

ARIZONA AUTOMOBILE THEFT AUTHORITY

ANNUAL REPORT



2024

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LETTER FROM THE DIRECTOR

Governor Hobbs, Senate President Petersen, and House Speaker Toma:

Pursuant to A.R.S. § 41-3451(C)(8), the Arizona Automobile Theft Authority (AATA) Division of the Arizona Department of Insurance and Financial Institutions (DIFI) is pleased to present its annual report of the AATA's activities for fiscal year 2024 (FY24).

The data included in this report cover the AATA's activities for FY24 and also includes statistics from calendar year 2023, as vehicle theft numbers are regularly reported by sources nationally using a calendar year reporting period. Statistics presented in this way allow for the use of National Insurance Crime Bureau (NICB) data to identify national trends in vehicle theft and compare Arizona with other states. NICB data revealed the following:

Calendar Year	2023	2022	Percentage Change
Vehicles Stolen in United States	1,020,729	1,001,967	1.9%
Vehicles Stolen in Arizona	19,722	21,892	-9.9%
Rate per 100,000 Population	267.76	294.8	-9.2%

NICB data is used to rank all states based on the rate of theft, placing Arizona 19th among the other U.S. states, Puerto Rico, and the District of Columbia – an improvement of four positions from CY2022.

As shown in the table above, FY24 has shown a decrease in the number of vehicles stolen in Arizona. While this is positive news for vehicle owners and insurers, Arizona is not immune from dramatic changes in the theft picture. A recent example of this was the concerning theft trend of Kia and Hyundai vehicles in Arizona, which rose exponentially, reaching a high-mark in November 2023, and then fell dramatically in 2024. As evidence of the significance of this issue, Kia and Hyundai vehicles accounted for 21.4% of all vehicles stolen in Arizona in FY24.

As noted in this report, the majority of states neighboring Arizona are in the top ten nationally for rate of vehicle theft. The fact that the West and Southwest are over-represented, coupled with Arizona sharing an international border, make the state vulnerable to increases in vehicle theft.

DIFI sincerely appreciates the support the Governor's Office and the Legislature have shown to the AATA through ongoing appropriations for grant programs and the Auto Crimes Tracking (ACT) database. Continuing to appropriate meaningful funding to the AATA enables grant awards to the Arizona Vehicle Theft Task Force (VTTF) and six county attorneys' offices to fund vertical prosecution programs. These flagship programs, along with a small number of local grants, are Arizona's first line of defense against vehicle crime.

Respectfully,

Barbara D. Richardson

Barbara D. Richardson, Director

ARIZONA EXPERIENCES A DECREASE IN VEHICLE THEFTS WHILE THEFTS INCREASE NATIONALLY

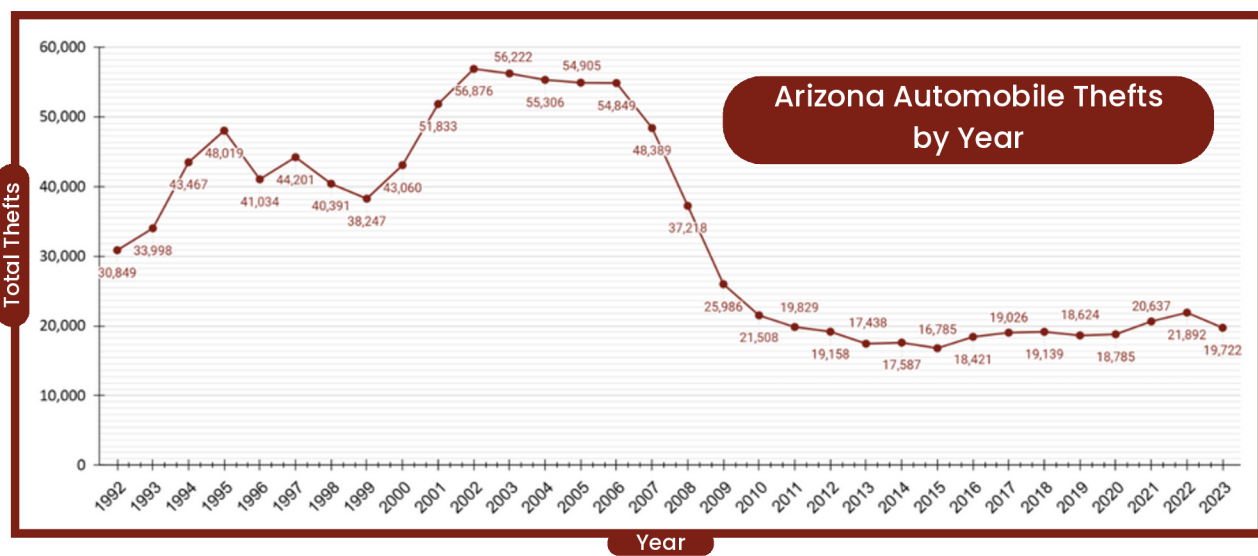
Note: The AATA's FY24 Annual Report covers the activities of the agency on a fiscal year basis; however, vehicle crime statistics are most often reported by calendar year. Capturing statistics by calendar year allows the AATA to compare Arizona to all other states for the same period of time - thus allowing a consistent look at trends in Arizona and nationally.

It is important to consider that vehicle theft statistics are compiled from dynamic criminal information systems and may change slightly day to day based on law enforcement entries into the system.

While national statistics once again showed an increase in vehicle thefts in the U.S., data specific to Arizona revealed a welcome decrease. The ACT database, implemented in Arizona in 2022, allows for near real-time compilation of vehicle thefts and recoveries to compile data, identify trends, and create actionable information for investigators. However, only two states, Arizona and Colorado, have the ability to use this system to date. Given this limitation, the AATA relies on the NICB to compile stolen vehicle data from across all U.S. states, Puerto Rico and the District of Columbia in order to gain a national perspective of vehicle crime.

The NICB reported that in CY23, there were 1,020,729 vehicles reported stolen in these jurisdictions. This number indicates a slight increase of 1.9% from the 1,001,967 vehicles stolen in 2022.

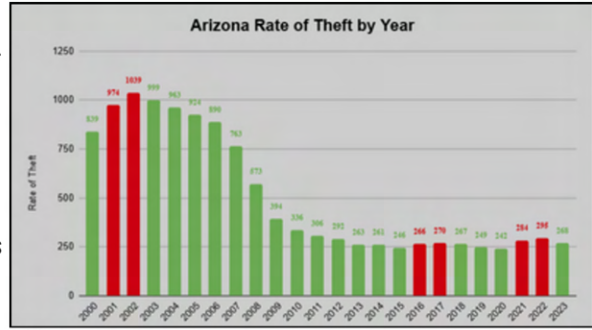
For Arizona, the NICB reported 19,722 vehicle thefts in 2023, a 9.9% decrease from 2022, when 21,892 vehicle thefts were reported. The following graph shows the history of vehicle theft in Arizona over the last 32 years.



This graph represents 32 years of vehicle theft history in Arizona.

ARIZONA EXPERIENCES A DECREASE IN VEHICLE THEFTS WHILE THEFTS INCREASE NATIONALLY – CONTINUED

The AATA considers vehicle theft rate – the number of vehicles stolen per 100,000 residents – to be the best indicator of the vehicle theft problem. Using this rate offers advantages in assessing vehicle crime. First, as a state’s population increases or decreases, it may be logical to assume the total number of auto thefts would follow the same pattern; thus, if a state’s population increases, a corresponding increase in auto theft is not unexpected. In this circumstance, a state’s total vehicle thefts may increase but the rate of auto theft may remain steady or even decrease based on population gains. Second, relying on the rate of theft allows Arizona to compare itself with other states. The graph above shows the rates of theft in Arizona over the last 24 years.



This graph shows Arizona’s rate of theft for the last 24 years. A red bar indicates an increase in the rate and a green bar indicates a decrease from the prior year.



Arizona’s theft rate decreased in 2023 to 267.8, down from 2022’s rate of 294.8. NICB ranks all states based on the rate of theft, and Arizona’s number places it 19th among the other U.S. states, Puerto Rico, and the District of Columbia – an improvement of four positions from 2022. The graphic below shows state numerical rankings based on their respective rate of theft. The represented states are from the West and Southwest and their proximity to Arizona makes their ranking important. Trends occurring in the West and Southwest have a much greater chance of affecting Arizona so it is beneficial to understand the vehicle theft picture in those states. These rankings indicate there is cause for concern as 7 of the top 10 states in the nation are in the West and Southwest.

There are many factors that may make one state more susceptible to auto theft than another, such as: proximity to an international border or shipping ports, dense population centers, reliance on personal

Numeric rankings show 7 states in the West and Southwest are in the top 10 in the nation.

transportation, and the state’s effectiveness in dealing with crime. Using the rate of theft allows states to level the field by adjusting auto thefts for population and answers the question of how likely a resident is to have their car stolen in a particular jurisdiction or state.

AATA CONTINUES TO ENHANCE ACT DATABASE

The ACT database began populating multiple elements of stolen vehicle data, including recoveries, in May of 2022. Like many examples of software implementation, ACT users identified a variety of enhancements that would improve the database. In FY24, AATA staff worked closely with the Arizona Department of Public Safety (DPS), DPS's contracted vendor, and Planet Technologies to begin the process of implementing improvements to the system that will result in increased functionality and security.

AUTO CRIME TRACKER (ACT)

What is ACT?

- The Auto Crime Tracker (ACT) is a database fed in real time from AZ law enforcement agencies
- The feed comes directly from ACIC and is not edited or altered through transmission
- ACT provides a centralized database for all thefts and recoveries which Arizona has never had before!

How can ACT help you?

- ACT maps displays thefts and recoveries using geolocation, helping identify hot spots and problem areas
- ACT search aids in investigative and reporting efforts
- ACT analytics provide granular details on auto thefts and recovery data
- ACT VIN Search provides a quick lookup of a vehicle to determine its theft status and history
- ACT metrics display simple graphics that show top make/model and other useful stats
- ACT has easy-to-use customized reporting to help keep an eye on your city's auto thefts and recovery efforts

You're a click away from discovering REAL TIME auto theft stats!

Email: ataassessment@dps.az.gov to inquire about access to ACT.

ARIZONA AUTOMOBILE THEFT TRACKING

The primary enhancement to the system will be a validation component to ensure system users possess the proper credentials to access restricted criminal justice information. This validation process ensures that users possess Terminal Operator Certification (TOC) prior to gaining access to the system. TOC is verified within the DPS computer system upon sign-in and is transparent to the system user. While the AATA initially expected this enhancement to be completed by an outside contractor, DPS will perform the changes internally, saving the AATA thousands of dollars in programming costs.

Additional enhancements to the ACT database include the importation of a "miscellaneous" data field that will allow ACT users to see important information entered by reporting officers at the time

of the theft or recovery. This information may include suspect information, officer safety alerts, or vehicle descriptors such as bumper stickers or damage.

Another enhancement will require the entry of a location when a stolen vehicle is recovered by police personnel. While location reporting for the actual vehicle theft has always been mandatory within the ACT system, recovery location was previously optional. Mandatory entry of location for both stolen vehicle thefts and recoveries will fill crucial gaps and enhance investigators' ability to identify connections between these incidents.

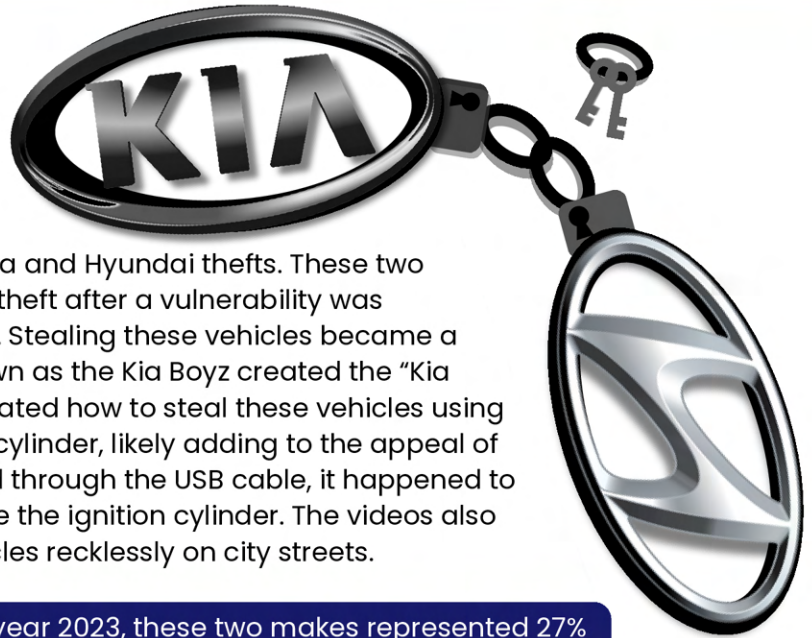
In March 2024, the AATA team was recognized through the Governor's monthly "Hobbs Highlights" program for the agency's ACT database initiative -



KIA AND HYUNDAI THEFTS SURGE IN ARIZONA, THEN DECLINE

A significant theft trend that began in 2021, and surfaced in Arizona in 2022, continued throughout FY24 with interesting twists and turns. Like many states across the nation,

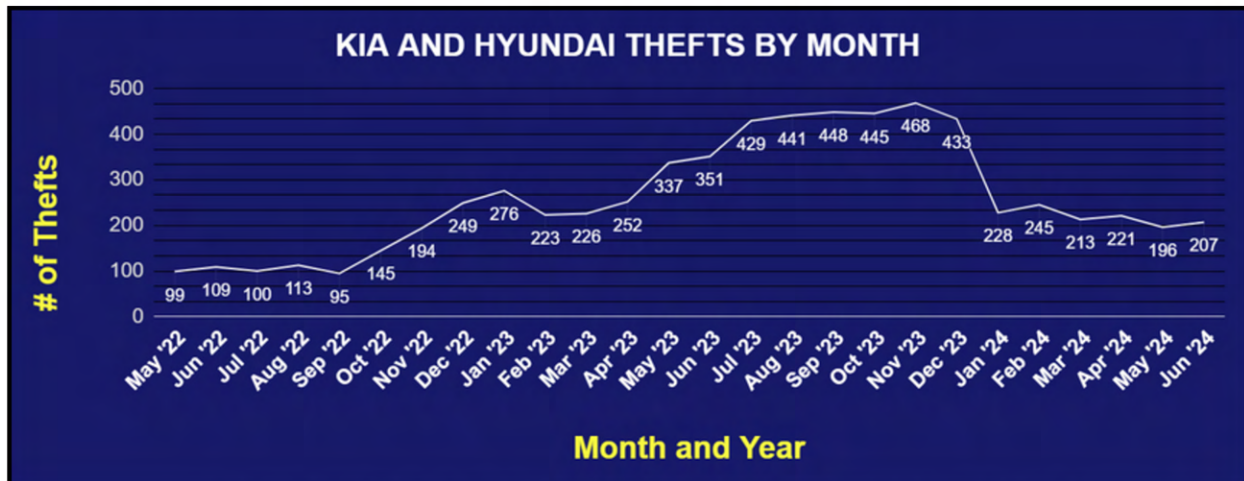
Arizona experienced a concerning rise in Kia and Hyundai thefts. These two vehicle makes became popular targets of theft after a vulnerability was discovered in Milwaukee, Wisconsin in 2021. Stealing these vehicles became a social media sensation when a group known as the Kia Boyz created the “Kia Challenge” on TikTok. The videos demonstrated how to steal these vehicles using a USB cable to rotate the exposed ignition cylinder, likely adding to the appeal of theft. Although no data or electricity flowed through the USB cable, it happened to be the perfect size to fit in the plug to rotate the ignition cylinder. The videos also showed the thieves driving the stolen vehicles recklessly on city streets.



In the final six months of calendar year 2023, these two makes represented 27% of all vehicle thefts in Arizona – meaning more than one out of every four stolen vehicles was a Kia or Hyundai.

As the calendar turned to 2024, the new year began a welcome, albeit unexpected, decrease in the number of Kia and Hyundai thefts. Theft numbers that had neared or exceeded 450 each month during the last four months of 2023 began a freefall to around half of those monthly thefts beginning in 2024. Thefts of these two makes from January–June 2024 show an average of 218 per month. Kia and Hyundai thefts still accounted for 21.4% of all Arizona thefts in FY24. It appears that while the Kia/Hyundai theft problem is still significant, vehicle software enhancements from the manufacturer and enhanced owner awareness may be contributing to lower theft numbers.

With the implementation of manufacturer security updates in early 2023, the AATA has encouraged owners and drivers of affected Kia and Hyundai vehicles to have the software fix installed as soon as possible. Vehicles that do not have this solution implemented will likely be targets for car thieves for many years to come.



This graph shows the rise and fall of Kia and Hyundai thefts in Arizona over 26 months.

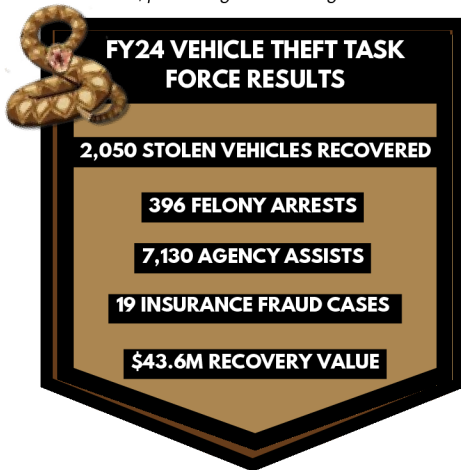
GRANT PROGRAMS

OVER \$5.8 MILLION AWARDED IN FY24 FOR AATA GRANT PROGRAMS

The AATA's Vehicle Theft Reduction Grant Programs provide funding to combat and reduce the number of vehicle crimes in Arizona communities. In FY24, grants were awarded to the VTTF and Local Grants program. Local grants included awards in the grant categories of Vertical Prosecution, Law Enforcement, Training, and Public Awareness/Prevention. Nearly 87% of AATA's \$6,809,500 appropriated budget is used to directly support public agencies through grants to combat vehicle theft.

AATA FUNDING KEEPS VTTF DEDICATED TO COMBATING VEHICLE CRIME IN ARIZONA

The VTTF continues to be an excellent return on investment, producing the following results in FY24:

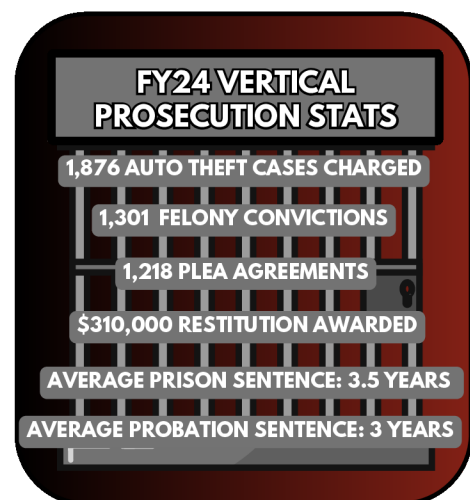


Law enforcement agencies nationally and in Arizona continue to struggle with recruitment and retention of police officers. These challenges create many problems for communities as demonstrated needs routinely outpace available resources. The result of dwindling law enforcement staffing is often the loss of specialty units within agencies. For this reason it is vital that the largest, and one of the only, contingent of auto theft detectives in Arizona continues to be funded by the AATA. Experience and expertise in the investigation of vehicle crimes takes years to acquire and only a short time to lose if those units are redeployed to other primary assignments. For this

reason, the AATA sincerely appreciates DPS's commitment to hosting and staffing the VTTF. Additionally, other law enforcement agencies support this effort by assigning their officers to participate as members of the VTTF. The VTTF is in its 27th year of AATA funding and without this group of highly trained investigators, many calls for service from around the state would go unanswered. The VTTF was once again AATA's largest grant award recipient with a grant totalling \$4,521,200, plus an additional \$200,000 in transfers to supplement costs associated with enforcement vehicle purchase and build-up.

THE AATA SUPPORTS VERTICAL PROSECUTION AS A VITAL STRATEGY TO REDUCE VEHICLE CRIME IN ARIZONA

The AATA's Vertical Prosecution Grant Program supports the enforcement efforts of the VTTF and local law enforcement agencies. The AATA's continuation of annual funding for the Vertical Prosecution program has benefited Arizonans by focusing prosecution efforts on new and recidivist vehicle thieves and achieving higher conviction rates and longer prison sentences.



GRANT PROGRAMS – CONTINUED

Vertical prosecution utilizes specially trained prosecutors to address all phases of the criminal justice process for vehicle theft cases. Vertical prosecution differs from standard prosecution by having a dedicated prosecutor work closely with investigators through all phases of the investigation, up to and through the court proceedings.

County	Grant Award
La Paz	\$139,393
Maricopa	\$291,399
Mohave	\$151,456
Pima	\$358,832
Pinal	\$340,218
Santa Cruz	\$80,794

The Vertical Prosecution program is AATA's second largest annual grant program with FY24 funding amounts totaling \$1,362,093. The grant program funds ten prosecutors and three legal support staff from six counties.

The AATA Board of Directors also finalized awards of new FY25 Local Grants. Recipients included the VTTF (\$4,452,600) and the Vertical Prosecution program (\$1,362,093).

LOCAL GRANTS PROGRAM OFFERS OPPORTUNITIES FOR LAW ENFORCEMENT INNOVATION

In addition to Vertical Prosecution grants, the AATA Local Grants program offers public agencies a unique opportunity to fund innovative strategies, training opportunities, or conduct outreach and education. The AATA encourages agencies to apply for these limited funds for start-up projects or to enhance existing vehicle theft enforcement and prevention efforts.

In June 2024, the AATA Board of Directors finalized the end of the FY24 grant cycle with awards to eight Arizona law enforcement agencies to support local solutions to combating auto theft. The AATA is pleased to award these remaining year-end funds in an effort to maximize grant allocations and place the dollars where they can be used by jurisdictions working to reduce auto theft in their communities. This year, funds were used to purchase technology such as license plate readers for stolen vehicle detection and Grappler Police Bumpers, which safely immobilize suspect vehicles and apprehend thieves. A total of \$69,855 in grant funding was awarded to the agencies listed to the right.

Criminal Justice Agency	Grant Award
Apache Junction Police Department	\$10,500
Avondale Police Department	\$6,050
Gila County Sheriff's Office	\$9,700
Glendale Police Department	\$20,000
Maricopa County Attorney's Office	\$1,213
Oro Valley Police Department	\$6,050
Peoria Police Department	\$3,342
Tombstone Marshal's Office	\$13,000

Two agencies received FY24 grant awards for Grappler Police Bumpers.

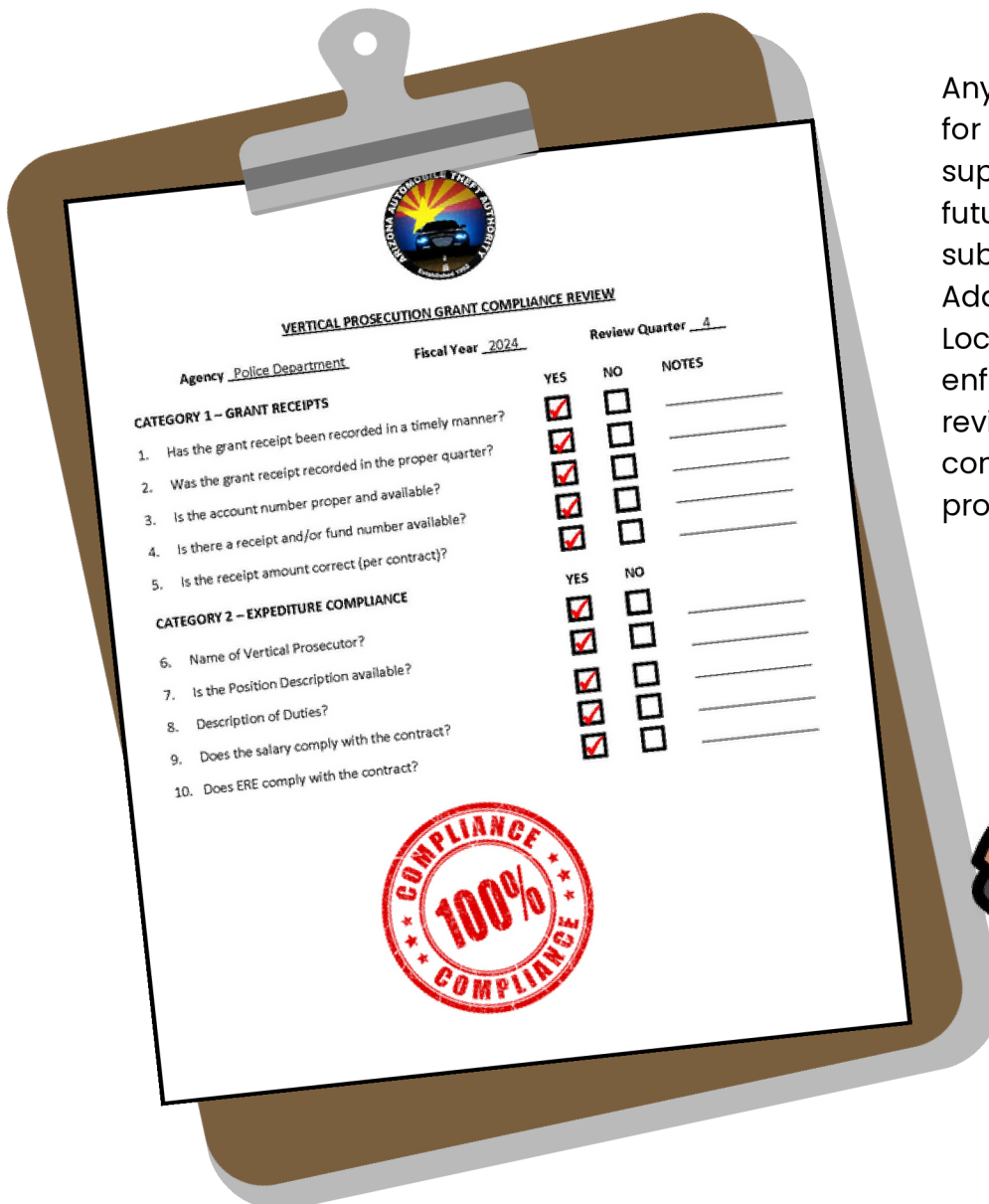


GRANT PROGRAMS – CONTINUED

AATA ENSURES GRANT CONTRACT COMPLIANCE WITH ANNUAL REVIEW

The AATA's annual Contract Compliance Review program continues to provide oversight and ensure grantees remain in compliance with the terms and conditions of the award and all reporting requirements.

IN FY24, ALL SIX VERTICAL PROSECUTION GRANTEES ACHIEVED 100% PARTICIPATION AND WERE DETERMINED TO BE FULLY AND/OR SIGNIFICANTLY COMPLIANT WITH THE TERMS OF THE CONTRACT.



Any areas of concern allow for agency staff to provide support to the grantee for future follow-up and subsequent reviews. Additionally, eight AATA Local Grants awarded to law enforcement agencies were reviewed to confirm compliance and final program reporting.

AATA OUTREACH ACTIVITIES

The AATA's community engagement and outreach efforts in FY24 focused on delivering key messages through a variety of strategies, including an active presence on social media and in-person attendance at conferences and community events.



In November 2023, representatives from Arizona traveled to Albuquerque, New Mexico, for a three-day, multi-state meeting of Automobile Theft Prevention Authorities (ATPA). Arizona, Colorado, New Mexico and Texas each brought a contingent of staff to make presentations on their ATPA's activities, law enforcement efforts, prosecution strategies, and public outreach and education programs.

In April, staff from the AATA and DIFI Fraud Unit Divisions were sponsors and attendees of two statewide law enforcement conferences – the 2024 Arizona Association of Chiefs of Police and Arizona Crime Prevention Association conferences. AATA staff provided educational and outreach materials as well as live demonstrations of the ACT database functions and capabilities.



March 8, 2024 – Free VIN etching event hosted by the Yuma Police Department and VTTF.

AATA continues to strengthen partnerships with local law enforcement and community organizations. The AATA remained active in community outreach, including participation in a VIN etching event on March 8th in Yuma in partnership with the VTTF and the Yuma Police Department. The AATA staff also supported various public safety initiatives, ensuring the agency's message reached as many Arizonans as possible.

AATA OUTREACH & SOCIAL MEDIA

On social media, the AATA ran multiple campaigns in FY24, including its "At-A-Glance" promotion, remove firearms, motorcycle theft prevention, jump-in theft awareness, and back-to-school auto theft prevention. The key messages of "Lock it or Lose it," "Park Smart," and "Take Keys, Lock Doors" remained central to AATA's outreach.

The AATA saw continued success on social media, with a 24.6% increase in LinkedIn followers over the past year and a significant 64.8% increase in Facebook reach. These numbers reflect the growing impact of the AATA's digital engagement efforts, reaching more people with critical vehicle theft prevention information. In addition, the AATA produces quarterly newsletters for distribution to agency stakeholders. These newsletters include current trends, statistics, and VTTF activities.

NEVER LEAVE A FIREARM IN AN UNATTENDED VEHICLE

DON'T LET CAR THEFT GIVE YOU A REAL FRIGHT. LOCK IT UP!

DON'T LET THIEVES SPOIL YOUR RIDE.

ARIZONA AUTOMOBILE THEFT AUTHORITY NEWS

KIA BOYZ IN ARIZONA

Vertical Prosecution

ARIZONA AUTOMOBILE THEFT AUTHORITY NEWS

Remember, it only takes a second to steal your car if you leave it unlocked.

SmartAZ
valuables at home
l up windows
Lock doors

ourCar.com

ARIZONA'S TOP 10 MOST STOLEN MAKES & MODELS

MAKES	MODELS
1. Chevrolet	1. SILVERADO
2. Ford	2. ELANTRA
3. Honda	3. SONATA
4. Toyota	4. OPTIMA
5. TRAILER	5. SOUL
6. DODGE	6. SIERRA
7. KIA	7. SAVANA
8. RAM	9. F-150
9. Jeep	10. CAMRY

LOCK YOUR VEHICLE

DON'T LEAVE FIREARMS IN YOUR VEHICLE



FOLLOW US!

WATCH YOUR CAR PROGRAM & LEGISLATION

WATCH YOUR CAR PROGRAM ENROLLEES GROW IN FY24

The AATA's free Watch Your Car (WYC) decal program is a theft prevention tool available to Arizona vehicle owners. FY24 closed out with 20,809 enrollees, a slight increase over the previous year. Interest in the program has risen over the last year, but represents only a fraction of the 8,146,590 vehicles registered in Arizona.



The AATA Board of Directors and staff remain committed to administering and promoting this free program and resource to all interested registered vehicle owners in Arizona.

WYC Member Testimonials

"I'm so glad I learned about this program from my Blockwatch meetings. I tell all my friends and family to get their cars enrolled too."

-Alana C, Tucson

"The Watch Your Car program is an outstanding service for Arizona drivers. We've had our cars enrolled for over ten years and feel an extra level of security having our decals on."

-Scott K, Phoenix

LEGISLATIVE UPDATE

During the Fifty-sixth Legislature, Second Regular Session, the Governor signed H.B. 2609 into law, entitling an insurer that has overpaid the AATA assessment to a refund of the overpaid amount. An insurer seeking a refund must submit a written request for a refund to the AATA within one year after the date that the overpaid fee was due and payable along with documentation and information satisfactory to the Director of DIFI to substantiate the overpayment. The law also authorizes the Director, at the insurer's expense, to audit an insurer subject to the AATA assessment to determine compliance with AATA statutes.

AATA FINANCIAL OVERVIEW

REVENUE

The AATA generates its income through a statutorily mandated semiannual fee of \$.50 per vehicle insured under a motor vehicle liability insurance policy. The fee applies to vehicles with a gross vehicle weight of 26,000 pounds or less.

FY24 revenue from insurance assessments reached \$7,293,677, marking a growth of \$31,313, which is equivalent to a 0.43% increase compared to the previous year. Any surplus funds were placed in investments managed by the State Treasurer, with the AATA earning \$505,596 in investment returns during FY24.

The AATA ended the fiscal year with investments in the amount of \$2,984,335 deposited with the State Treasurer.

REVENUE FORECAST

In forecasting its revenues, the AATA conducted a thorough examination of revenue collection patterns from the previous five fiscal years. The AATA's revenue has mirrored the state's increased population growth. For FY25, the AATA anticipates a revenue increase of 1.00% compared to the previous year. This projection sets the expected revenue for FY25 at \$7,366,614, which is \$72,937 more than the revenue received in FY24. Further, the AATA performs a comprehensive assessment review for each fee submission with the primary objective being to verify any decrease exceeding \$500 and determine the underlying cause.

AATA Beginning Fund Balance	\$10,407,310
Revenue Collected	
Assessment Revenue	\$7,293,677
Fines, Forfeitures, and Penalties	\$2,167
Investment, Income, Interest	\$505,596
Other Non-Revenue & Revenue Cash Increases	\$59,395
Total	\$7,860,835
Expenditure	
DPS VTF Grant	\$4,521,200
Administrative Cost	\$255,036*
Public Awareness Program	\$23,940
Vertical Prosecution Grants	\$1,318,779**
Law Enforcement Program Grants	\$65,300
Professional Development Grants	\$4,555
ACT Cost	\$95,000
Total	\$6,283,810
Other Financing Sources (uses)	
Interagency Service Agreement (ISA)	\$200,000***

BUDGET STABILIZATION

To address the state's budget shortfall, \$8,800,000 was transferred in FY24 from the Automobile Theft Authority Fund to the state General Fund.

ENDING FUND BALANCE \$2,984,335

**Includes adjustments to reconcile FY23 refunds and allocations for FY24.*

***In FY24, \$43,314 was reallocated to Law Enforcement Program Grants.*

****The ISA between the AATA and DPS transferred \$200,000 to the VTF for law enforcement vehicle expenditures.*

AATA BOARD OF DIRECTORS



CHIEF MICHAEL SOELBERG
BOARD CHAIR



KENT VOLKMER
VICE CHAIR,
COUNTY ATTORNEY



JOE BROSIOUS



SHERIFF JOSEPH DEDMAN



DIRECTOR JEFFREY GLOVER



DIRECTOR ERIC JORGENSEN



RACHEL MITCHELL
COUNTY ATTORNEY



SHERIFF RUSS SKINNER



ROBERT E.M. SMITH



CHIEF BOB TICER



BRIAN WRIGHT

INSURANCE REPRESENTATIVE, VACANT



An Equal Opportunity Agency

AZWatchYourCar.com

100 N 15th Ave, Suite 261
Phoenix, AZ 85007

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



ARIZONA
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State of Arizona
Arizona Automobile Theft Authority

Persons with disabilities may request materials be presented in an alternative format by contacting the ADA Coordinator at (602) 364-3100. Requests should be made as early as possible to allow time to procure the materials in an alternative format.