

VEHICLE OWNERSHIP SECURITY

A PROACTIVE APPROACH TO VEHICLE THEFT PREVENTION IN CALIFORNIA

CALIFORNIA HIGHWAY PATROL, 2003

THE PROBLEM: In 1983, 162,455 vehicles were stolen in California. By 1992, that number rose to 315,456—an increase of 94 percent. In 1983, the estimated economic loss associated with vehicle theft was \$540 million. By 1993, that loss had increased by approximately 214 percent to \$1.7 billion.

ANALYSIS: The CHP approached the problem from three separate angles. First, an outside consultant was hired to look at current laws and regulations, jurisdictional issues, and public opinions regarding vehicle theft. Second, departmental data were used to identify specific characteristics of vehicle theft. Third, street officers and vehicle theft investigators were consulted to gain a “street perspective” of vehicle theft. Using the information from the consultant’s report, the conclusions reached from the data analysis, and from officer viewpoints, five broad categories were developed to encompass the vehicle theft problem.

RESPONSE: Using the five categories as a foundation, a variety of new programs were initiated. The programs involved enhanced enforcement techniques, changes in state law, public awareness, and included participation by CHP officers, allied law enforcement agencies, federal agencies, private sector entities such as insurance companies, and other affected community groups. The implementation of these programs spanned from 1993 to 1999.

ASSESSMENT: During the seven-year period, the CHP and participating allied law enforcement agencies succeeded in reducing vehicle theft by 46 percent and vehicle theft rates by 49 percent resulting in an economic savings to Californians, averaging approximately \$510 million per year. During 2000 to 2002, vehicle thefts started to climb from the low of 1999. Still, the increase was 30 percent lower than the high point in 1992.

JUDGE’S COMMENTARY

In an effort to tackle ever-increasing numbers of stolen vehicles, the California Highway Patrol began a multi-year initiative that had a major impact on this problem. The factors that characterize this project, and distinguish it from more traditional approaches, comprise the hallmarks of good problem-oriented policing.

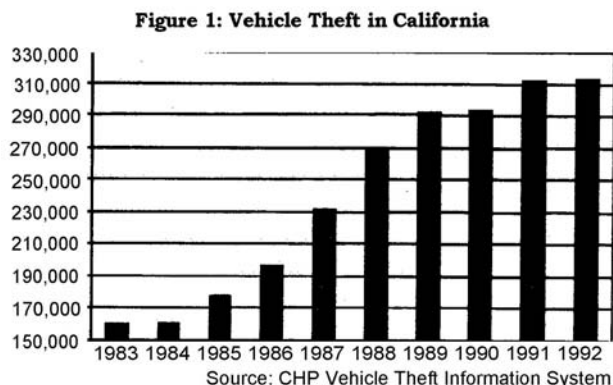
The CHP used extensive analysis, multi-agency partnerships, and most significantly, they monitored the theft patterns as they implemented various programs over the years. In short, they stayed the course and didn't lose sight of their primary objectives. Some of their early work ended up changing California laws to enable better vehicle theft protection and enforcement. Their later analysis categorized the theft patterns

into different styles of vehicle crime, a contribution that can help others tackle this difficult problem. Overall, this year's CHP auto theft project contributed to a body of work that convinced the Goldstein Award judges that this submission was among the very best.

SCANNING

Most of California's citizens are now, in one way or another, reliant on vehicle ownership for both their livelihood and pleasure. In concert with the rise in vehicle ownership, associated issues and problems have also risen—one of which is vehicle theft. All law enforcement agencies in California enter vehicle theft data through the California Law Enforcement Telecommunications System and into the Stolen Vehicle System (SVS), which is maintained by the California Department of Justice (DOJ).

In California, the California Highway Patrol (CHP) is the statewide coordinating agency for crimes associated with vehicle theft. In this role, the CHP incorporates data from the SVS into its own Vehicle Theft Information System (VTIS) for analysis. From this analysis, the CHP prepares reports for its management personnel and for the state legislature and the governor.

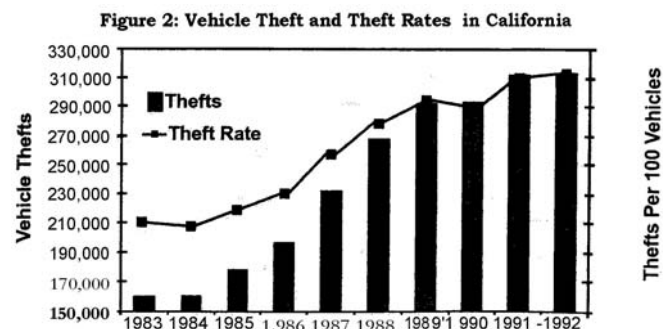


The trend in vehicle theft rates matches the trend in vehicle thefts. The climb in theft rates was not as dramatic, however, rising 59 percent from 1983 to 1992, compared to the 94 percent climb in vehicle thefts.

Reports obtained from VTIS were analyzed and evaluated to identify vehicle theft trends, and jurisdictional issues. The ongoing analysis of

data revealed a disturbing trend—a dramatic increase in the total number of vehicles stolen in California. In 1983, 162,455 vehicles were stolen. This number rose an alarming 94 percent to 315,456 in 1992 (see Figure 1). Raw frequencies of crime like this, however, are not necessarily an effective measure of crime trends.

Using vehicle theft rates is a more accurate indicator of changing trends involved with vehicle theft. Figure 2 shows the changes in vehicle theft numbers. Vehicle theft also has a significant impact on California's economy. Losses affect private citizens, the public sector, insurance companies, and a host of other entities. Economic loss due to vehicle theft was estimated at \$540 million in 1983. By 1992, that figure rose an alarming 214 percent to \$1.7 billion.



Adjusting these dollar figures for inflation using constant 2003-dollar values, the estimated loss went from \$997 million in 1983 to \$2.2 billion in 1992 (an increase of 123 percent). These dollar figures represent only the value of the vehicles stolen and not any collateral economic impact.

The true economic impact associated with vehicle theft reaches beyond the simple cost of the vehicle. Intangibles such as lost time and wages, procuring new transportation, and the emotional impact of feeling less safe and secure cannot be accurately measured.

The significant rise in vehicle theft in California demanded action. As the agency responsible for the coordination of vehicle theft activities statewide, the CHP took a detailed look into this issue, its varied aspects, and the conditions that might be contributing factors. As with all

problem solving methodologies, a thorough analysis of the problem is key for developing an effective response.

ANALYSIS

The first stage in this analysis was to examine data regarding the number of stolen vehicles in California. As mentioned earlier, there was a 94 percent increase in the number stolen vehicles, a 59 percent climb in rates of vehicle theft, and a 123 percent increase in economic loss (when adjusted for inflation), in a 10-year period from 1983 to 1992.

The statistics led the CHP to initiate a series of actions to identify and evaluate contributing factors to this problem. The CHP contracted with an outside consulting firm to gain an independent perspective on issues associated with vehicle theft. The study revealed a number of characteristics, which included the following:

- The need to better coordinate and strengthen relationships among allied agencies.
- Titling and licensing issues associated with vehicle registrations and license plates.
- Manufacturing issues related to identification of vehicles and major component parts.
- Statutory issues involving peace officer powers, property control and prosecution concerns.
- Lack of training and education for law enforcement personnel associated with vehicle theft.
- Skewed public perception that vehicle theft is only a property crime.
- Information and records deficiencies.

In addition to the consulting firm's report, the CHP took a more in-depth look at the problem by developing analytical reports using data available in the VTIS. These reports included

the following:

- Vehicle thefts and recoveries by cities within each county
- Jurisdiction of theft versus recovery, and jurisdiction of recovery versus theft
- Recovered vehicles by age and condition
- Vehicle thefts by location and elapsed time to recovery for jurisdictions with highest annual thefts
- Theft and recovery activity by vehicle manufacturer, make, model, and year
- Inter-jurisdictional comparison of thefts and recoveries by time of day
- Analysis of vehicle theft arrests and cases cleared by arrest
- Vehicle inspection activities by location, vehicle type, and make
- Subject index for analyzing inspection activities

The research methods consisted of numerical data collection, quantitative measurements, and consulting investigative personnel. Evaluation of current versus past data from VTIS provided measurable patterns of vehicle theft increases and decreases statewide.

Yet another source of input was the perspective of field personnel—officers and investigators—who respond to vehicle theft calls, interview victims, and possess a unique viewpoint about what is happening “on the street.” The observations and conclusions reported in the consultant's report, coupled with the knowledge gleaned from the varied VTIS reports and field personnel, led to the development of five broad categories involved in California's vehicle theft problem.

Category 1: Transportation Theft

VTIS data and field reports tied to thefts and recoveries showed that approximately 85 percent of vehicle thefts occurring in California were for the purposes of transportation and auto burglary, otherwise known as “joyriding” (an inappropriate term that demeans the significant crime impact of the act of stealing a vehicle). In essence, the vehicles were being stolen for their contents and transportation, and not for permanent retention or parts. In many instances, these crimes were closely tied to the rising problem of identity theft - the thieves were obtaining identifying information during the theft then using the information to perpetrate other crimes.

Category 2: Commercial/Cargo Theft

The analysis included an in-depth look at commercial and cargo theft in California due to a national rise in the incidence of these crimes. Although investigative personnel said they were seeing a rise, there was no process in place to quantify their observations.

Category 3: Professional Theft/Exportation of Stolen Vehicles

A review of VTIS data within the 10-year period revealed that more than 20,000 stolen vehicles each year were not recovered. Through investigative experience, the CHP surmised that these vehicles, which tended to be of high-dollar value, were being fraudulently renumbered by professional thieves and sold domestically or exported out of the country. Several high-profile investigations revealed an alarming trend in export theft. Thieves were purchasing high-dollar vehicles from dealerships with relatively low down payments. They insured the vehicles and then placed them in sea-going containers. Once the vehicles were at sea en route to a foreign port, the thieves reported the vehicle stolen, collected the insurance money and paid off the debt. The vehicles were then sold to foreign buyers in a “pure profit” scheme.

Category 4: Salvage Vehicle Schemes

Investigative reports from the CHP’s vehicle theft units identified an emerging trend in the use of both stolen parts and the use of vehicle identification numbers (VINs) from salvage vehicles. Thieves were purchasing salvage vehicles from insurance auctions at low cost. They then rebuilt them with stolen parts or, in many cases, simply moved the legitimate VINs from the damaged salvage vehicle and placed them on stolen vehicles.

Category 5: Insurance Fraud

Related to the salvage schemes, but having its own set of investigative challenges, is insurance fraud. In these schemes, individuals strip their own vehicles of major component parts. They then hide the parts, dump the stripped vehicle and report it stolen. After collecting the insurance payment, the participants repurchase the stripped vehicle from the insurance auctions at minimal cost, reinstall the original parts and sell the vehicle. The profit in these schemes is tremendous and the crime is relatively low-risk.

The complexity and co-mingling of these five categories dictated that a single approach, such as increased enforcement by street-level officers, would not have the desired effect on this problem. The diversity of the factors involved called for a multifaceted approach involving state and local law enforcement, lawmakers, state and local government bodies, and various other stakeholders from the private sector.

RESPONSE

Based on the five categories emerging from the analysis, a broad-based response was developed that incorporated changes in enforcement strategies, legislative changes, training among CHP officers and allied law enforcement agencies, and public awareness. The response resulted in a variety of new programs to address California's vehicle theft problem.

Category I: Transportation Theft

Investigative Services Unit Coordinators: There

is an Investigative Services Unit (ISU) in each of the CHP's eight field Divisions, which serves as the detective wing. The primary focus of these units is the investigation and coordination of vehicle theft activities. In response to this problem, ISU coordinators were directed by CHP Executive Management to refocus their efforts on disseminating vehicle theft trend information to other CHP offices and allied agency personnel. By educating street-level officers in the unique vehicle theft trends within their specific patrol areas, it better equipped them to make an impact on this problem.

Bait Car Program: The CHP developed and implemented a "bait car" program to target high-theft areas. A bait car is a vehicle owned and equipped by a law enforcement agency to apprehend vehicle thieves. The vehicles are selected based on vehicle theft trends then equipped with remote shutdown systems. Once outfitted, the vehicles are placed in high-crime areas and kept under surveillance by officers. When thieves attempt to steal the vehicle, they are allowed to travel a short distance before the vehicle's shutdown system is activated. The shutdown system automatically kills the engine, locks the vehicle's doors and activates the emergency flashers. The process is videotaped using in-car cameras and the images are used in public awareness campaigns as a deterrent to other thieves.

The CHP currently uses eight bait cars and has secured a grant to obtain 16 additional systems. The new systems are cuffing-edge technology and allow the vehicles to be abandoned on roadways without the usual surveillance assets in place. These systems greatly enhance the flexibility of the program and allow for saturation of high-crime areas with multiple bait vehicles.

Vehicle Theft Control Program: This program has been the mainstay of the CHP's vehicle theft programs for many years. The CHP refocused the efforts of this program to more effectively address both the high incidence of transportation theft and the professional thief. A major part of this new focus resulted from legislation sponsored by the Department.

State Senate Bill (SB) 1743, passed in 1994, introduced the "Californians Help Eliminate Auto Theft" program, or Cal H.E.A.T. This program created a toll-free telephone number for citizens to report suspicious activity associated with vehicle theft.

Also, as part of this program, a public awareness campaign was created known as "the HEAT is on." This campaign stressed the importance of the public's participation in reducing auto theft by using the CHP's toll-free number to report vehicle theft activity. The campaign included highly visible graphics, bumper stickers, billboards, posters, key fobs, and other handout material to publicize the program and encourage public participation.

Vehicle Theft Task Forces: Because vehicle theft often spans multiple jurisdictions, vehicle theft task forces were created and comprised of personnel from different agencies. To further improve the effectiveness of these groups, the CHP sponsored Assembly Bills in 1994 and 1998 that provided counties with authority to fund vehicle theft task forces. Of California's 58 counties, 43 adopted county resolutions to impose a one-dollar registration fee to form and support vehicle theft deterrence programs. Currently, there are 17 county-funded Vehicle Theft Task Forces - 12 coordinated by the CHP. In this role, the CHP donates management and investigative personnel, as well as facilities and equipment to these efforts.

Category 2: Commercial/Cargo Theft

Responding to the increasing concern over commercial and cargo theft, the CHP sponsored legislation in 1993 that created the Cargo Theft Interdiction Program (CTIP). The purpose of this program is to prevent the theft of commercial vehicles and their cargos, and increase the recovery of those items stolen. The program stresses the coordination of multi-jurisdictional investigations involving CHP and local law enforcement agencies. Currently, there are three CTIP teams. Also, to better capture the incidence of cargo thefts, the CHP, in consultation with the Department of Justice, developed a coding process that identifies which stolen commercial vehicles contain cargo.

Industry education programs were also instituted to provide trucking companies with loss prevention techniques and law enforcement point-of-contact. Cargo theft reporting forms were distributed to the trucking industry to assist the CTIP teams in quickly receiving detailed information about the commodities stolen. The victim company is encouraged to promptly complete and fax the form to their regional CTIP team. This process greatly improves the timeliness of information reaching the appropriate investigative unit. The information is maintained in an investigative database and distributed to other agencies actively involved in the investigation of cargo theft.

Category 3: Professional Theft/Exportation Of Stolen Vehicles

Vehicle Identification Number (VIN) Program: This program provides policy for the assignment or reassignment of VINs to vehicles subject to registration when the original identification numbers have been altered, mutilated, or removed. The program identifies theft trends among specific classes of vehicles. By utilizing the VTIS and reports from VIN program officers, the CHP was able to work with the Department of Motor Vehicles to establish a system for referring specific vehicles for secondary inspections.

Vehicle Theft Investigation Course: The CHP provides in-service training to vehicle theft investigators. Nine comprehensive 40-hour Vehicle Theft Investigation Courses are presented annually. The curriculum covers all aspects of vehicle theft including vehicle identification, related laws, record systems, and forged documents.

Foreign Export and Recovery: To combat the prevalence of foreign export thefts, the CHP sponsored legislation in 1994 that established the Foreign Export and Recovery (FEAR) program. That program specifically targets the exportation of stolen vehicles through California's land borders and coastal shipping ports.

Two high-profile investigative teams were

deployed: one team in Southern California and the other in the San Francisco Bay Area. Each team works cooperatively with governmental agencies and private industry involved with vehicle exportation. These coordinated efforts result in "port blitz" operations to intercept stolen vehicles destined for foreign ports.

Mexico Liaison Program: This program helps recover U.S.-based stolen vehicles that have found their way into Mexico. The program has established working relationships with officials in Mexico to help locate and return these vehicles. Because CHP personnel have no law enforcement powers in Mexico, the relationships developed are essential for curbing the transport of stolen vehicles across the border.

Category 4: Salvage Vehicle Schemes

The CHP sponsored legislation in 1996 that created the Salvage Vehicle Inspection Program (SVIP) to reduce the growing vehicle theft problems attributed to the salvage industry. The SVIP is a cooperative effort between the CHP and the DMV. It requires random inspection of revived salvage vehicles.

In addition to the traditional method of using stolen parts during the rebuilding process, an emerging trend has been for thieves to use the VIN from a junked or salvaged vehicle to disguise the identity of a stolen vehicle. The stolen vehicle is then registered under its new identity. This method, commonly referred to as a "salvage switch," was widely unchecked prior to the onset of the SVIP.

CHP sponsored legislation enacted in 2001 assisted in clarifying vehicle identification processes by specifying the frame of the vehicle as the identifying component of the vehicle for registration purposes. This bill also protects innocent purchasers from buying a rebuilt salvage vehicle that has been disguised to be a newer vehicle by the use of newer sheet metal components.

Category 5: Insurance Fraud

Closely linked and intertwined with vehicle theft are crimes of insurance fraud. Insured vehicles were being stripped by their owners then

dumped in areas where the police quickly found them. After receiving payment from their insurance company, the thieves have an associate purchase the stripped vehicle shell from an insurance auction. The conspirators then rebuild the vehicle using the original parts and sell the vehicle on the open market.

In 1999, legislation established the "Organized Crime Prevention and Victim Protection Act of 1999," which provided funds to investigative teams comprised of district attorneys, Department of Insurance, and CHP investigators dedicated solely to the investigation and prosecution of individuals involved in organized automobile fraud rings. The implementation of these programs was not immediate. It took one to four years for most of these programs to become operational.

ASSESSMENT

The responses implemented over a period of time led to an impressive drop in total number of vehicle thefts from 1992 to 1999. Vehicle thefts dropped by 46 percent. The steepest decline occurred between 1995 and 1999, which is the period covered as deterrent measures became operational. Figure 3 shows the decline in vehicle theft along with the effective date of programs created by new legislation.

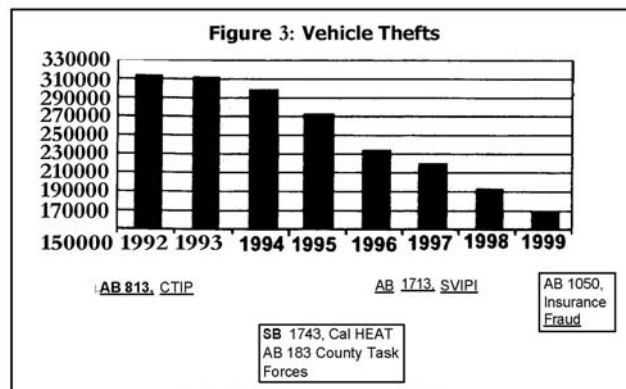
Along with the decline in the number of vehicle thefts, vehicle theft rates also dropped. The decline in theft rates, however, was a bit more substantial during this period, dropping 49 percent, compared to the 46 percent decline in thefts.

Category 1: Transportation Theft

This category continues to produce the largest number of vehicles stolen in California. Vehicle theft is a crime requiring a specific set of skills. By identifying individuals who have developed these skills, the CHP and multi-agency task forces have been able to focus their enforcement efforts towards those individuals who have the greatest propensity to steal cars.

Category 2: Commercial/Cargo Theft

Since the inception of this program, CTIP investigators have recovered 1,306 commercial vehicles and 475 cargos valued at over \$41 million. Recognizing the value of this program in preventing and recovering commercial vehicle cargo thefts, the CHP and the legislature worked to pass legislation that provided a continuous and stable funding source for this program.



Category 3: Professional Theft/Exportation Of Stolen Vehicles

The CHP's ISU personnel handle the bulk of complex vehicle theft investigations. The following table reflects the ISU's focus on the upper level professional thieves operating in their jurisdictions between 1993 and 1999.

Vehicle Theft Investigations (Avg. per year)	3,065
Suspects Arrested (Avg. per year)	685
Stolen Vehicles Recovered (Avg. per year)	1,982
Total Dollar Value Recovered (Avg. per year)	\$19.8 million

The impact ISU personnel have on professional vehicle theft operations is the disruption of organized criminal elements operating in California. Although comparative data is not available due to this being a new program, street officers and field investigators have corroborated the deterrent effect caused by these investigations.

Vehicle Theft Investigation Course: The CHP provided initial and in-service training to vehicle theft investigators. Six in-service training classes were presented to CHP road patrol officers and nine comprehensive 40-hour Vehicle Theft Investigation courses were presented to allied and CHP investigators annually.

Foreign Export and Recovery: FEAR personnel supplement the efforts of the ISUs. Since the inception of the FEAR program in 1995, FEAR personnel have conducted 1,479 investigations and recovered 1,814 vehicles, valued at over \$30.5 million. In addition, FEAR officers recovered over \$1.3 million in non-vehicle goods. Again, there is no comparative data due to this being a new program and due to the lack of available data collection methodologies. The amount of activity involving FEAR teams, however, reflects the propensity of thieves to engage in this type of activity and solidifies the need for programs like FEAR.

Mexico Liaison Unit: The MLU has contributed to locating and recovering numerous vehicles across the border. On average, close to 200 vehicles per month are returned from Mexico. These recoveries are the direct result of the MLU's continuing diplomatic efforts and ongoing training programs. Prior to this program few, if any, vehicles were returned from Mexico.

Category 4: Salvage Vehicle Schemes

The SVIP was fully implemented in 1997. Since then, 18 SVIP officers have recovered 291 stolen vehicles and 631 component parts. This program had a significant effect on the availability of stolen vehicle parts on the black market. The target list of vehicles to be inspected is continuously changing to correspond with the most current vehicle theft trends. When stolen parts are located on vehicles, a vehicle theft case is initiated and referred to a CHP ISU for follow-up.

Category 5: Insurance Fraud

The CHP's 10 officers were assigned to five teams strategically located throughout the state. The teams were established in 2000-2001, after

passage of AB 1050 in 1999. The full impact of this program and its teams has yet to be realized, but the CHP views its role in deterring vehicle theft and insurance fraud crimes as critical. Members of these teams bring with them different levels and areas of expertise that will be crucial to affecting this aspect of the vehicle theft issue.

The drop in vehicle theft numbers also had an impact on California's economy. The dollar value of vehicle thefts in 1993 dropped 29 percent when compared to the value in 1999. Adjusting for inflation, the value in 1993 dropped by 39 percent when compared to 1999.

THE CURRENT PICTURE

Since 1999, vehicle thefts have begun to climb once again, although the latest numbers are still 30 percent less than in 1992.

Rates in vehicle theft have also climbed, although not as quickly as the number of thefts. Vehicle theft rates have climbed 16 percent since the low of 1999, compared to a 30 percent climb in vehicle thefts.

There are many possible reasons for the increases in recent years, such as demographic shifts, economic changes, and so forth. These are being investigated through a re-analysis of the potential contributing factors. Most importantly, these shifting patterns emphasize the importance of continually re-evaluating the results of programs using the SARA process.

Complicating the response to vehicle theft are the events of September 11, 2001. The resulting changes to the CHP's state security responsibilities and enforcement priorities have had an impact on the availability of uniformed resources throughout the state. Similarly, the effects of September 11th are being felt by local law enforcement as well.

CONCLUSION

The CHP's proactive response to California's vehicle theft problem led to an extremely successful, broad based program to counter a growing trend. By thoroughly analyzing

available data, the CHP was able to develop and implement programs designed to work in concert with existing investigative and patrol functions. The success of these programs demonstrates that law enforcement can make a significant impact on an existing public safety issue if thorough analytical processes are employed and are followed by thoughtful initiatives.

FOOTNOTES

¹ Figures obtained from VTIS and the Federal Bureau of Investigation.