<u>\$6,909,277</u>	<u>\$4,891,247</u>
Footnotes		
1. Administrative Costs as a Percentage of Cash Collections	4.92%	6.21%
2. Administrative Costs as a Percentage of Total Expenditures	5.93%	7.40%
3. Actual Expenditures by Category per Audited Financial Statements		
Appropriated Current Operating Expenses		
Personal Services	270,228	312,944
Employee related expenses	104,123	122,555
Professional services	21,989	33,669
Travel-in-State	3,529	1,130
Travel-out-State	3,961	3,684
Aid to Organizations	4,595,727	4,605,057
Other Operating	73,363	128,873
Capital Outlay	<u>27,182</u>	<u>19,877</u>
Total Expenditures	\$5,100,102	\$5,227,789
Non-appropriated Expenses		
Other Travel		2,999
Aid to Organizations	30,000	35,360
Miscellaneous		<u>34,976</u>
Total Non-appropriated Expenditures	30,000	73,335
4&5. Fund balance includes accrued income as per the audited financial statements		
<hr/>		
Total Expenditures	\$5,130,102	\$5,301,124
Cash invested with the State Treasurer as of June 30th	\$3,690,097	\$1,747,255
Report based on audited financial statements		

Arizona Automobile Theft Authority



An Equal Employment Opportunity Agency

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State of Arizona
Arizona Automobile Theft Authority
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