



Automobile Theft Authority
Board of Directors Meeting Minutes
Department of Insurance and Financial Institutions
Friday, September 18, 2020
AATA Office – Web Conference
1st Floor Conference Room
1110 W. Washington Suite 105, Phoenix AZ 85007

Board Members Attendance:

Matt Reed, Chairman, State Farm Insurance Companies
Chief Michael Soelberg, Vice-Chair, Gilbert Police Department
Director Heston Silbert – Arizona Department of Public Safety, Major Jack Johnson Jr. representing
Director Eric Jorgensen- Arizona Department of Transportation, Susan Trask representing
Sheriff Paul Penzone- Maricopa County Sheriff's Office – Deputy Chief Rick Morris representing – **not present**
Sheriff Joseph Dedman, Jr.- Apache County Sheriff's Office
Chief Frank Alanis- Superior Police Department - **not present**
Allister Adel- Maricopa County Attorney's Office – Leslie LeMense representing
Kent Volkmer- Pinal County Attorney's Office
Joe Brosius- Public Member - **not present**
Robert E.M. Smith- Public Member
Brian Wright – The Travelers Companies

DIFI Legal Council:

Lynette Evans Arizona Attorney General's Office
Holly Wan, Arizona Attorney General's Office

DIFI Staff:

Evan Daniels, Director
Scott Greenberg, Deputy Director
James McGuffin, Assistant Director
Ann Armstrong, Grants Administrator
Art Myer, Chief Financial Officer
Frank Ceballos, Administrative Service Officer
Amanda O'Halloran, Outreach Coordinator

Public/Guest:

Captain Paul Etnire- Arizona Vehicle Theft Task Force, Department of Public Safety
Nicholas Hartman, Pinal County Attorney's Office
Misty Fauth, Maricopa County Attorney's Office
Frank Woods, Maricopa County Attorney's Office
Jessica Sornsins, Maricopa County Attorney's Office
Antonio Canisales, Maricopa County Attorney's Office.
Matthew Ashton, Pima County Attorney's Office
Tori Bryant, La Paz County Attorney's Office
Commander Hilario Tanakeyowma, Quartzsite Police Department

I. CALL TO ORDER AND ROLL CALL

- Vice-Chairman Soelberg called the meeting to order at 10:00 am.

II. AATA Board Chairman's Report- Review, Considerations, and Possible Action

- Vice-Chairman Soelberg asked the Board for nominations for the position of ATA Board Chairman.
 - Mr. Robert Smith nominated Vice-Chairman Soelberg for the position of ATA Board Chairman.
 - Mr. Matt Reed seconded the nomination.
 - No further nominations were provided.
- Vice-Chairman Soelberg asked the Board for a motion to vote on the position of ATA Board Chairman.
 - Mr. Volkmer motioned to vote Vice-Chairman Soelberg for the position of ATA Board Chairman.
 - Mr. Robert Smith seconded the motion.
 - The vote passed (9-0).
- Chairman Soelberg asked the Board for nominations for the position of ATA Board Vice-Chairman.
 - Mr. Robert Smith nominated Mr. Kent Volkmer for the position of ATA Board Vice-Chairman.
 - Mr. Matt Reed seconded the nomination.
 - No further nominations were provided.
- Chairman Soelberg asked the Board for a motion to vote on the position of ATA Board Vice-Chairman.
 - Mr. Robert Smith motioned to vote Mr. Volkmer for the position of ATA Board Vice-Chairman.
 - Mr. Brian Wright seconded the motion.
 - The vote passed (9-0).
- Chairman Soelberg asked the Board for a volunteer to take the position Chairman over the Legislative Subcommittee.
 - Mr. Robert Smith volunteered for the position.
 - Chairman Soelberg motioned to vote Mr. Robert Smith as Chairman over the Legislative Subcommittee.
 - Mr. Volkmer seconded the motion.
 - The vote passed (9-0).
- Chairman Soelberg asked the Board for a motion to approve the June 19th, 2020 Board meeting minutes as presented.
 - Mr. Reed motioned to approve the June 19th, 2020 meeting minutes.
 - Mr. Robert Smith seconded the motion.
 - The vote passed (9-0).
- Review, consideration, and possible action on March 13th, 2020 Board meeting minutes
 - Chairman Soelberg asked the Board for a motion to approve the June 19th, 2020 Board meeting minutes as presented.
 - a) Mr. Reed motioned to approve the June 19th, 2020 meeting minutes.
 - b) Mr. Robert Smith seconded the motion.
 - c) The vote passed (9-0).

III. AATA Director's Report- Review, consideration, and possible action

- Board Vacancies
 - Assistant Director McGuffin gave an update and status on ATA Board vacancies. There are two vacancies on the ATA Board, one insurance representative position, and one public member.
 - Assistant Director McGuffin advised the Board on Sept 1st, he met with the Director and Deputy Director of the Arizona Boards and Commissions.

- The Boards and Commissions Director advised one application for the public member and the insurance representative have been received. They have requested that the ATA solicit the insurance industry for more submissions for the vacant insurance Board representative to have a larger pool to select from.
- Status of Budget Issue Submission
 - Assistant Director McGuffin advised the Board a budget issue has been submitted to the Director and Deputy Director of the Department of Insurance and Financial Institutions (DIFI) as per protocol under the consolidation effective July 1st, 2020. The budget concerns reflect the Department of Public Safety (DPS) Task Force Grant affecting salaries and vehicle replacements.
 - a) Mr. Volkmer requested to know the difference between what is allocated to the DPS Vehicle Theft Task Force and monies needed to be fully staffed.
 - b) Assistant Director McGuffin advised \$433,000.00 was requested to cover the salaries of the DPS Vehicle Theft Task Force. Assistant Director McGuffin informed the Board the Vehicle Theft Task Force has not been filling vacancies in order to make payroll.
 - c) Deputy Director Greenberg advised the Board the dollar amount requested was \$433,700.00 for salaries and \$625,000.00 to cover the replacement of vehicles needed for the Vehicle Theft Task Force.
 - Assistant Director McGuffin advised that both the Director and Deputy Director took this information to their meeting with the Office of Strategic Planning and Budget with other DIFI requests to be added to the Executive Budget Submission.
 - a) The ATA budget issue was not included in the Executive Budget Submission. The DPS commander over the Vehicle Theft Task Force was informed of this update.
- Adding Location to Stolen Vehicle File
 - Assistant Director McGuffin advised the Board that \$65,000 was transferred over to DPS, in accordance with a previously approved grant and interagency service agreement, prior to the end of the fiscal year. These monies have been allocated towards the addition of a location field to the Stolen Vehicle File. The vendor who has been contracted for this update is currently working on a separate, more pressing issue for DPS and this update has been delayed.
- Stolen Vehicle Database Update
 - Assistant Director McGuffin advised the Board of discrepancies found within the 2019 master verified stolen vehicle file, produced by DPS. With the assistance of the Superior Police Department, Wickenburg Police Department, and Casa Grande Police Department, who each provided their verified stolen vehicles from 2019 and year to date total for 2020, the ATA staff was able to locate only 56 of 165 vehicles that should have been listed on the DPS master verified stolen list. This issue was shared with DPS and they advised the matter would be looked into.
- Contract Compliance Review Update
 - Assistant Director McGuffin advised the Board the pilot contract compliance review with Maricopa County Attorney's Office (MCAO) has been beneficial in identifying that some of the ATA questions were not as precise or clearly defined as they needed to be. Through further discussions with MCAO, the information sought was received and the pilot review was completed. Assistant Director McGuffin announced that MCAO was found to be in full compliance with the grant contract.

- Assistant Director McGuffin advised the identified questions of concern are being reviewed and amended so the staff may move forward with future contract reviews.
- Chairman Soelberg asked if the contract compliance review would apply to all grants or just vertical prosecution.
 - a) Assistant Director McGuffin advised the Board all ATA grants may be subjected to an ATA contract compliance review with the exception of the DPS Vehicle Theft Task Force grant. Assistant Director McGuffin advised due to the size and complexity of the DPS Vehicle Theft Task Force grant, staff felt it would be better to seek outside services to perform this task.
- AZ. DIFI Director, Evan Daniels- Introduction & Remarks
 - Director Daniels introduced himself to the ATA Board.
 - Director Daniels advised the intention and expectation is that while the ATA is now a part of DIFI, DIFI is also a part of ATA. The ATA staff and the rest of DIFI will remain dedicated to the existing ATA mission and goals.

IV. AATA Financial Update, Discussion, and Possible Action

- AATA Financial Report for the fiscal year ending August 31, 2020.
 - Mr. Myer presented the AATA Financial Report and the transfer of funds from AATA accounts to DIFI accounts.
- FY'21 (Projected) Spending Plan Updated
 - Mr. Myer presented the projected FY'21 Spending Plan.
 - Mr. Myer advised that the first quarter collection yielded a 1.3% increase over what was projected.
 - Mr. Myer advised that this collection has been the largest collection to date.
 - Mr. Myer advised that due to a canceled conference, the non appropriated SIMS fund has a balance of \$1,432.00.
 - Mr. Myer has asked for the Board to approve the spending plan as presented.
 - Chairman Soelberg asked the Board for a motion to approve the FY'21 spending plan as presented.
 - a) Vice-chair Volkmer motioned to approve the spending plan as presented.
 - b) Mr. Reed seconded the motion.
 - c) The vote passed unanimously (9-0).
- New Revenue Collection Process- NAIC OPTins.
 - Mr. Myer advised the Board that the ATA will be moving the next assessment collections to the OPTins system currently used within DIFI for premium tax collections.
- Annual CPA Audit Update
 - Mr. Myer advised that the first draft of the audit has been completed. The second draft is scheduled to be completed at the end of October, with the final copy scheduled to be completed and presented at the November meeting.
 - Mr. Myer advised the total cost for the audit is \$8,000 and will be paid in December.

V. AATA Public Awareness & Grant Programs Report General Update, Discussion, and Possible Action

- FY'21 Grant Programs
 - Ms. Armstrong mentioned and confirmed that the first contract compliance review with MCAO had been completed.
 - Ms. Armstrong advised that first-quarter payments are being processed at this time.

- Ms. Armstrong advised that staff have been attending the NAIC Insurance Summit on insurance fraud trends and owner give-up trends.
- Auto Theft Prevention Campaigns, Events & Trainings
 - Ms. Armstrong advised the Board that information regarding the Gilbert PD public awareness grant final report was sent out in the meeting documentation.
 - Ms. Armstrong advised of an upcoming free shred event sponsored by the Arizona Crime Prevention Association and Gilbert PD.
 - Ms. Armstrong introduced Corporal Tanakeyowma with the Quartzsite Police Department.
 - a) Corporal Tanakeyowma advised the Board of the repairs to the ATA-funded license plate reader (LPR) have been completed and the reader is again in use. He advised that a good portion of the LPR hits received are coming off of rental vehicles that were reported stolen but were in fact rented out on legitimate business.
 - b) Corporal Tanakeyowma advised that he was involved in an officer-involved shooting and pursuit with a suspect driving a stolen vehicle. This suspect was known for making false purchases of the vehicles, producing fake drivers licenses, and domestic violence. Three stolen vehicles were recovered from the suspect's possession.
 - c) Corporal Tanakeyowma has seen an increase in recoveries of watercraft and trailers in their district, with some of those coming out of Blythe, California.
- VI. Law Enforcement Subcommittee Report, Discussion, and Possible Action
 - Chairman Soelberg- No Update.
- VII. Public Awareness Subcommittee Report, Discussion, and Possible Action
 - Mr. Robert E. Smith - No Update.
- VIII. Legislative Subcommittee Report, Discussion, and Possible Action
 - Mr. Reed- No Update.
- IX. Vertical Prosecution Subcommittee & Auto Theft Prosecutors Report, Discussion, and Possible Action
 - General subcommittee update on vertical prosecution programs, auto theft cases/outcomes
 - Ms. LeMense, with Maricopa County Attorney's Office (MCAO), advised that Ms. Fauth and Ms. Sornsin conducted a few auto theft training classes within MCAO and Arizona Prosecuting Attorneys' Advisory Council (APAAC). The topics covered were auto theft charging and how to prosecute auto theft cases.
 - Mr. Ashton, with Pima County Attorney's Office, gave the Board an update involving one suspect being held without bond on six different cases. Many of these cases involve the Vehicle Theft Task Force.
 - Mr. Hartman, with the Pinal County Attorney's Office, advised the Board of several cases currently being prosecuted out of their office. One such case involves a twenty-two year-old subject and his sixteen-year-old brother, an accomplice, who went to the home of an alleged friend, a twelve-year-old boy. The boy would later be tied up, placed in a closet while the subjects ransacked the house and stole a vehicle.
 - Ms. Bryant, with LaPaz County Attorney's Office, advised she is also seeing an increase of unlawful flights as a secondary charge, as well as an increase of rental vehicles being stolen. The majority of her cases are involving suspects with prior drug convictions using the vehicles as a temporary shelter.
- X. General Update, Report on Task Force Activities
 - Captain Etnire advised the Board of some personnel changes.

- Since June 19th the Task Force has recovered 395 stolen vehicles with an approximate value of 5.7 million dollars. This is in addition to making 98 arrests, writing and serving 16 search warrants, recovering 18 weapons, and responding to 164 requests for assistance. Also recovered during this time frame was 42 pounds of marijuana and \$35,000 in currency.
- Since January the task force has recovered 1,010 stolen vehicles with an approximate value of 14.1 million dollars. They have made 219 arrests, written and served 68 search warrants, recovered 49 weapons, and responded to 1,245 requests for assistance.
- Captain Etnire advised the Board the Task Force attended two different trainings on less than lethal options to minimize the use of force as suspects are taken into custody.
- Captain Etnire gave a brief summarization of several of the cases the Vehicle Theft Task participated in since the last Board meeting.
- Captain Etnire advised that stolen vehicles from rental companies are increasing and are aggravated by the lack of inventory controls some of the rental companies have in place.

XI. Call to the Public

- No reply.

XII. Reports on current events, matters or Board procedure, requests, and items for future agenda:

- No update.

XIII. Adjournment

- Meeting adjourned.

Dated this _____ day of _____, 2020.

Arizona Automobile Theft Authority

By: _____

Chief Michael Soelberg, ATA Chairman

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Dated this 18 day of September, 2020.

Arizona Automobile Theft Authority

By


Chief Michael Spelberg, ATA Chairman