

Arizona Automobile Theft Authority

2005 Annual Report



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Mission Statement

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

Letter to the Governor

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

Dear Governor Napolitano:

It is with great pleasure that we present the Arizona Automobile Theft Authority's (AATA) Annual Report for the fiscal year ending June 30, 2005.

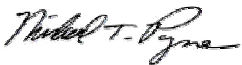
The AATA is pleased to report a three percent (3%) reduction in Arizona's vehicle theft rate for 2004 which has reduced Arizona from number one to number two in national rank, according to recent statistics released in the 2004 FBI Uniform Crime Report. This reduction represents the second straight year Arizona has realized a decrease in its auto theft rate. The AATA believes its current initiatives, programs and partnerships are beginning to take hold and have an impact on Arizona's vehicle theft rate. Although the Agency is encouraged by the reduction, we know a great deal of work remains to continue to reduce Arizona's vehicle theft rate.

Although the statistical vehicle theft information contained in this report reflects calendar year 2004 data, the AATA is pleased to report that several Arizona cities continue to experience a reduction in auto thefts for the first three quarters of calendar year 2005.

The continuing vehicle theft problem and growing population in Arizona requires a coordinated statewide effort to develop, implement and sustain successful programs and inter-agency cooperation to combat vehicle theft in the state. Arizona's proximity to Mexico, the declining recovery rate and homeland security concerns mandate employing partnerships on a national and international level to curtail vehicle theft by organized criminal groups and deter exportation of stolen vehicles to finance other criminal activities and international terrorism.

The AATA remains committed to reducing the incidence of vehicle theft in the state with support from the insurance industry, criminal justice agencies, community organizations, and business partners, and looks forward to continued service to the citizens of Arizona.

Respectfully,



Michael T. Payne, CPCU
Chairman of the Board

Board of Directors June 30, 2005



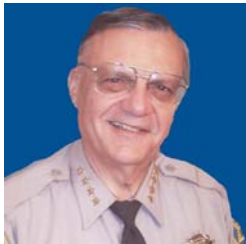
Michael T. Payne, Chairman of the Board
State Farm Insurance Company

Michael Payne was appointed to the AATA Board of Directors in 1999 and was elected Board Chairman on January 5, 2001. Mr. Payne holds a bachelor's degree in criminal justice from Michigan State University. Mr. Payne began his career with State Farm Insurance as an auto claim representative. He has served as Section Manager for the Special Investigation Unit, Auto Claims Central, and is currently the Management Planning and Information Manager.



Sheriff Ralph E. Ogden, Vice Chairman
Yuma County Sheriff's Office

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



Sheriff Joe Arpaio
Maricopa County Sheriff's Office

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



Sergeant Joe Brosius
Public Member

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



Dean C. Butler
Farmers Insurance Company

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



Chief Sherry Kiyler
Chandler Police Department

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



Barbara LaWall
Pima County Attorney

Barbara LaWall has been a member of the AATA Board of Directors since April 2005. She occupies the County Attorney position on the AATA Board, representing a county with a population of five hundred thousand or more. Ms. LaWall, currently in her third elected term as Pima County Attorney, first assumed office in 1996 as the first woman to be elected Pima County Attorney.



Robert Carter Olson
Pinal County Attorney

Governor Napolitano appointed Mr. Olson to the AATA Board of Directors in February 2004. Mr. Olson occupies the County Attorney position on the AATA Board, representing a county with a population of five hundred thousand or less. Mr. Olson has served as the Pinal County Attorney since 1996. His office was one of the first counties to embrace the concept of Vertical Prosecution of vehicle theft cases and has been extremely supportive of the AATA's Vertical Prosecution Grant Program since its inception in 2000.



Ellen Poole
Public Member

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



Chief Daniel G. Sharp
Oro Valley Police Department

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



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

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



Director Roger Vanderpool
Arizona Department of Public Safety

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

Arizona Automobile Theft Authority Staff

Enrique Cantu
Executive Director

Paul Boelhauf
Deputy Director

Ann Armstrong
Public Information Officer

Arthur Myer
Fiscal Services Specialist

John Rares Almasan
WYC Program Manager

Executive Summary

Introduction

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

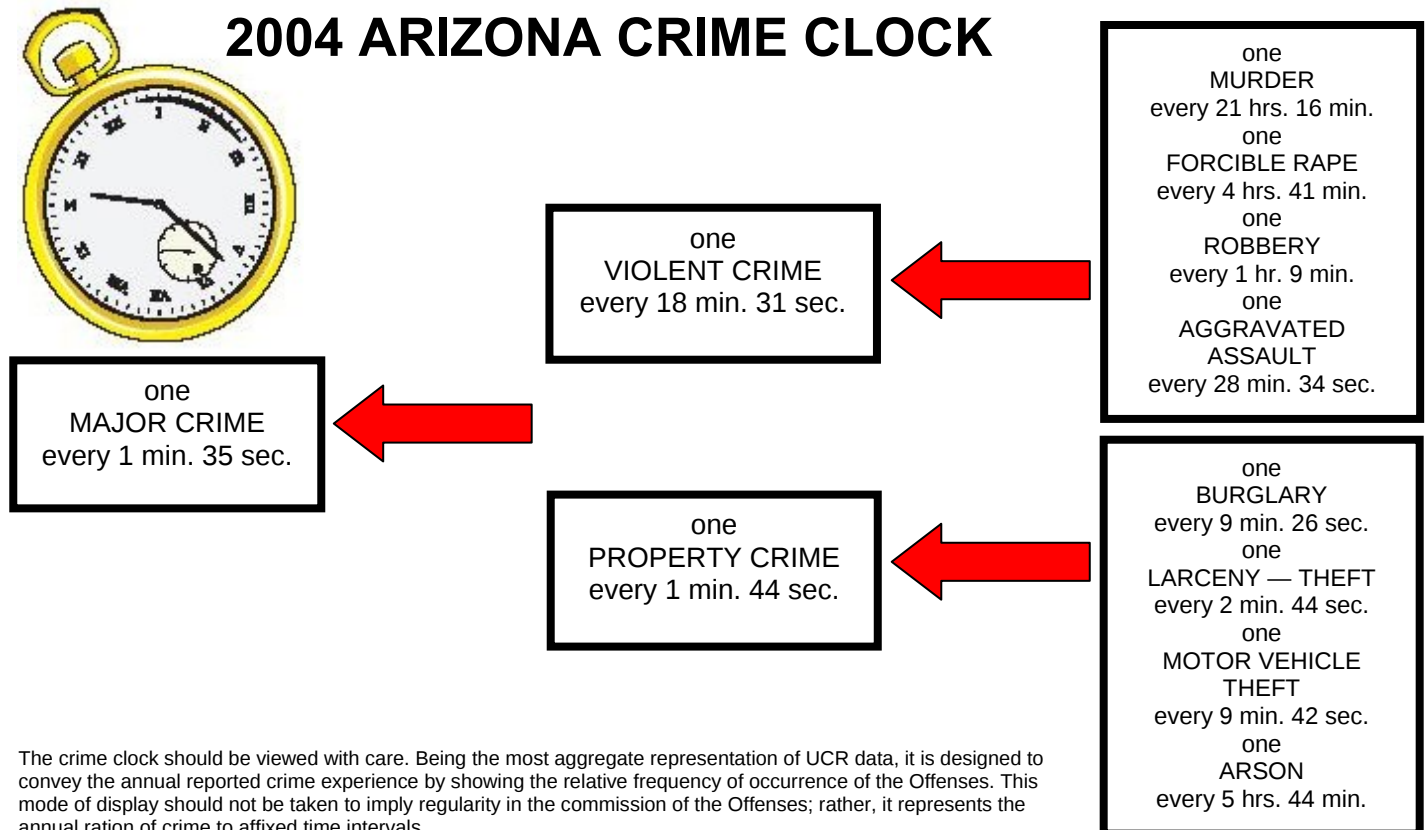
All motor vehicle theft statistics included in this report are based on the calendar year ending December 31, 2004 including those statistics cited from the 2004 *Uniform Crime Report*, published by the Federal Bureau of Investigation (FBI) and the 2004 *Crime in Arizona* Report published by the Arizona Department of Public Safety.

Accordingly, this report contains a combination of data sources reflecting both calendar year 2004 and fiscal year 2005 information. Discrepancies are recognized between the *Uniform Crime Report* and the *Crime in Arizona Report*, due to different reporting requirements. Statistics listed in the *Crime in Arizona Report* do not include crimes reported to Federal or tribal agencies located in Arizona.

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

Summary

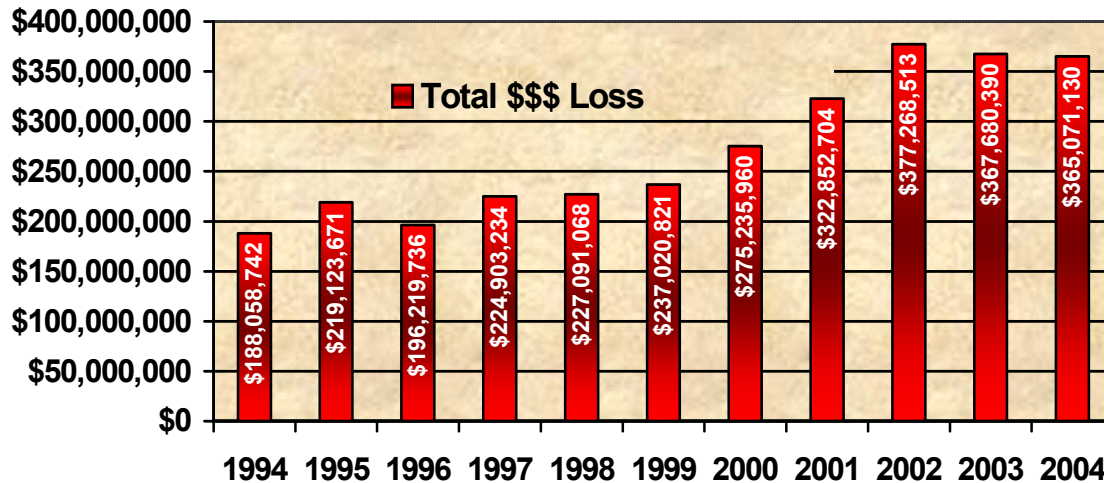
The FBI's 2004 Uniform Crime Report (UCR) indicates there were more than 1.2 million motor vehicle thefts in the United States in 2004, with an estimated value of approximately \$8.2 billion dollars. In Arizona, there were 55,306 vehicles reported stolen during 2004, which reflects a 3.0% decrease in the theft rate from 2003.



The FBI's UCR reflects that with approximately 23.0 percent of the U.S. population, the Western states accounted for 36.2 percent of all motor vehicle thefts in the Nation in 2004. By volume, the largest number of motor vehicle thefts, an estimated 447,930, occurred in this region.

The estimated number of motor vehicle thefts went up 3.2 percent from last year's number. Also on the rise from the 2003 number was the motor vehicle theft rate, estimated at 664.5 offenses per 100,000, an increase of 1.7 percent.

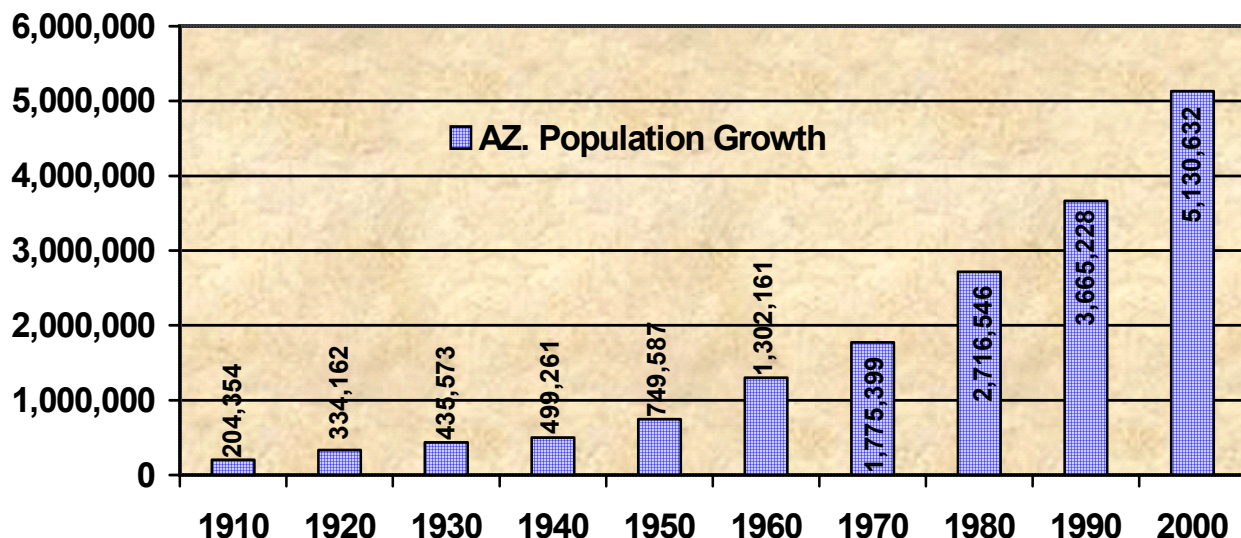
Arizona Economic Loss: 1994-2004



The UCR also shows that in cities collectively, the number of motor vehicle thefts decreased 2.9 percent in 2004 compared with the previous year's data. From 2003 to 2004, the number of motor vehicle thefts reported by law enforcement in all city population groups decreased. The Nation's largest cities, those with populations of 250,000 and over, experienced the greatest decline—4.0 percent. The most current Census data indicates Arizona's population is 5,743,834, which reflects an increase

of over 626,000 people or 12.2 percent since 2000. Arizona's population growth and our proximity to Mexico, remain primary factors in the continued rate of vehicle theft and other criminal activity. Despite the growth in population, the 2004 UCR reported that Arizona's theft rate fell to number two in the nation, behind Nevada.

Arizona Population: 1910-2000



Arizona's current estimated population (2004) = 5,743,834

Note: Source — U.S. Census Bureau

Summary continued

Arizona ranks fourth (4th) in the nation in actual number of vehicles stolen, and dropped down to third (3rd) place in the country for vehicle thefts per capita, behind Washington, D.C., and Nevada. Arizona experienced a decrease in vehicle thefts and its theft rate, while other states posted significantly higher percentage increases in 2004, as demonstrated on the chart below.



Motor Vehicle Theft by State

Comparison 2003/2004

Ranked by % Change for Calendar Year 2003 to 2004

RANK	STATE	TOTAL # in 2004	TOTAL # in 2003	% CHANGE	*RATE/100,000
1	New Mexico	7,902	7,256	8.9%	415.2
2	Nevada	22,635	20,838	8.6%	969.5
3	Kansas	8,435	7,777	8.5%	308.4
4	Arkansas	6,491	6,010	8.0%	235.8
5	Washington	43,233	40,619	6.4%	696.9
6	West Virginia	3,739	3,524	6.1%	206.0
7	Colorado	24,063	22,699	6.0%	522.9
8	California	252,604	241,326	4.7%	703.8
9	Idaho	2,724	2,609	4.4%	195.5
10	Georgia	44,238	43,371	2.0%	501.0
17	Indiana	21,091	20,768	1.6%	338.1
12	New Hampshire	1,942	1,917	1.3%	149.4
13	North Carolina	26,988	26,892	0.4%	316.0
14	Wyoming	799	798	0.1%	157.7
15	Oklahoma	12,957	12,958	0.0%	367.7
16	Connecticut	11,025	11,026	0.0%	314.7
17	Ohio	40,853	40,996	-0.3%	356.5
18	South Carolina	15,637	15,762	-0.8%	372.5
19	Louisiana	19,714	19,882	-0.8%	436.6
20	Utah	7,651	7,764	-1.5%	320.3
21	Maryland	35,858	36,405	-1.5%	645.2
22	Minnesota	13,518	13,759	-1.8%	265.0
23	Oregon	18,535	18,989	-2.4%	515.6
24	Virginia	17,411	17,914	-2.8%	233.4
25	Arizona	55,306	56,997	-3.0%	962.9
26	South Dakota	846	874	-3.2%	109.7
27	Illinois	40,355	41,764	-3.4%	317.4
28	Iowa	5,404	5,601	-3.5%	182.9
29	Florida	78,325	81,563	-4.0%	450.2
30	Texas	94,077	98,204	-4.2%	418.3
31	Michigan	50,555	53,736	-5.9%	499.9
32	Alabama	14,024	14,957	-6.2%	309.6
33	Tennessee	24,749	26,410	-6.3%	419.4
34	Kentucky	8,772	9,366	-6.3%	211.6
35	Rhode Island	4,078	4,387	-7.0%	377.4
36	Pennsylvania	30,969	33,442	-7.4%	249.6
37	Wisconsin	11,374	12,320	-7.7%	206.5
38	Alaska	2,240	2,448	-8.5%	341.8
39	New York	41,002	45,217	-9.3%	213.3
40	Missouri	25,893	28,659	-9.7%	450.0
41	Maine	1,303	1,456	-10.5%	98.9
42	Hawaii	8,620	9,651	-10.7%	682.6
43	Vermont	575	646	-11.0%	92.5
44	Mississippi	7,879	8,949	-12.0%	271.4
45	New Jersey	30,306	34,568	-12.3%	348.4
46	Massachusetts	22,053	25,506	-13.5%	343.7
47	Nebraska	5,287	6,124	-13.7%	302.6
48	District of Columbia	8,408	9,903	-15.1%	1,519.0
49	Montana	1,618	1,906	-15.1%	174.6
50	North Dakota	906	1,078	-16.0%	142.8
51	Puerto Rico	10,128	12,211	-17.1%	260.0
52	Delaware	2,147	2,880	-25.5%	258.6
	United States	1,247,242	1,272,682	-2.0%	387.44

*Motor Vehicle Theft Rate Per 100,000 Inhabitants

Information obtained from the U.S. Department of Justice Federal Bureau of Investigation 2004 Uniform Crime Report



Motor Vehicle Theft by State

Comparison 2003/2004

Ranked by **Total Vehicle Thefts** for Calendar Year 2003 to 2004

RANK	STATE	TOTAL # in 2004	TOTAL # in 2003	% CHANGE	*RATE/100,000
1	California	252,604	241,326	4.7%	703.8
2	Texas	94,077	98,204	-4.2%	418.3
3	Florida	78,325	81,563	-4.0%	450.2
4	Arizona 	55,306	56,997	-3.0%	962.9
5	Michigan	50,555	53,736	-5.9%	499.9
6	Georgia	44,238	43,371	2.0%	501.0
7	Washington	43,233	40,619	6.4%	696.9
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45	Delaware	2,147	2,880	-25.5%	258.6
46	New Hampshire	1,942	1,917	1.3%	149.4
47	Montana	1,618	1,906	-15.1%	174.6
48	Maine	1,303	1,456	-10.5%	98.9
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50	South Dakota	846	874	-3.2%	109.7
51	Wyoming	799	798	0.1%	157.7
52	Vermont	575	646	-11.0%	92.5
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*Motor Vehicle Theft Rate Per 100,000 Inhabitants

Information obtained from the U.S. Department of Justice Federal Bureau of Investigation 2004 Uniform Crime Report



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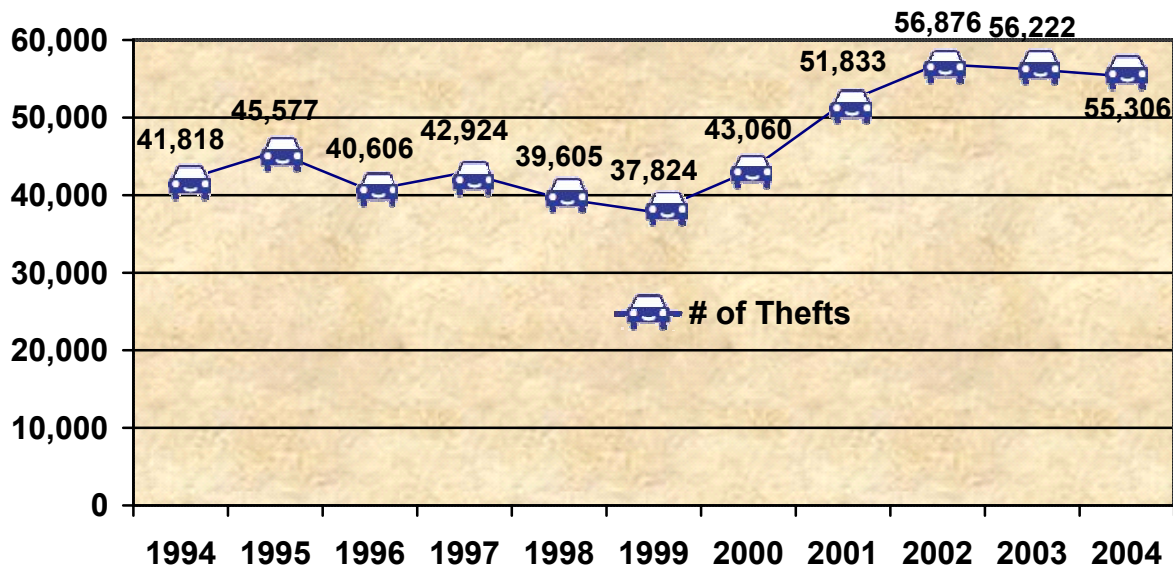
Information obtained from the U.S. Department of Justice Federal Bureau of Investigation 2004 Uniform Crime Report

As of June 30, 2004, the Motor Vehicle Division (MVD) reported that there were 5,079,849 vehicles registered in Arizona. With 55,306 vehicles reported stolen in the 2004 Crime in Arizona report, this equates to about 1% of the total number of vehicles registered in Arizona.

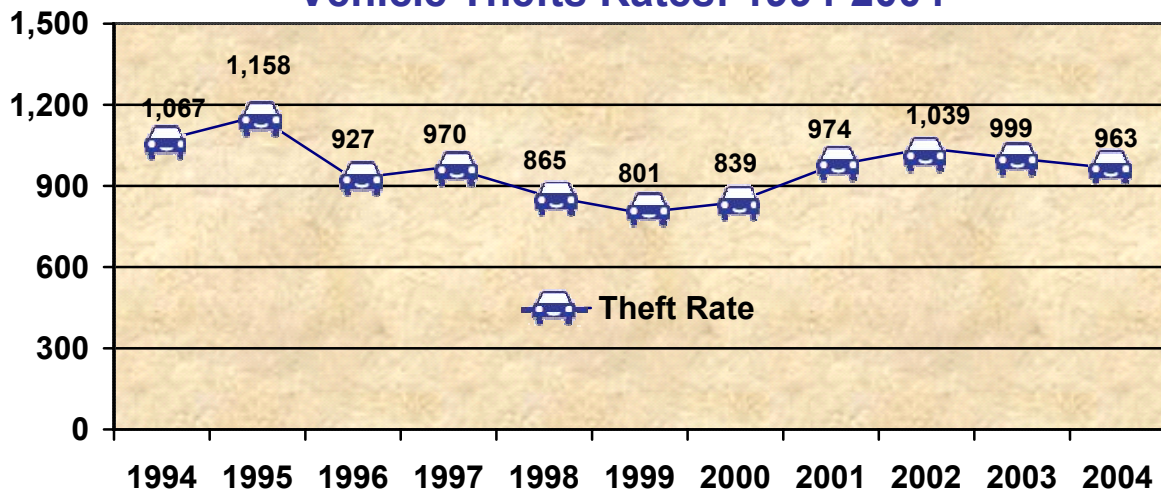
Vehicle theft continues to be a challenge for Arizona, and current statistics reinforce the importance of a coordinated effort to effectively deter, investigate, prosecute as well as educate the public on vehicle theft prevention strategies.

Arizona Vehicle Theft Trends

*Total Vehicle Thefts: 1994-2004



*Vehicle Thefts Rates: 1994-2004



*Note: Numbers/values used in the above graphs reflect information contained in the annual *Crime in Arizona* reports, published by the Arizona Department of Public Safety (AzDPS).

Summary continued

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

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

In fiscal year 2005, the AATA continued to focus the majority of its grant allocation to the Arizona Vehicle Theft Task Force (AVTTF), because of its continued aggressive enforcement/investigative efforts and impressive stolen vehicle recovery results.

During fiscal year 2005, the AATA also expanded its grant funding allocations towards local law enforcement activities, professional training, prosecution and public awareness programs. The AATA approved 59 grants of more than \$972,654 to criminal justice agencies throughout Arizona as part of the Law Enforcement, Professional Training, Public Awareness, and Vertical Prosecution Programs.

The AATA hosted its 3rd Annual Summit on Vehicle Theft on May 18, 2005 in Tucson. The one-day Summit was attended by approximately 150 representatives from 40 different criminal justice agencies and insurance companies throughout Arizona. Also in attendance were out-of-state presenters and special guests from Canada, Mexico, California, Florida, Illinois, Texas and Washington, D.C. The Summit included presentations by several grant agencies on best practice approaches to vehicle theft prevention and an awards luncheon. Several exhibitors attended to display their products and distribute product information to Summit attendees.

The AATA has continued its partnership-mailing project with the Motor Vehicle Division, which was originally launched in 2003. This project includes providing vehicle theft prevention and Watch Your Car program information in the registration renewal tag mailing to vehicle owners in Arizona. This mailing project has been extended through June 2006, and has contributed successful results.

From January 2004 - October 2005, the AATA received over 36,000 Watch Your Car enrollments as a result of this program.

In September 2005, the AATA mailed 800 Customer Satisfaction surveys to a random sampling of current Watch Your Car members who had been enrolled in the program. The AATA received 393 completed surveys (49.1% return rate) and the responses have been tabulated. (See Figure 2)

In general, the returned surveys have served as an effective tool to measure awareness and effectiveness of the AATA and its Watch Your Car Program. Additional (optional) comments have also provided useful information about what additional steps the public is taking to prevent vehicle theft. (See Figure 10 and Figure 11)

An overwhelming 55.47% of the respondents enrolled in the Watch Your Car program via the MVD mailer piece they were sent with their registration renewal tag. A significant number of people applied for the WYC program after receiving inserted information in their pay checks (8.14%). Another 20% enrolled at a law enforcement/AATA event in the community. The AATA was pleased to learn that more than 16% of the respondents enrolled via the AATA website by completing an on-line application form. This method of enrollment increased 3% this year and will continue to be actively promoted by the AATA as the most efficient way to enroll in the program. (See Figure 1)

Almost 50% of the respondents learned about the Watch Your Car program from the Motor Vehicle Division (MVD) partnership mailing. About 18% of the respondents learned about AATA and the Watch Your Car Program from pay check insert advertising. An additional 16% learned of the program from either a law enforcement agency or AATA presentation/special event. The remaining respondents learned of the program from a Blockwatch or neighborhood meeting, or through other campaigns. (See Figure 3)

Most respondents (over 94%) did not request assistance at the time they enrolled in the program. This may be an indication that the on-line, electronic and hard copy Watch Your Car Program enrollment forms are easy to follow and do not require any further clarification. (See Figure 4)

Nearly every respondent (97%) agreed that overall, they are satisfied with the Watch Your Car Program. (See Figure 5)

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

More than 88% of the respondents indicated they had not attended an AATA or other theft prevention event, with over 11% indicating they had. (See Figure 7)

More than 16% of the respondents have had a vehicle stolen in the State of Arizona. The remaining 84% indicated they had not. (See Figure 8)

Regarding demographics, about 60% of the respondents were age 60 and over. Roughly 30% were between 41-59 years of age. More than 6% of the respondents were age 26-40, and approximately 4% were age 18-25. (See Figure 9)

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

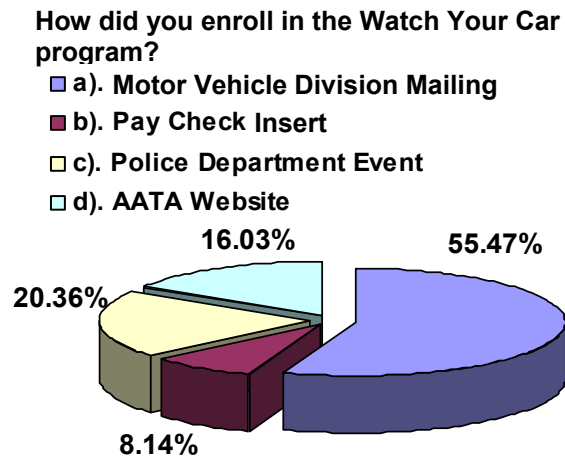


Figure 1

Percent Responding

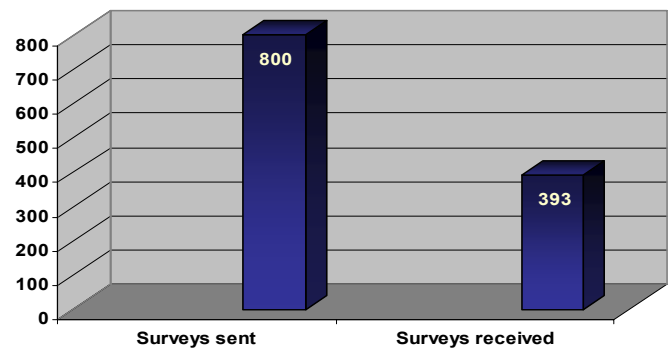


Figure 2

How did you hear about the Watch Your Car Program?

- a). AATA Special Event
- b). Motor Vehicle Division (MVD) Mailing
- c). Blockwatch / Neighborhood Meeting
- d). Police Agency Presentation
- e). Mailing Advertising/Pay Check Insert
- f). Employer Event/Presentation

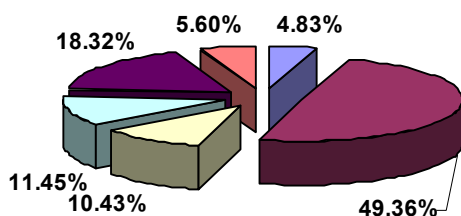


Figure 3

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

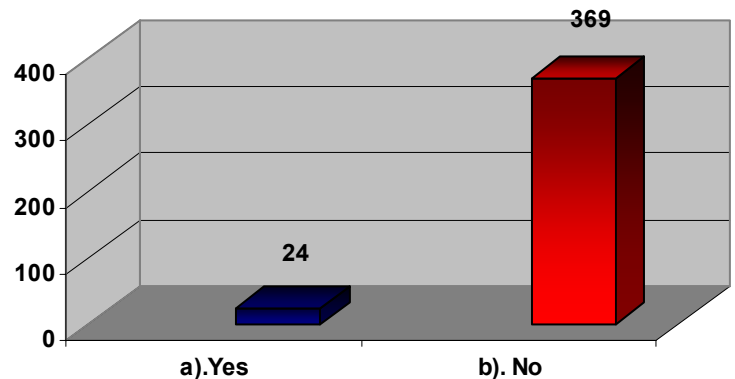
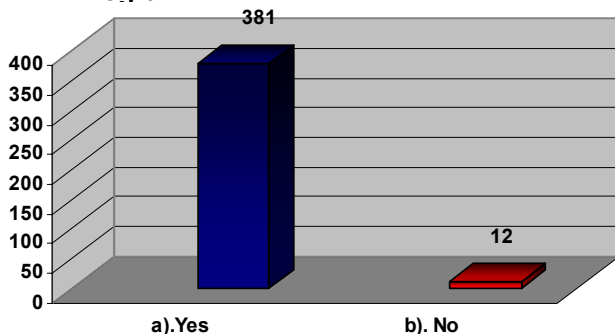


Figure 4

Are you satisfied with the Watch Your Car Program?



Was staff readily available to assist you?

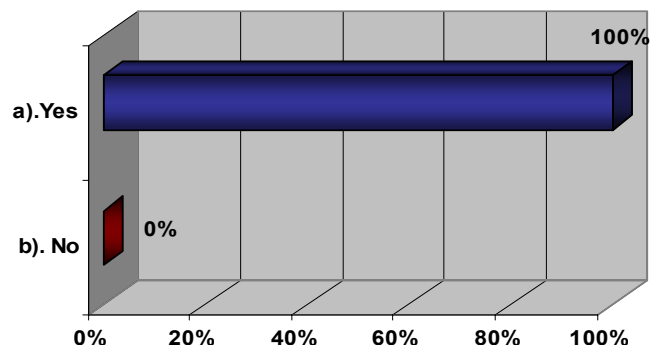


Figure 5

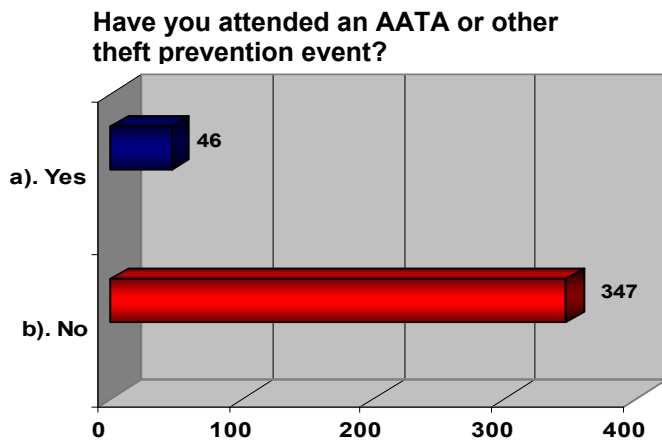


Figure 7

Figure 6

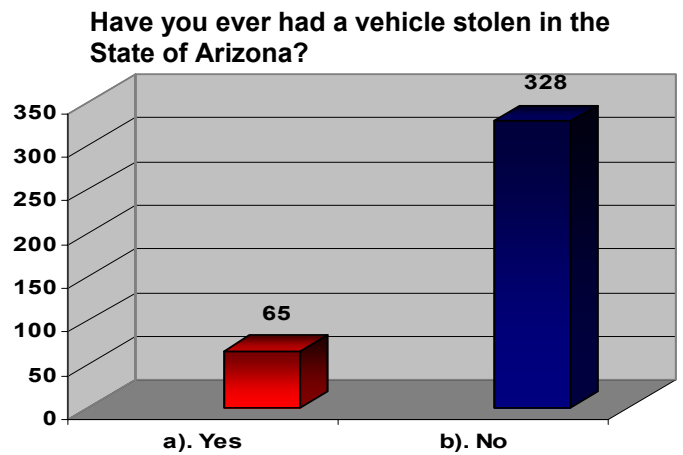


Figure 8

What is your age range?

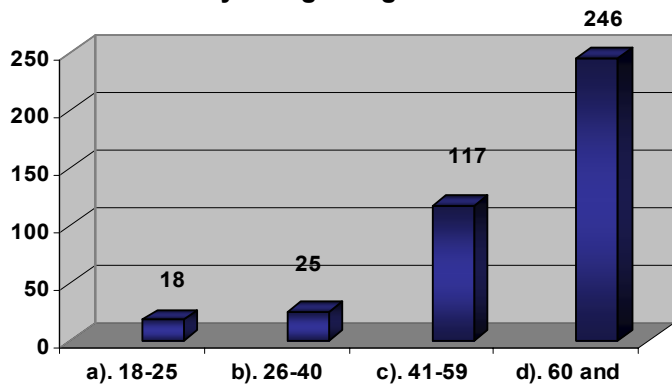


Figure 9

What other steps have you taken to protect your vehicle from theft?

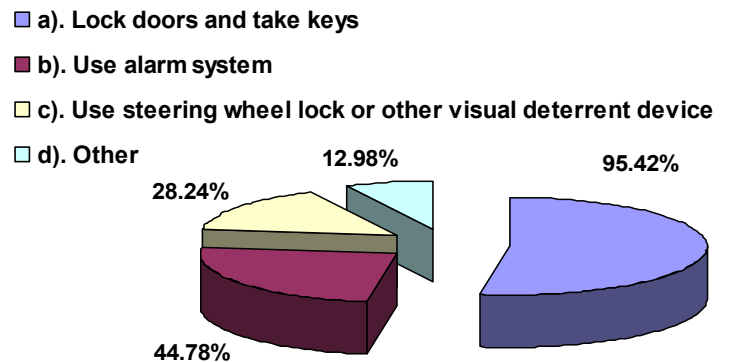


Figure 10

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

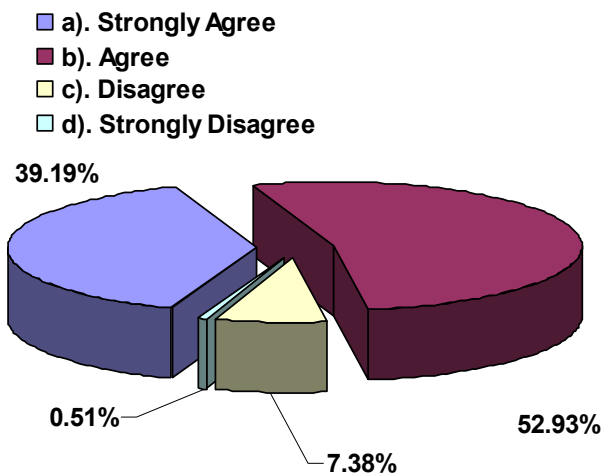


Figure 11

Summary continued

Problem Assessment

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

buyers. The "VIN" is the vehicle identification number and is unique to only one vehicle.

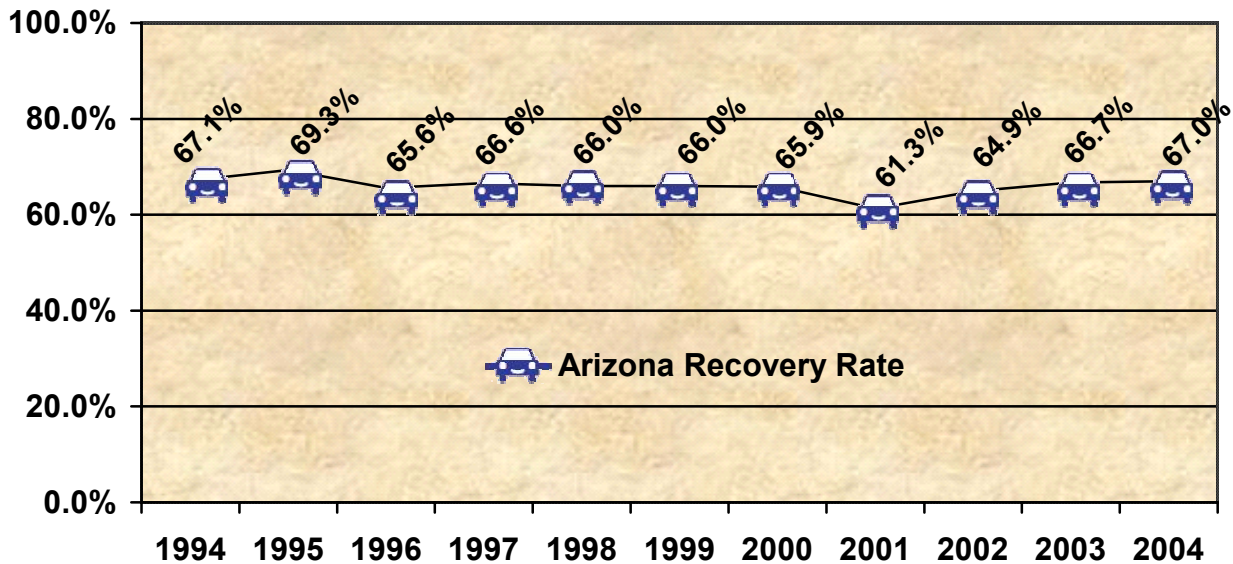
Vehicles are also stolen and smuggled out of the country. Stolen vehicles from the U.S. and other affluent countries end up in developing countries in Asia, Eastern Europe, the Middle East, Mexico, Central and South America. The continuing decline in the recovery rate of stolen vehicles indicates greater organized criminal activity. Additionally, the international intelligence community (Interpol) has identified vehicle theft and related criminal activity, including insurance fraud, as a primary illicit fund-raising source supporting international terrorism.

INTERNATIONAL MOTOR VEHICLE THEFT STATISTICS FOR 2003*

	1. United States	1,226,457		11. Germany	75,408
	2. United Kingdom	362,181		12. Argentina	69,570
	3. France	314,635		13. Switzerland	64,241
	4. Italy	235,946		14. Japan	63,275
	5. Canada	170,213		15. Malaysia	60,251
	6. Mexico	153,233		16. Sweden	60,044
	7. Brazil	152,572		17. Poland	59,458
	8. Spain	145,222		18. Russia	38,439
	9. Australia	136,260		19. Belgium	30,907
	10. South Africa	98,432		20. Israel	30,777

*Reported to INTERPOL

Arizona Vehicle Theft Trends Recovery Rate: 1994 - 2004



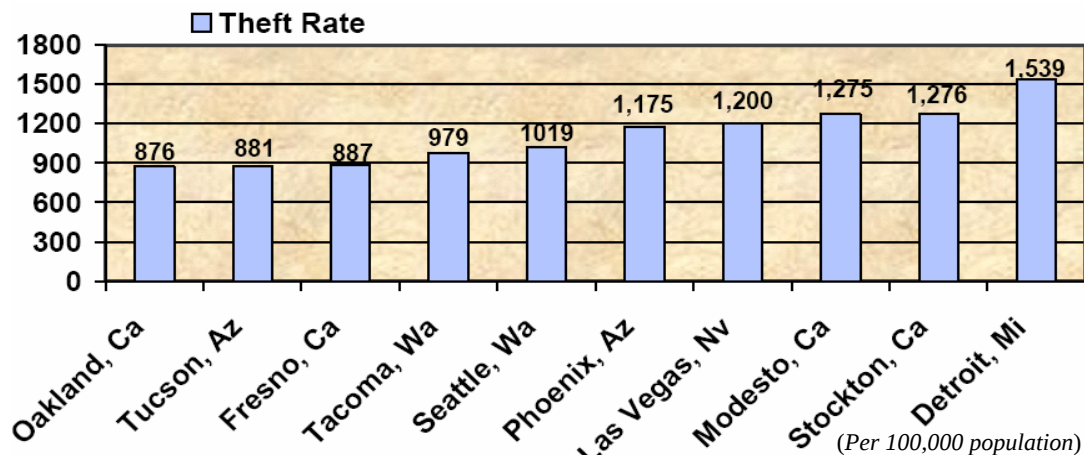
There are a number of reasons that contribute to the vehicle theft problem in Arizona. Arizona has experienced a dramatic population increase over the past 20 to 25 years. There is a rather transient nature of our population, with many people living in multi-family housing units, such as apartments,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

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

international borders. In 2004, all of the leading MSA's vehicle theft rates were in the western United States. Seven of the top ten were in California. Phoenix fell from number two to number five and Tucson ranks number nine out of the top ten.

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

National Vehicle Theft Trends Vehicle Theft Rates 2004: Leading MSA's*



Note: Numbers/values used in the above graphs reflect information contained in the 2004 Uniform Crime Report, published by the U.S. Department of Justice (FBI).

*MSA's – Metropolitan Statistical Areas (encompass multiple jurisdictions).

Initiatives

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

Public Awareness and Education

The AATA's public awareness initiative during fiscal year 2005 focused on strengthening our partnerships and collaborative efforts with community organizations, corporations and businesses, as well as criminal justice agencies throughout the State.

During fiscal year 2005, the AATA awarded nearly \$154,000 in grant funds to eighteen (18) criminal justice agencies to conduct public awareness activities on vehicle theft prevention, while also promoting the Watch Your Car Program, one of several elements of the "layered approach" to protect vehicles. Grant agencies are required to submit quarterly performance reports to the AATA on their public awareness and community education efforts. During fiscal year 2005, these agencies participated in 500 public awareness events and meetings, VIN etched over 10,000 vehicles, and conducted on-going law enforcement personnel training within their agencies.

In FY 2005, the AATA developed a 30-second public service announcement (PSA) highlighting the Bait Vehicle Program. The PSA features two convicted bait vehicle thieves, which serves to warn the public, specifically any would-be-thieves, of the existence of this program. The PSA will be distributed to statewide media outlets and is available on the AATA's website.

This year, the AATA completed development and production of our youth prevention curricula program for middle school ("A Ride For Life: The Consequences of Auto Theft") and high school ("Park Smart New Driver") students. The AATA is in partnership with school districts and School Resource Officers to distribute and present this program.

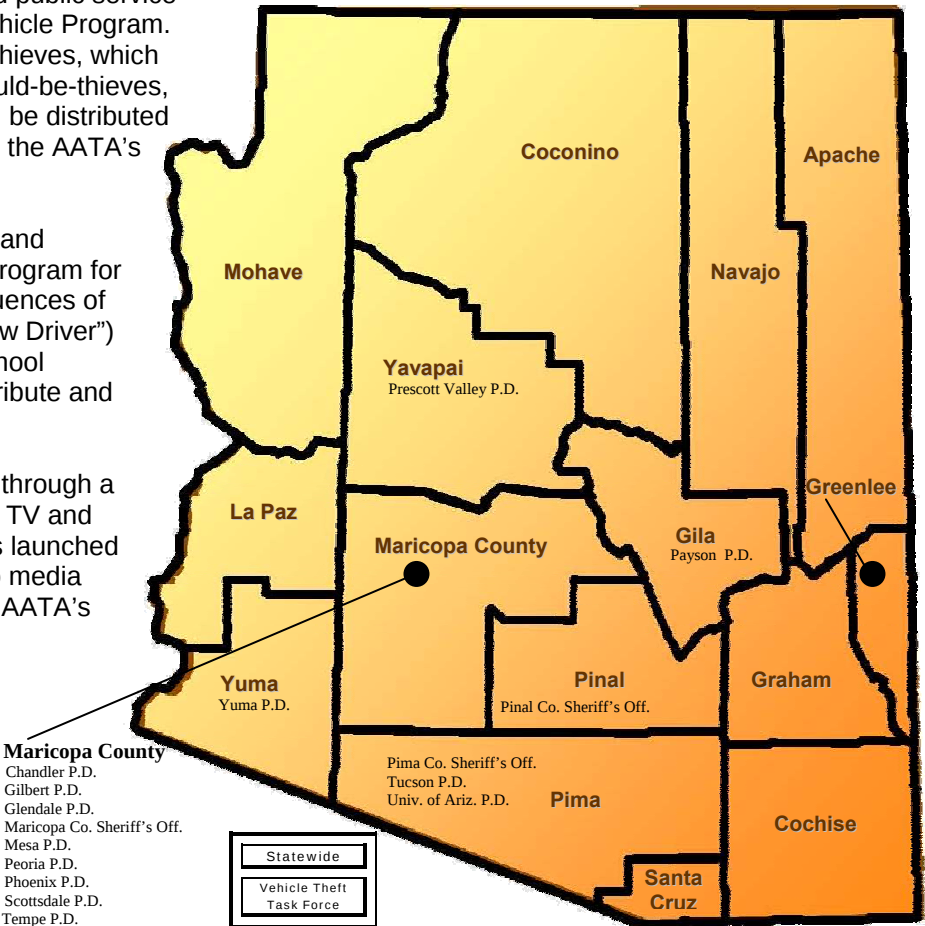
In June 2005, the Tempe Police Department, through a grant from the AATA, developed a 30-second TV and Radio PSA featuring Al McCoy. The PSA was launched statewide in November 2005 to TV and Radio media outlets and can also be downloaded from the AATA's website.

In addition, media releases were distributed regularly to encourage consistent coverage of the AATA's efforts, current crime trends and statistics, and consumer protection topics. As a result of these on-going press releases and media relations, the AATA participated in several newspaper, television, and radio interviews that generated over 26 million media impressions throughout the state.

In FY 2005, the AATA continued its partnerships with the Motor Vehicle Division Service Centers, AAA Arizona Travel Offices, Apartment Community and Rental Offices for distribution of Watch Your Car program brochures. In addition, the AATA's partnership mailing project with the Motor Vehicle Division was continued for an additional year. This partnership mailing entails sending vehicle theft prevention and Watch Your Car program information in the registration renewal tag mailing to vehicle owners in Arizona.

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

AATA 2005 Public Awareness Grant Recipients



MFS Investment Management, Motorola, Petsmart, Southwest Gas Corporation, Stantec Consulting, State Farm Insurance, Target, TriWest Healthcare Alliance, and the University of Phoenix. The Agency also partnered with Maricopa County and the State of Arizona to distribute payroll inserts containing vehicle theft prevention information inside employee paychecks.

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

The AATA's web site at www.azwatchyourcar.com continues to be updated and enhanced for greater public accessibility and averages approximately 100 hits per day. The site provides information on the AATA, current auto theft statistics, theft prevention tips, current community events, posting of all grant program application procedures and requirements, as well as information for the insurance industry on the semi-annual insurance assessment and numerous relevant links. For the public's convenience, an on-line Watch Your Car application form is available for easy enrollment in the program. The AATA's website is continually updated to contain the most current motor vehicle theft related information and upcoming special events.



The AATA's Watch Your Car van continues to be a popular promotional tool utilized consistently by the AATA and its law enforcement partners at community events, safety fairs, and promotional opportunities throughout Arizona. This fiscal year, the van has been utilized by Maricopa County Sheriff's Office, Yuma County Sheriff's Office, Apache Junction, Chandler, Glendale, Mesa,



Event participants attend an Allstate/Phoenix Police Department/AATA VIN etching event at Paradise Valley Mall in 2004.



AATA Promotional Items

Phoenix, Prescott Valley, Scottsdale, Tempe, Tucson, and Yuma Police Departments. The van is complete with exterior advertising graphics and theft prevention messages to be used to promote vehicle theft prevention and the AATA's free Watch Your Car program. The van is also equipped with several theft deterrent devices to educate the public on the various choices available for theft prevention.

In fiscal year 2005, the AATA continued its expansion of the VIN (Vehicle Identification Number) Etching Program. VIN Etching is the process of etching the vehicle's 17 digit (in most cases) VIN number on the vehicle's window glass and is an effective visual deterrent against auto theft. The AATA continues hosting and co-hosting free VIN etching events throughout the state in conjunction with our criminal justice partners. In fiscal year 2005, it is estimated over 20,000 vehicles received free VIN etching utilizing the AATA's equipment.

The AATA continues to participate and promote grass-roots public awareness campaigns targeting communities throughout the State. The AATA participated in numerous community events featuring vehicle theft prevention information, Watch Your Car program enrollment and free VIN etching. The following are examples of these types of events the AATA participated in during fiscal year 2005:

Neighborhood Safety Fairs and Blockwatch Meetings

Law Enforcement Sponsored Safety Fairs

Corporate Employee Health/Safety Fairs and Presentations

Shopping Mall Crime Prevention Events

Senior Center and Retirement Community Presentations

Insurance Company Sponsored Vehicle Theft Prevention Fairs with Free VIN Etching

Getting Arizona Involved in Neighborhoods (GAIN) Events
State University and Community College Events
OASIS Classes

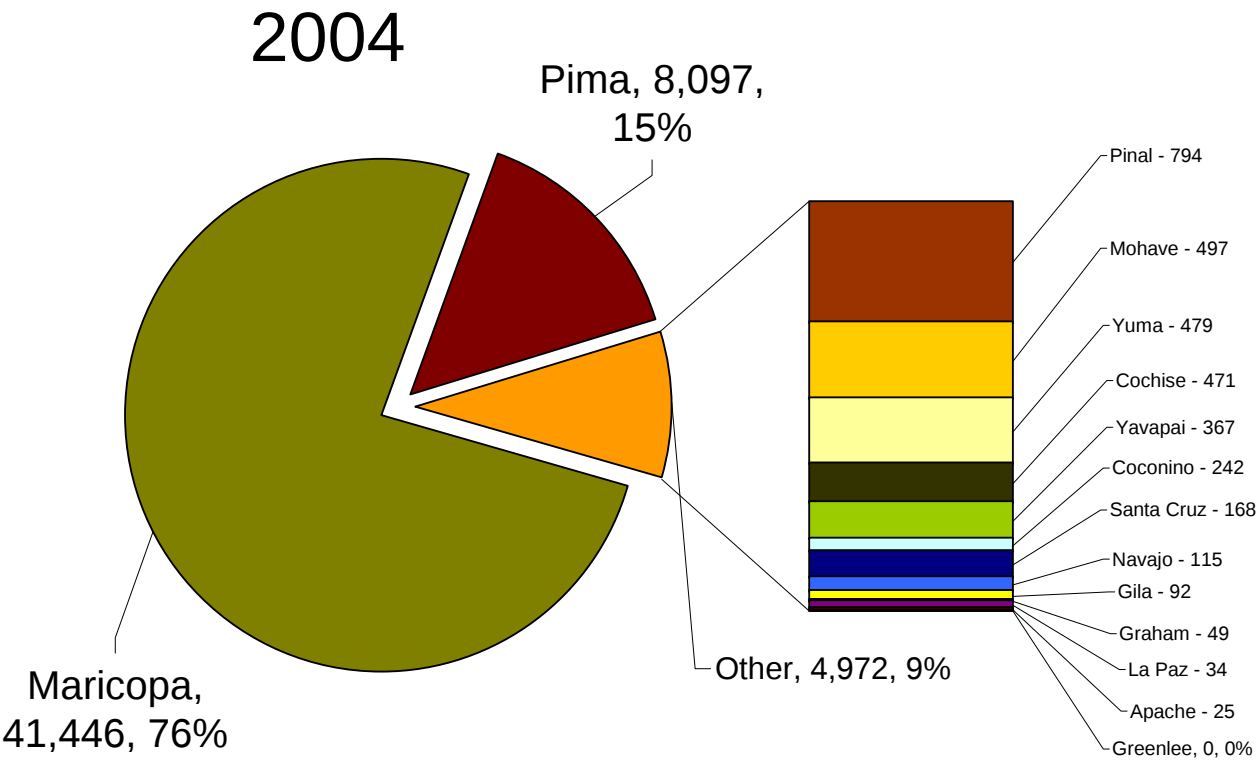
AARP's 55 Alive Driver's Education Classes and Town Hall Meetings
Civic Group Presentations

Vertical Prosecution

The Arizona Automobile Theft Authority has identified vertical prosecution as a vital component of a comprehensive vehicle theft reduction strategy for the State of Arizona. Vertical prosecution refers to the concept of utilizing dedicated, specially trained deputy county attorneys to address all phases of the criminal justice process regarding vehicle theft, and associated crimes. Vertical prosecution has been highly successful in dealing with other criminal activities such as, homicide, narcotics, organized crime, sexual assault and crimes against children.

A review of performance evaluations, and information obtained from law enforcement personnel indicates a significant improvement in the prosecution of vehicle theft suspects, particularly those identified as career criminals. The AATA has received favorable support from the county attorneys, and law enforcement executives to continue and expand this program. The AATA provides funding to the county attorneys in those counties with the highest vehicle theft rates, and/or border counties, which encounter a significant number of suspects in stolen vehicles from other areas.

*Arizona Vehicle Thefts By County



**Source: Arizona Department of Public Safety - Crime in Arizona 2004*

In FY 2005, the program included full-time prosecutors in Maricopa, Pima and Pinal Counties. Grants for part-time prosecutors were continued in Cochise, Mohave and Santa Cruz counties.

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

	<u>2004</u>	<u>2005</u>
Number of participating counties	6	6
Number of vehicle theft cases filed	477	644
Number of convictions	422	521
Percent of convictions to cases closed	96%	91%
Amount of restitution ordered (in thousands)	\$1,631	\$1,318

Law Enforcement Grants

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

In May 2005, the AATA Board awarded \$177,490 in Law Enforcement Grants to 18 agencies. The awards included \$69,000 to 10 law enforcement agencies for continuation and expansion of the bait vehicle systems and \$90,755 in overtime funds for vehicle theft investigations for 14 agencies.

In April 2005, the AATA and the National Insurance Crime Bureau (NICB) announced the 100th arrest as a result of the State's Bait Vehicle Program which began in 2003. Vehicles provided by the NICB are equipped with bait systems funded by the AATA. The technology utilizes computers, satellites and tracking devices, which alerts police when the bait vehicle has been entered. The vehicles, which have been donated by insurance companies, are deployed in high auto theft areas then police wait for a signal to be transmitted alerting them the vehicle has been entered or moved so they can catch the thieves in the act of stealing a vehicle. The prosecution of these cases in Maricopa County has been highly successful and funded through the AATA's Vertical Prosecution Program.

Professional Training Grants

The Professional Training Grants are awarded to law enforcement and prosecutorial agencies to promote professional training and development of its personnel.

Criminal justice agencies within the State of Arizona are notified of the availability and purpose of grant funds, and are eligible to submit applications for grants provided they comply with the terms and conditions of the grant. Awards are based on the evaluation of the training requested as well as the impact the training will have on the statewide effort to combat vehicle theft.

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

In fiscal 2005, the AATA expended \$47,000 for professional training costs including \$23,400 for 71 Professional Training Grants for Arizona criminal justice personnel to attend and co-sponsor the 2004 AATIA Conference in October in Laughlin and \$18,786 for 16 grants to the 2005 IAATI Conference held in August in New Orleans.

Arizona Vehicle Theft Task Force

The Arizona Vehicle Theft Task Force (AVTTF) was established to coordinate a statewide law enforcement effort to combat vehicle theft. The mission of the Task Force is to reduce vehicle theft in the State of Arizona by deterring criminal activity through proactive enforcement and investigation.

The Task Force serves as a statewide resource for the investigation of property crimes involving vehicles, related components, and insurance fraud. The Task Force also provides technical expertise, training and investigative support to law enforcement agencies targeting vehicle theft. The Task Force is comprised of local and state law enforcement agencies, along with other entities participating in concerted efforts to identify, apprehend and prosecute individuals and criminal organizations that profit from the theft of motor vehicles, related criminal activity and insurance fraud.

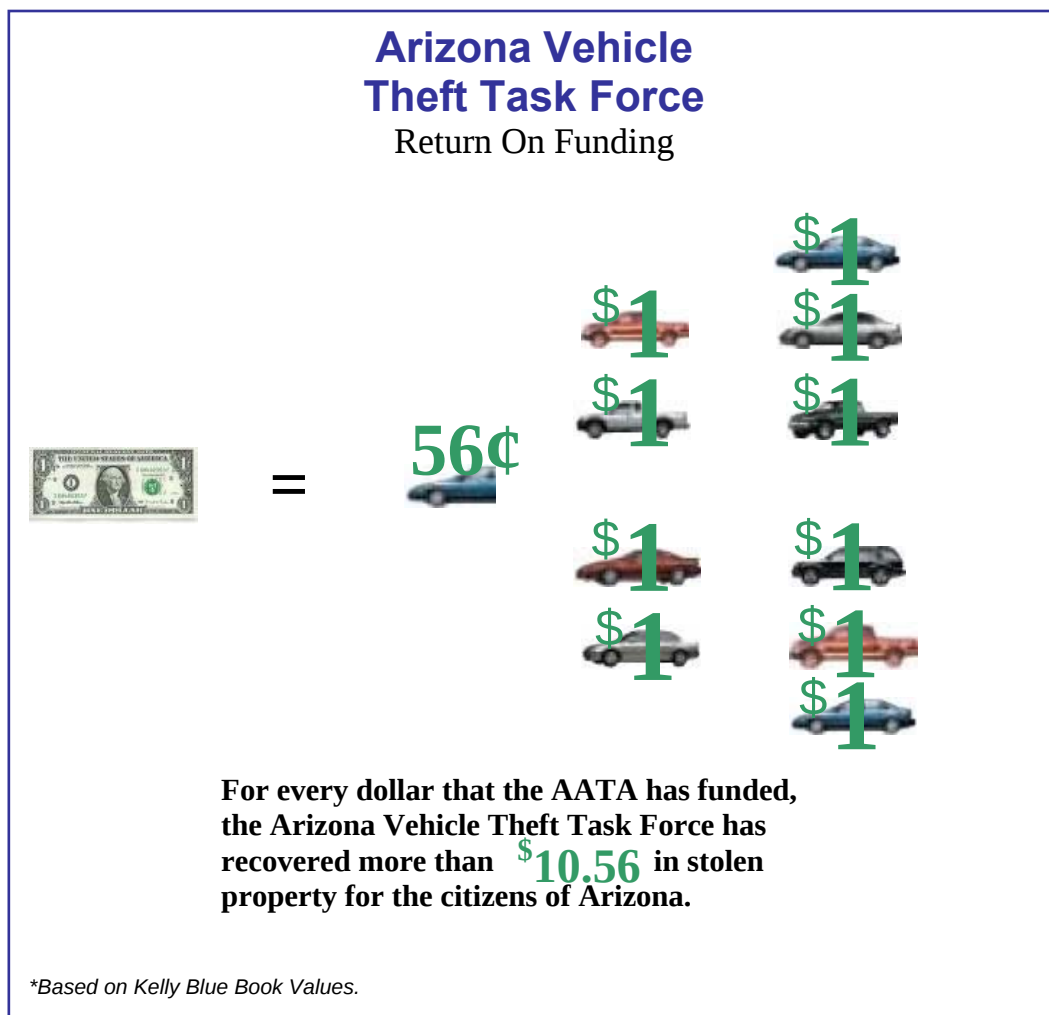
The AVTTF is administered by the Arizona Department of Public Safety through a grant from the AATA. The Task Force commenced limited operation in 1997, with two enforcement squads in Maricopa County and one in Pima County.

Currently, the AVTTF is represented by 16 agencies, with personnel in Cochise, Maricopa, Mohave, Pima, Pinal, Santa Cruz, Yavapai, and Yuma Counties. Task Force personnel routinely respond to requests for assistance in

The Task Force is recognized as one of the premier units of its kind in the nation. The AVTTF was awarded the 1999 and 2002 Vehicle Theft Award of Merit by the IACP (International Association of Chiefs of Police) and the National Insurance Crime Bureau (NICB) for their outstanding efforts to reduce vehicle theft. In addition, they received the 2002 Vehicle Theft Award of Merit by the IAATI (International Association of Auto Theft Investigators) at their annual conference held in Los Angeles in August 2003. The Task Force received this prestigious award for their efforts with Operation Wounded Jaguar, a two-year in-depth investigation into a criminal enterprise involved in auto theft, insurance fraud, VIN switching, money laundering, public corruption, and numerous other crimes. Most importantly, the AATA, Department of Public Safety, and participating agencies have developed a strong partnership, which has been integral to the success of the Task Force. Members of the Task Force, representing 21 different agencies, have worked diligently to combat vehicle theft and related crimes throughout the State of Arizona.

The results of the Task Force's initiatives have been substantial. For every dollar that the AATA funded in fiscal year 2005, the Task Force has recovered \$10.56 in stolen property for the citizens of Arizona. In fiscal year 2005, the Task Force recovered 2,792 stolen vehicles, with an estimated value of more than \$30.6 million dollars. They also arrested 287 felony suspects, investigated 36 "chop shops," conducted 41 insurance fraud investigations and responded to 1,209 calls for assistance from other law enforcement agencies.

Since its inception (January 1997) through June 30, 2005 the Task Force has recovered 17,589 stolen vehicles, with an estimated value of more than \$173.6 million dollars. Additionally, the Task Force has made 2,022 felony arrests, investigated 260 "chop shops," investigated 327 insurance fraud cases, conducted 491 business inspections and responded to 6,459 calls for assistance. The Task Force has also provided training to more than 2,000 law enforcement personnel throughout the State and is actively involved in public awareness and community education programs.



Participating Agencies in the Arizona Vehicle Theft Task Force

LAW ENFORCEMENT AGENCIES:

Cochise County:

Arizona Department of Public Safety	1 detective
Cochise County Sheriff's Department	1 detective

Maricopa County

Arizona Department of Public Safety	1 lieutenant, 2 sergeants, 8 detectives
Arizona Department of Insurance	1 special agent
Arizona State University	1 detective
Glendale Police Department	1 detective
Mesa Police Department	1 detective
National Insurance Crime Bureau	2 special agents
Phoenix Police Department	1 sergeant 2 detectives
Tempe Police Department	1 detective

Mohave County:

Arizona Department of Public Safety	1 detective
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Pima County:

Arizona Department of Public Safety	1 sergeant, 2 detectives
Marana Police Department	1 detective
National Insurance Crime Bureau	1 special agent
Pima County Sheriff's Department	1 detective
Tucson Police Department	1 sergeant, 2 detectives

Pinal County:

Arizona Department of Public Safety	1 detective
Pinal County Sheriff's Office	1 detective

Santa Cruz County:

Arizona Department of Public Safety	1 detective
Motor Vehicle Division	1 special investigator

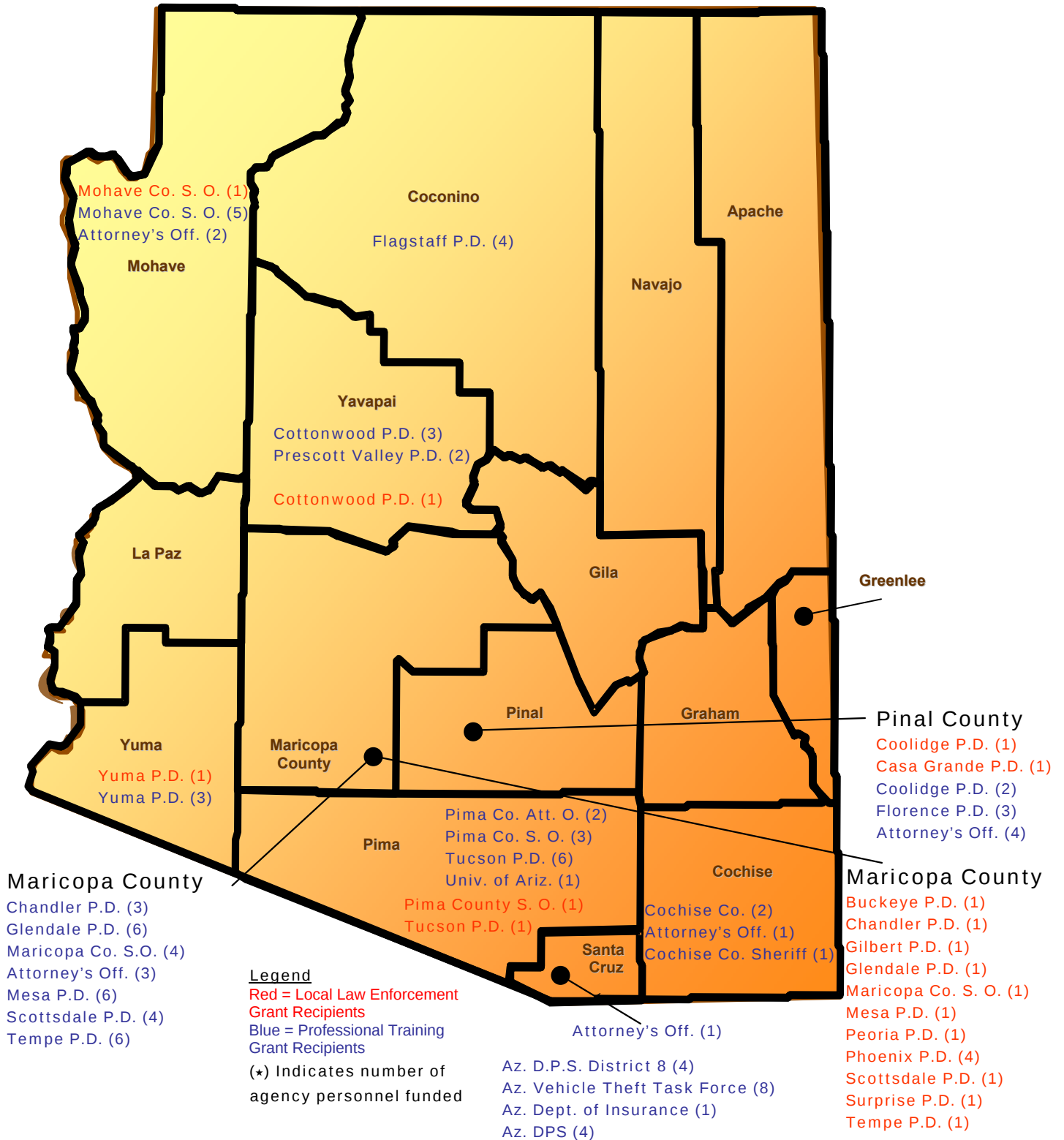
Yavapai County:

Yavapai County Sheriff's Office	1 detective
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Yuma County:

Arizona Department of Public Safety	1 sergeant, 3 detectives
Yuma County Sheriff's Office	1 detective

AATA 2005 Law Enforcement & Professional Training Grant Recipients



AATA Recognizes 2004 Award Recipients

The AATA's outstanding law enforcement, government and private sector partners were honored at an awards ceremony luncheon as part of the 3rd Annual Summit on Vehicle Theft. The award recipients have all demonstrated outstanding accomplishments and innovative approaches to combating auto theft in the State of Arizona.

Mr. Michael Payne, AATA Board Chairman presented the awards.



Detective George Hoke, Cochise County Sheriff's Office and Arizona Vehicle Theft Task Force - 2004 Auto Theft Detective of the Year



Officer Paul Sipe, Mesa Police Department - 2004 Patrol Officer of the Year



Officer David Callister and Officer Dean McMains with the Arizona Department of Public Safety - 2004 Patrol Officers of the Year



Mr. Mark Anderson, Pinal County Attorney's Office - 2004 Vertical Prosecutor of the Year



Mr. Bob Owens, National Insurance Crime Bureau and Arizona Vehicle Theft Task Force - 2004 Special Agent of the Year



Detective Dennis McNulty, Arizona Vehicle Theft Task Force - 2004 Task Force Officer of the Year



Ms. Holly Hosac, Mesa Police Department - 2004 Crime Prevention Specialist of the Year



Ms. Joanne McLaughlin, Glendale Police Department - 2004 Crime Prevention Specialist of the Year



Officers Eric Breindl and Robert Cummins and Sergeant Richard Maiocco, Phoenix Police Department - 2004 Watch Your Car - Special Recognition Award



Officer Michael Leifeste, Arizona Department of Public Safety - 2004 Special Recognition Award



Detectives Jerod Hanes and Dale Mace,
Arizona Department of Public Safety - 2004
Special Recognition Award



Andrew Luck, Allstate Insurance Company
- 2004 Special Recognition Award



Jean Lupa - 2004 Special Recognition
Award



Arizona Vehicle Theft Task Force – Border
Unit East Task Force Border Unit Members
- Sergeant Terry Starner, NICB Special
Agent Frank Cruz, Detective Jose Fimbres,
Detective George Hoke, Detective Charles
Knapp, Detective Kris Matthews, Annie
Teyechea, and Michael Walsh - 2004 Law
Enforcement Unit of the Year Award



Glendale Police Department Auto Theft Unit
Members - Sergeant David Madeya, Detective
Colby Brandt, Detective Jim Coking, Detective
Dawn Gallagher, and Detective Gary Myers -
2004 Law Enforcement Unit of the Year
Award



Gilbert Police Department – Crime Prevention
Unit Crime Prevention Unit Members - Vickie
Owen, Kim Kelly, and Cari Woods - 2004
Public Awareness Unit of the Year Award



Safelite Auto Glass
Ms. Shannon Cornall and Ms. Fashion
Dixon - 2004 Private Sector Partner of the
Year Award



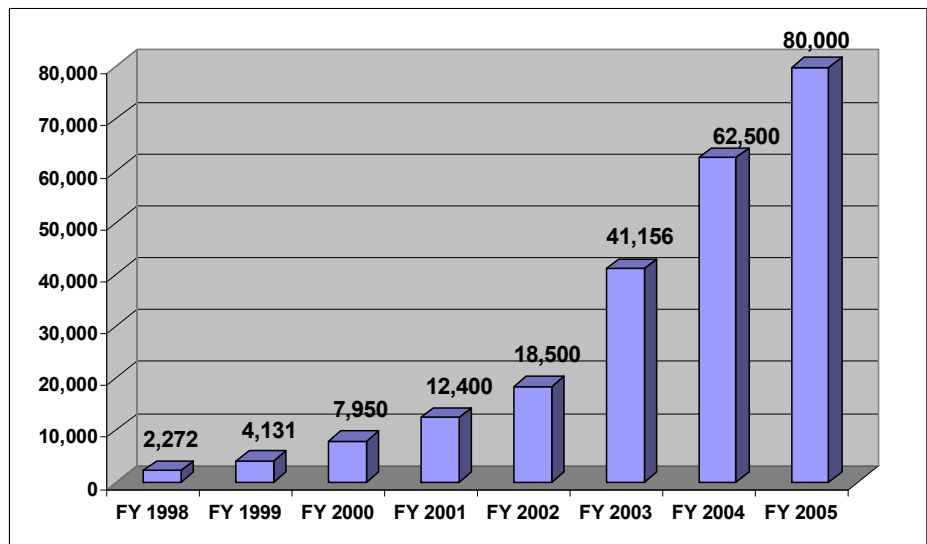
John Rares Almasan - 2004 AATA
Employee of the Year Award



Summit Volunteers – Kathy Groenewold,
Suzanne Wolf, Nancy Temporado, and
Annie Teyechea

Watch Your Car Program Enrollments 1998 - 2004

Watch Your Car Program Enrollments



The Motor Vehicle Theft Prevention Act of 1994 authorized the U.S. Attorney General to develop, in cooperation with the states, a national voluntary motor vehicle theft prevention program. The National Watch Your Car program is designed as a cooperative initiative between the states and the Bureau of Justice Assistance. The Watch Your Car program serves as the centerpiece of the AATA's vehicle theft prevention and deterrence programs, and is just one element of a "layered approach" to protection recommended by the AATA to effectively deter vehicles from being stolen.

The Watch Your Car program is a voluntary enrollment program designed to deter vehicle theft, assist in the recovery of stolen vehicles, and apprehend auto thieves. After enrolling and signing an application form, participants in the program affix Watch Your Car decals to their vehicle, which authorizes law enforcement officials to stop the vehicle between the program hours of 1:00 AM and 5:00 AM when most vehicle thefts occur, or within one mile of the international border. Enrollment forms are obtained by contacting the AATA by phone or accessing the information at events and/or via the Internet at the Agency's web site at www.azwatchyourcar.com. The Watch Your Car program is free and open to all citizens with cars registered in the State of Arizona.

To promote the Watch Your Car program and other comprehensive vehicle theft prevention tips, the AATA partners with criminal justice agencies throughout the State, participates in auto theft prevention events and safety fairs as well as homeowners association and Blockwatch meetings. Information displays are also located at every Motor Vehicle Division and AAA Arizona Travel Office statewide as well as at insurance company claims offices and apartment community rental locations. At the end of the fiscal year 2005, the AATA had over 80,000 vehicles enrolled in the Watch Your Car program, which is a 28% increase in enrollments from fiscal year 2004. The AATA anticipates a continued increase in Watch Your Car enrollments in fiscal year 2005.

Financial Report

For the Year Ended June 30, 2005

Arizona Automobile Theft Authority Fund

The Automobile Theft Authority Fund is a special revenue fund, which was established by the Arizona Legislature and is the only operating fund of the Automobile Theft Authority. The AATA does not receive any tax dollars or appropriations from the General Fund of the State of Arizona.

All revenues received by the Authority, including investment income and monetary gifts, are deposited in the Automobile Theft Authority Fund. With the exception of grant awards to the Authority, expenditures of the Authority are appropriated by the Legislature and paid from collected monies in the Fund.

The financial statements for the fiscal year ending June 30, 2005 of the AATA have been audited by the accounting firm of Heinfeld, Meech & Co., P.C., Certified Public Accountants in accordance with generally accepted accounting principles and government auditing standards. Their report gave an unqualified opinion of the Authority's financial statements and their report on compliance and internal controls stated, "We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses."

A copy of the full audit report prepared by Heinfeld, Meech & Co., may be obtained by contacting the Arizona Automobile Theft Authority.

Revenue

The revenue of the AATA is derived from a statutory semi-annual assessment of 50 cents per vehicle paid by each insurance company writing automobile liability in Arizona on motor vehicles weighing less than 26,000 pounds gross vehicle weight (GVW).

Revenue collections from insurance assessments for the fiscal year ending June 30, 2005 were \$ 4,155,113. Until December 2000, most insurers had been calculating the assessment based on a pro rata method known as earned car years. However, effective July 1, 1997 the Arizona Legislature changed the assessment calculation method to the actual number of vehicles insured. During the last five fiscal years, the Authority worked with insurers to correct this error and collect past due assessments. As the graph on page 28 indicates, the revenue correction has been completed.

All excess cash is invested with the State Treasurer and the Authority earned \$36,506 investment income in the current year. The increase of \$4,833 from \$31,573 in the prior year resulted from higher rates of return in the current year due to market trends even though the investment balance declined by \$401,369.

Expenditures

Total expenditures for the current year were \$4,557,614 an increase of \$485,955 from the total expenditures from the previous year of \$4,071,659.

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, 2005, the Authority was in compliance with this statute with "costs of administration" being 7.4%, of "the monies in the fund" as verified by the audit. The AATA's administrative costs for the current fiscal year ended June 30, 2005 were 7.1% of total expenditures.

The AATA ended the year with cash and investments with the State Treasurer of \$1,127,693.

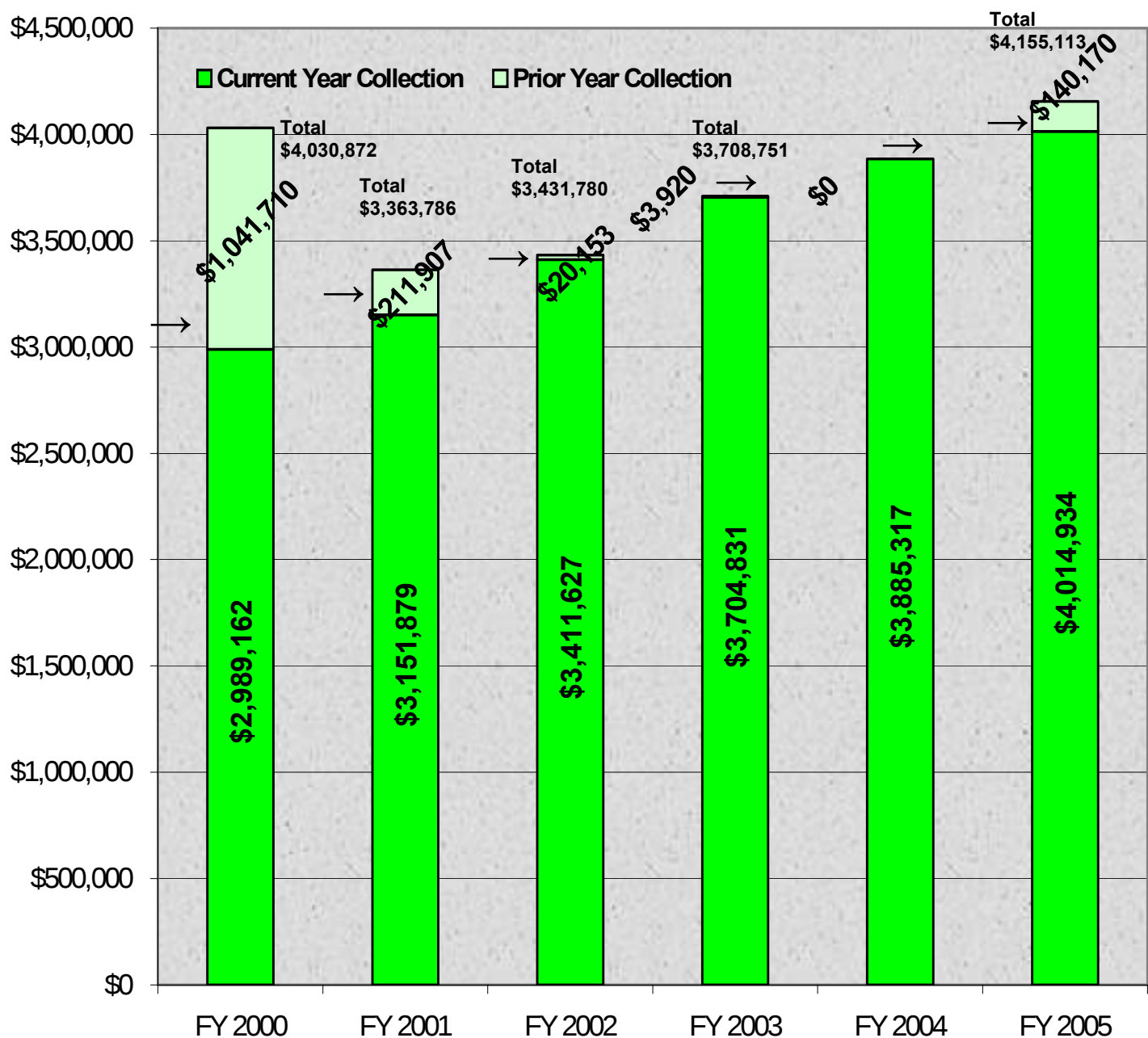
Revenue Forecast

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

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

Financial Report continued

Insurance Assessment Revenue



Arizona Auto Theft Authority Fund

Statement of Operations by Program for the Fiscal Year Ended June 30, 2005

	June 30. 2004	June 30. 2005
Revenues		
Current Year Collections	\$ 3,885,317	\$ 4,014,934
Prior Year Collections	0	140,179
Auto theft summit	10,726	8,150
Investment Income	31,573	36,406
Grants	40,000	1,000
Other	7,158	5,253
Total cash Collections	3,974,774	4,205,922
Revenue Accrued at June 30 th	(18,709)	194,578
Total Revenue	\$ 3,956,065	\$ 4,400,500
Expenditures by Program		
Administrative Costs (1,2)	349,634	325,483
Arizona Vehicle Theft Task Force	2,500,000	2,900,000
Vertical Prosecution	501,326	570,028
Public Awareness Programs	204,644	224,623
Public Awareness Grants	168,025	214,180
License Plate Reader System	0	0
Arizona BATIC Center	0	25,758
Law Enforcement Grants	209,408	222,488
Professional Training Grants	14,668	46,663
Special Grants	68,788	20,241
Watch Your Car Program (BJA Grant)	44,440	0
Auto Theft Summit	10,726	8,150
Total Expenditures (3)	\$ 4,071,659	\$ 4,557,614
Excess of revenues over expenditures	(115,594)	(157,114)
Beginning Fund Balance (4,5)	3,546,899	3,431,305
Ending Fund Balance (4,5)	\$ 3,431,305	\$ 3,274,191
Footnotes:		
1. Administrative Costs as a percentage of cash collections	8.9%	7.4%
2. Administrative Costs as a percentage of total expenditures	8.6%	7.1%
3. Actual expenditures by category per audited financial statements:		
Appropriated Current Operating Expenses:		
Personal Services	\$ 254,127	\$ 261,177
Employee related expenses	69,726	72,354
Professional services	26,459	31,551
Travel-in-state	2,780	5,160
Travel - out-state	12,379	6,873
Other Operating	146,652	162,105
Aid to organizations	3,497,215	3,999,358
Non-capital equipment	7,156	9,886
Administrative Adjustments	0	0
Total Expenditures	\$ 4,016,494	\$ 4,548,464
Non-appropriated Expenses		
Watch Your Car Program (BJA Grant)	\$ 44,439	\$ 1,000
Auto Theft Summit	10,726	8,150
Total non-appropriated expenditures	\$ 55,165	\$ 9,150
	\$ 4,071,659	\$ 4,557,614
4. Fund balance includes accrued income as per the audited financial statements		
5. Cash invested with the State Treasurer on June 30 th	\$ 1,529,029	\$ 1,127,693
6. Report based on audited financial statements		

Impact of Motor Vehicle Theft Prevention Programs on Vehicle Insurance Costs

In fulfillment of the statutory requirement that the Arizona Automobile Theft Authority report annually on the impact of vehicle theft prevention programs on consumer automobile insurance rates, the AATA received the following statement from the Arizona Insurance Information Association (AIIA):

Comprehensive insurance is a first-party coverage that pays if your vehicle is stolen, vandalized, or needs glass repairs or replacement. In addition, comprehensive insurance covers your vehicle if it is damaged by fire, wind, hail or collisions with animals.

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

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

Future of the AATA

In 2006, the AATA will continue to focus on its bold mission to address the epidemic problem of vehicle theft. The Agency is experiencing remarkable support from the criminal justice community, insurance industry and the general public. The AATA's Board of Directors has committed the maximum available resources to support an aggressive anti-vehicle theft campaign which it expects will result in a continued reduction in vehicle theft in Arizona.

The AATA is currently involved in a joint-partnership with the Department of Public Safety (DPS), and the National Insurance Crime Bureau (NICB) to utilize technology to enhance border interdiction efforts. It involves two innovative initiatives; the license plate reader project (LPR) and the Border Auto Theft Information Center (BATIC) under the supervision of the Arizona Vehicle Theft Task Force. The Bureau of Customs and Border Protection have installed license plate reading cameras in the inbound lanes at the ports-of-entry along the southwest border. The AATA will continue its leadership role in supporting this program that has the capability to provide valuable information and contribute to the interdiction of stolen vehicles destined to leave the United States. Additionally, the AATA is actively engaged in investigating the feasibility of mobile LPR's, which may offer enhanced interdiction capability.

Arizona is one of a few states that has readily embraced this project, and the AATA is receiving enormous support from law enforcement and the insurance industry.

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

If the vehicle cannot be stopped, the information will be forwarded to the appropriate law enforcement agency. The AATA, with the assistance of the Task Force, has been actively fostering a collaborative approach with law enforcement officials in Mexico to effectively resolve this issue. The intent is to develop a means to immediately communicate law enforcement and intelligence related information between officials in Sonora and Arizona. The AATA will continue to foster and promote cooperation at both state and national levels by developing a viable partnership among the Border States, various law enforcement agencies, the Department of Homeland Security and private sector stakeholders to expedite the completion and implementation of the LPR system.

The prosecution and public awareness efforts will continue to be vital components in the AATA's efforts to combat vehicle theft in Arizona. The AATA intends to continue and expand its annual grant assistance program to local law enforcement agencies and county attorney offices statewide. The efforts of the criminal justice agencies involved with the AATA's grant programs thus far have been impressively effective at addressing the law enforcement, prosecution and public awareness and community education components of the AATA's mission.

In fiscal year 2006, the AATA will continue to sponsor VIN (Vehicle Identification Number) etching with partnering agencies throughout the state to actively promote free VIN etching on window glass as an effective visual vehicle theft deterrent and recovery aid.



Gilbert Police Department, Bait Car Billboard Campaign

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

In 2006, the AATA will continue the partnership mailing project with the Motor Vehicle Division, which began in January 2003. This partnership mailing entails sending vehicle theft prevention and Watch Your Car program information in the registration renewal tag mailer to vehicle owners in Arizona.

This partnership increased enrollments by approximately 31,706 during fiscal year 2005. The AATA and MVD will continue this mailing partnership through fiscal year 2006, with enrollments projected to reach an excess of 100,000 by June 30, 2006. While the enrollment figures are impressive, what is even more impressive is the overwhelmingly positive response to the program by the general public in wanting to protect themselves from vehicle theft.

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

In 2006, the AATA will partner with the Arizona Multihousing Association to participate in the Project S.A.F.E (Safety Awareness Family Education) program at statewide multi-family communities. The AATA will provide vehicle theft prevention presentations to residents at these communities.

Also in 2006, the AATA, in partnership with Gilbert Police Department, statewide law enforcement agencies, Clear Channel Radio Broadcasting and the Governor's Office will host the first statewide Auto Theft Awareness Day on March 4, 2006.

In fiscal year 2006, the AATA will continue distribution of our two new 30-second PSA's highlighting the Bait Vehicle Program and our new auto theft prevention PSA featuring Al McCoy titled, "Stop The Fast Break To Auto Theft." The new auto theft prevention PSA is available for TV and Radio and may also be viewed and downloaded from the AATA's website. The Agency is hopeful that statewide media companies will make commitments to donate air-time, including prime time, to support these PSA's.

The AATA is continuing its distribution of the youth prevention curricula programs for middle school and high school students in Arizona and will be evaluating the effectiveness of the program.

In 2006, the AATA plans to increase its outreach to Arizona's Hispanic community through the distribution of vehicle theft prevention and Watch Your Car materials. The "Stop The Fast Break To Auto Theft," PSA will also be translated into Spanish for distribution to statewide Hispanic media outlets.

During fiscal year 2006, the AATA will continue its efforts to reduce its administrative costs and maximize resources through cost saving programs. Cost savings are being realized through utilization of bulk mail, additional reliance on the Internet for communication and greater utilization of our staff's talent to perform tasks, once contracted out. A good example of these efforts are represented in the production of this Annual Report which was entirely written, produced and displayed on the AATA website by AATA staff, at a cost-savings of nearly \$3,000.

In May 2006, the AATA will host the Fourth Annual Arizona Summit on Vehicle Theft. The 2006 Summit will explore current vehicle theft trends in Arizona, the Nation and throughout the world, deliver "best practices" presentations in the area of successful enforcement and investigation; vertical prosecution and public awareness and community education initiatives. The Summit will also include an awards ceremony to recognize exceptional performance of criminal justice personnel and agencies involved in the fight against vehicle theft.

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.

Nancy Beck, Arizona Attorney General's Office
Christi Billquist, State Farm Insurance Company
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Officer Eric Breindl, Phoenix Police Department
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Matt Conti, Pima County Attorney's Office
Officer Bob Cummins, Phoenix Police Department
Debbie Drotar, Greater Phoenix Chamber of Commerce
Jim Frederikson, Executive Director, Arizona Insurance Information Association
Kathy Groenewold, Crime Free Multi-Housing Coordinator, Tempe Police Department
Kim Kelly, Crime Prevention Specialist, Gilbert Police Department
Cara Liu, KPHO TV 5 News
Mel Kowal, Paradise Valley Police Department/Watch Your Car Program Volunteer
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Susan Luder, Deputy County Attorney, Maricopa County Attorney's Office
Ralph Lumpkin, National Insurance Crime Bureau
Jean Lupa, AATA Volunteer
Sergeant Tom Macari, Scottsdale Police Department
Sergeant Rich Maiocco, Phoenix Police Department
Lieutenant Dan Mitchell, Commander, Arizona Vehicle Theft Task Force
Officer Jennifer Miller, Prescott Valley Police Department
Vickie Owen, Crime Prevention Specialist, Gilbert Police Department
Bobby Owens, National Insurance Crime Bureau
Dalvin S. Palmer, AARP Driver Safety Program
Paul Palmer, AZ. DPS, Video Production Unit
Susan Preston, Arizona Criminal Justice Commission
Officer Jaime Ramirez, Phoenix Police Department
Christine Pinuelas, Administrative Services Manager, Maricopa County
Brian R. Salata, Bureau Chief, Pinal County Attorney's Office
Annabelle Sanchez, Arizona State University Intern
Nancy Temporado, AZ. DPS/Arizona Vehicle Theft Task Force
Annie Teyechea, AZ. DPS/Arizona Vehicle Theft Task Force
Suzanne Wolf, AATA Volunteer

Thank you to the state's criminal justice agencies for their continued participation in the Arizona Vehicle Theft Task Force and partnership with the Arizona Automobile Theft Authority.

Thank you to the private sector and community partners that help support our Annual Summit on Vehicle Theft through financial and in-kind donations.

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

Arizona Automobile Theft Authority

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

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

Website: www.azwatchyourcar.com



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