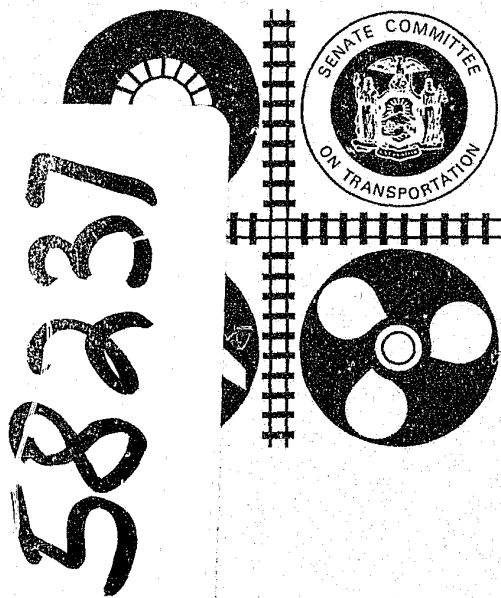


National Workshop on Auto Theft Prevention

Compendium of Proceedings



Sponsored by

**The New York State Senate
Committee on Transportation**

October 3rd - 6th, 1978

Senator John D. Caemmerer, Chairman
Honorable MacNeil Mitchell, Project Director

The National Workshop on Auto Theft Prevention and this publication of the compendium of the proceedings were made possible in major part by a grant from the National Institute of Law Enforcement and Criminal Justice Services of the Law Enforcement Assistance Administration of the Department of Justice. Particular acknowledgement is made to Dr. Sidney Epstein of that organization for his valuable and constructive service in connection with this grant.

Appreciation is extended to the New York State Senate for services provided through the cooperation of Senate Majority Leader Warren M. Anderson, Dr. Roger C. Thompson, Secretary of the New York State Senate, and Dr. Stephen F. Sloan, Director of the Senate Research Service. Also to Leonard M. Cutler, Senate Grants Officer and a Professor at Siena College.

Acknowledgement is made to the members of the Advisory Committee and the Resolutions Committee, whose most helpful assistance contributed to the success of the Workshop.

Particular appreciation for the preparation of this publication goes to Peter Derrick, New York State Legislative Fellow and Program Coordinator of the Workshop, Linda Conrad, Program Coordinator of the Workshop, and Gladys Ann Wells, Editor with the Senate Research Service.

NCJRS

JUN 13 1979

ACQUISITIONS

**NATIONAL WORKSHOP
ON
AUTO THEFT PREVENTION**

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The New York State
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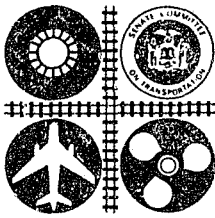
Compendium of Proceedings

*Senator John D. Caemmerer
Committee Chairman*

*MacNeil Mitchell
Project Director*

**NEW YORK HILTON HOTEL
OCTOBER 3-6, 1978**

New York State Senate
Albany, New York



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February, 1979

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Dear Concerned Citizen:

In the last few years, the problem of auto theft has finally been recognized as a serious national problem with far-reaching social and economic impacts. Law enforcement agencies, community leaders, insurance industry representatives and other interested parties have joined together in some localities to form action committees to combat this problem. A typical example is the case of regional joint anti-car theft committees which are now developing. But, these efforts have been sporadic and to a great extent uncoordinated.

Early in 1978, after almost a year of research, the New York State Senate Committee on Transportation realized that one state alone could not solve this problem. Clearly, a nationwide effort among states and localities with a common thrust and common goal was needed. As a result of the foresight, the understanding and the cooperation of the Law Enforcement Assistance Administration of the U.S. Department of Justice, a grant was obtained from the LEAA to help our committee fund the first National Workshop on Auto Theft Prevention.

The following is a compendium of the proceedings of this Workshop held October 3-6, 1978 in New York City. Not only was this the first workshop of its kind held on this problem, but nearly 300 dedicated participants from over 30 different states were in attendance. They came from all segments of business, industry and government concerned with auto theft, and as a result of their hard work and interest, a Liaison Committee has been created under our aegis. Its purpose is to establish task forces on a state or regional basis to combat auto theft throughout the country.

This compendium is being sent to you with our compliments and that of the Law Enforcement Assistance Administration. We hope it will encourage you to join in our efforts to eliminate this grave and far-reaching problem. We welcome your comments and suggestions.

Sincerely,

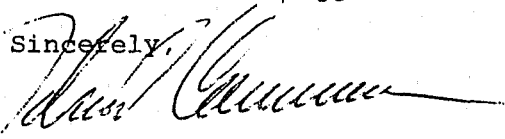

JOHN D. CAEMMERER
Chairman

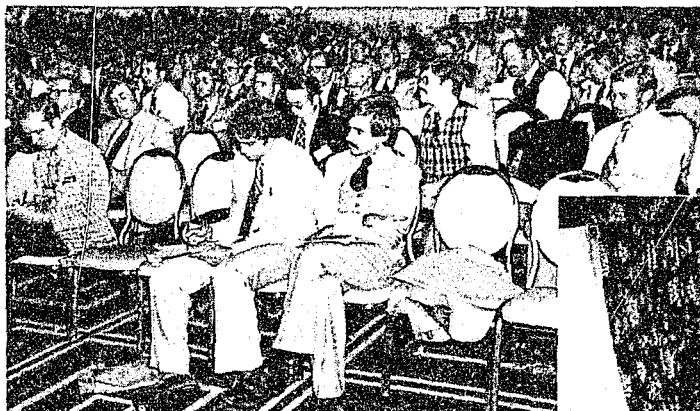
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Introduction

AT THE AUTO THEFT WORKSHOP

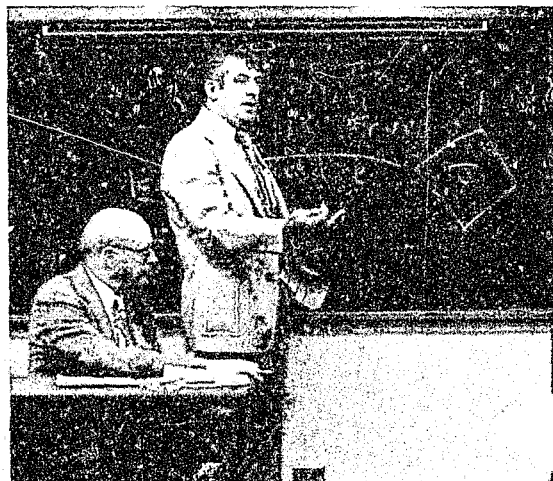


▶ Thirty individual work sessions were conducted on specific topics related to auto thefts during the Workshop.

◀ Over 300 individuals from 30 states in the nation attended the three day Workshop.



◀ Factual presentations were made, on topics like the cycle of distribution of stolen auto parts, as part of the panel discussions conducted at the work sessions.



▶ Nine plenary, luncheon and dinner sessions were held with keynote speakers making auto theft problem presentations to the Workshop attendees.



◀ Copious note taking was the general procedure for Workshop attendees, and

▶ Extensive auto theft related information was distributed.



INTRODUCTION

The National Workshop on Auto Theft Prevention was designed to address a serious and growing problem. Although the number of motor vehicles stolen in the United States appears to have stabilized at about one million vehicles annually, recovery rates continue to decline and the resultant monetary loss to the public rises each year. Moreover, the auto theft "business" has become increasingly dominated by professional auto theft rings. Indeed, in some areas of the country, mobsters are reportedly killing each other to monopolize the stolen car racket. Auto theft has thus become a crime that must be ranked with narcotics dealing, gambling and organized prostitution as a major national crisis.

The National Workshop was held at the New York Hilton Hotel from October 3 to October 6, 1978. It was sponsored by the New York State Senate Transportation Committee, chaired by Senator John D. Caemmerer, and was funded in major part by a grant from the National Institute of Law Enforcement and Criminal Justice Services of the Law Enforcement Assistance Administration. The project director was the Honorable MacNeil Mitchell, Special Counsel to the Transportation Committee. Senator Mitchell is a former Chairman of both the Judiciary Committee of the New York State Senate and of its New York City Committee.

The objective of the Workshop was to bring together, for the first time on a national level, the principal parties concerned with the auto theft problem. Included were state legislators, federal officials, motor vehicle administrators, state and local police, state and federal prosecutors, automobile dismantlers, auto repair shop operators and representatives of insurance companies, scrap processors and motor vehicle manufacturers. Acting together, Workshop participants attempted to reach a consensus on practical measures that could be taken to significantly reduce the incidence of auto theft in the United States.

The National Workshop was divided into a series of five Plenary Sessions, four of which were followed by small group workshops. The topics of the Plenary Sessions included:

- I. The Auto Theft Problem
- II. Investigative and Enforcement Problems
- III. Laws and Regulations Relating to Vehicle Titling and Salvage Control Procedures
- IV. Problems in the Adjudication of Auto Theft Violations
- V. The Role of Private Industry in Helping to Curb Auto Theft

At the Plenary Sessions recognized experts presented short speeches about the subjects under discussion. The purpose of this compendium is to present the remarks of all of the speakers. Taken together, these remarks provide a succinct summary of the nature of the auto theft problem, of the measures that have been taken to

combat this problem, and of the steps that should be taken now if this problem is to be handled in a proper manner.

At the heart of the National Workshop were the small group discussions that immediately followed the Plenary Sessions. The 280 people in attendance were divided into eight small workshops, each addressing the subject that was raised by the speakers during the plenary session.

Every workshop contained representatives from various fields. For example, every group had at least one state legislator, police official, insurance company representative, automobile dismantler, motor vehicle administrator, prosecutor, FBI agent, federal official, etc. The small groups were chaired by a moderator, whose job it was to maintain orderly discussion, and a facilitator, who was an expert on auto theft prevention. Attendees remained a part of the same group for each of the four sessions.

In order to maximize the free exchange of ideas and information among all of the parties represented, no formal record of remarks was kept of the small discussion groups. Through this process of mutual interaction, group members, in frank and open discussion, came to appreciate the particular difficulties each of the interested parties has in dealing with the auto theft problem.

On the afternoon of October 5, there was a General Plenary Session during which leaders of the small discussion groups gave short presentations about what had transpired within their group. These leaders also reported on the consensus that had been reached as to specific steps that should be taken to combat auto theft. The remarks of the leaders are included in this compendium.

Following the remarks of the small group leaders, Workshop participants discussed and voted upon a number of resolutions. The resolutions that were adopted are contained in Appendix E. Some of the resolutions endorse measures that are currently being undertaken. Resolution 9, for example, commends the work of local anti-car theft (ACT) committees, which have helped to significantly reduce the rate of auto theft in certain areas. Other resolutions endorse proposals that have been suggested as major steps that can be taken in the immediate future. Resolution 21, for example, endorses the proposed federal Motor Vehicle Theft Prevention Act of 1978 (U.S. Senate Bill 3531, introduced by Senators Percy, Biden, and Thurmond). A summary of the discussion that took place during the resolution passing session is contained in these proceedings.

The three main addresses at the Workshop were made by men who are strenuously combating auto theft at the state level. The first speech was delivered by the Honorable Glendon B. Craig, Commissioner of the California

Highway Patrol, who told of the activities of that Patrol which has coordinated a comprehensive motor vehicle theft prevention effort for many years. He also pointed out that the auto theft rate will not be reduced significantly unless there is greater public awareness of the problem. According to the Commissioner, exciting public interest is the business not just of police officials, but also of insurance companies, vehicle manufacturers, elected officials, government departments, judges and prosecutors.

At the luncheon address on October 4, Senator Joseph Pisani, Chairman of the Consumer Protection Committee of the New York State Senate, stressed the fact that many motor vehicles were stolen by professional thieves in order to strip the vehicles for their major component parts. These parts are then sold to be used to repair damaged automobiles. This is a lucrative business, but the efforts of police officials to combat this problem have been stymied because there is now no easy way to identify a stolen part once it has been removed from the vehicle. He recommended that motor vehicle manufacturers be required to affix vehicle identification numbers on major component parts.

The closing banquet was addressed by Honorable Alan J. Dixon, Secretary of State of Illinois. As Secretary of State, he is also the principal administrator of the Illinois motor vehicle laws. Secretary Dixon told of initiatives he has taken to combat auto theft since he assumed office in January, 1977. He also emphasized the need to win public support for measures designed to reduce auto theft, saying that society does not yet realize the size and sophistication of the organized auto theft industry. When the people know more, they will care more and will demand action.

The remarks of Commissioner Craig, Senator Pisani and Secretary Dixon are included in the compendium.

In planning for the National Workshop, the New York State Senate Transportation Committee was fortunate to be aided by a distinguished Advisory Committee. Members of this Committee consisted of representatives of the National Automobile Theft Bureau, the Automotive Dismantlers and Recyclers of America, the International Association of Auto Theft Investigators, the U.S. Depart-

ment of Justice, the U.S. Department of Transportation, the American Association of Motor Vehicle Administrators, the International Association of Chiefs of Police, the Motor Vehicle Manufacturers Association, the National District Attorneys Association and the Office of Special State Prosecutor, State of New York. This Committee met three times and the advice offered by the members was crucial to the success of the Workshop.

From the time that the idea of a National Workshop was first conceived, it was determined that the effort to combat auto theft should not cease at the conclusion of the meeting in October. In order to continue the momentum established by the Workshop, there would have to be planned follow-up activities. These activities would be aided by a national committee, a Liaison Committee, many of whose members would have previously served on the Advisory Committee. Accordingly, one of the resolutions proposed to participants of the National Workshop was that the Workshop endorse the formation of the Liaison Committee on Auto Theft Prevention. This resolution passed unanimously.

The role of the Liaison Committee is to promote and help institute a nationwide coordinated effort to combat the problem of auto theft. To this end, the Committee will aid in the establishment of state and/or regional Task Forces to attack the auto theft problem. The Committee will also serve as a clearinghouse for information about auto theft prevention activities, will foster research in the field, and will help disseminate this compendium. It will also assist in the development and encourage the passage of uniform and complimentary legislation by the several states and the Congress to reduce the incidence of auto theft.

All of the foregoing activities and the forthcoming work in research and legislative action and development of Task Forces has been and will be developed under the aegis of the Senate Standing Committee to which reference has heretofore been made. Unlike most conferences, where at their conclusion matters remain quiescent, in this instance, it is the objective of our Committee to move forward with new techniques designed to combat this serious crime.

What follows is a transcript of the actual proceedings of the Workshop which the Committee hopes will be most informative.

The Auto Theft Problem



Newsday Photo by Dan Neville

AUTO THEFT ARROGANCE

A New York City Police auto crimes unit officer looks over jumbled mass of automobile parts in a Queens "chop shop" after four men were arrested and accused of stealing late model cars, cutting them up with acetylene torches and selling the parts. The accused had inscribed their own defiant maxim on the wall above. Police said the "chop shop" operation involved luxury cars and had been functioning about two months.

Plenary Session I
Tuesday, October 3, 1978

THE AUTO THEFT PROBLEM

HONORABLE MACNEIL MITCHELL: The hour of 2:08 o'clock in the afternoon having arrived, this Plenary Session will now convene. First, I would like to introduce myself. I am MacNeil Mitchell, the Project Director of this National Workshop and a former Senator of the State of New York. I welcome all of you who have come from 30 states and would like you to know that this is the first time, as far as we are aware, that there has been a national convocation of people interested in arresting this very important crime. This National Workshop is sponsored by the New York State Senate Committee on Transportation with the aid of a fine grant from the Law Enforcement Assistance Administration of the United States Justice Department. We thank Dr. Sidney Epstein for his assistance in connection with the grant, and we also thank our Advisory Committee and our Resolutions Committee, whose names are listed on the back of the program, for the excellent work they are doing in helping to make this conference a success.

Senator John D. Caemmerer, the Chairman of our Committee, who was to be here today, unfortunately had emergency surgery just yesterday morning. He is resting comfortably, but he will not be able to attend this Conference. He sends his very best wishes to everyone here and he is delighted, I know, with the news of the full attendance we have. Before introducing Senator Roy Goodman of the New York State Senate, who is taking over today in place of Senator Caemmerer, I would like to make a few housekeeping remarks.

In the first place, please keep track of the events on your program. We are going to try to commence all our events strictly on time, and we have a fairly good track record in that respect. We would like you to be on hand for these various events as they are scheduled. All workshops are held on the 5th floor.

Now as to the purpose of these workshops. It is quite obvious that if we had our speakers, who are here to speak on the first topic, The Problems of Auto Theft, answer questions from the audience, it would not give us an opportunity to get down to grips with the problem. So what we are doing at the conclusion of each of the Plenary Sessions, except the fourth, which will be a panel discussion, is to conduct separate workshops. You have each been assigned to a specific workshop. We ask that you attend the same workshop in each instance so as to facilitate the work and to be in a better position to come up with a consensus through the use of the moderators and facilitators at the conclusion of our conference.

We carefully structured the workshops so that there will be individuals from varying phases of government and from private industry and from various geographical locations, the result being that we hope to be in a position where people who have never had an opportunity of exchanging views together will now have, for the first time, that chance.

We have copies of the resolutions which have been proposed. These are only tentative and there will be ample opportunity for you to submit other proposals to the Committee on Resolutions, headed by John Kiernan, counsel to Senator Caemmerer, and there will be final action on the resolutions at the conclusion of the conference.

I suppose you all realize that at most gatherings of this sort, everybody attends some meetings, they have a little conviviality and go back and say, "There were some nice speeches and we had a nice time. When is the next one?" In this instance, due to our Senate Committee on Transportation and the Law Enforcement Assistance Administration, the work of our Committee is going to continue through next June 30th. What we propose to do for the first time is to see whether or not we can develop a series of state or regional Task Forces, these to be composed of individuals who will have attended this workshop and possibly one or two others. They will be selected from all walks of government and private industry and legislative branches, which will, in turn, provide an opportunity for us to conduct on a systematic basis hereafter, through the medium of these Task Forces, research into the problem of how to combat auto thefts and, in addition, how to develop unified legislation at the various state levels and in Congress. I think that all those things would for the first time contribute to an opportunity for people to get fully acquainted and realize that the other people who are seeking to work on this problem do not have the horns that some of them may have thought they had. We are seeking a unified approach by all agencies, rather than a separate approach.

At this time I would like to introduce Senator Roy Goodman, who has graciously decided that he would come here to help us out and would make a few remarks in place of Senator Caemmerer. When he entered the State Senate in 1969, he was the articulate head of the Charter Reform Commission which did so much for the reorganization of the City government here. He was Chairman of the New York City Committee for many years, and he is now Chairman of the Senate Committee on Taxation and Government Operations. As many people have stated, who are non-partisan and non-prejudiced, he represents the conscience and the statesmanship of the State Senate. I give you Senator Roy Goodman from New York City.

SENATOR ROY GOODMAN: Thank you very much, Senator MacNeil Mitchell, my predecessor and mentor of the New York State Senate. It is a great honor to be invited to this distinguished group by such a special person.

Ladies and gentlemen, I am very pleased to have been asked to appear before you but somewhat regretful for the reason why I am here, pinch-hitting for the all-time great in the State Senate, Senator John Caemmerer, who

was to have been before you and, as you have been told at this point, is recuperating successfully from surgery. I received a call only the day before yesterday asking if I would fill in for him, and there is no one that I have more devotion for or whose work I respect more greatly than that of Senator Caemmerer. So, of course, it is a real pleasure to see you.

I might also say that I take some pride in being the co-sponsor of what is known as the Caemmerer-Pisani Bill, which is the first major step taken within memory of the New York State Legislature to try to combat the problem of automobile theft.

Immediately prior to coming to visit with you this afternoon, I was at the Hotel Plaza for a lunch that was sponsored by the Chrysler Corporation. As I left the Plaza, I saw none other than a dozen new Chrysler automobiles out front, and for just a fleeting moment, I was sorely tempted to arrange to borrow those—to bring them over here to show you how really easy it is at this point in New York to steal cars. There they were, gleaming brightly, and in each one sat a young lady giving out car literature to the passersby, but I refrained from that impulse. It might have made me late for the speech.

I want to assure you, despite the fact that there is going to be a cash bar tonight, that in addition to its being a conference dedicated to the solution of a very serious problem, that this is also one to which we as New Yorkers are delighted to welcome those of you from out of town. You are quite a remarkable cross-section, and I am going to prove it to you by just reading the names under the letter "A" of the present registration list of this conference. They will, I think, illustrate the point of the remarkable diversity and professional character of the varied audience seated here today: Joseph Accardo, Jr., State Representative, LaPlace, Louisiana; George J. Acker, Senior Investigator, New York State Police, Albany, New York; Milton E. Ahlerich, Special Agent, FBI, New York, New York; James B. Allen, National Automobile Theft Bureau, Jericho, New York; H. Bruce Allfree, Product Manager, American Bank Note Company, New York, New York; Joseph L. Altagen, C. A. Auto Dismantlers Association, Los Angeles, California; Henry Ashline, New York State Department of Motor Vehicles, Albany, New York; Thomas Athill, Auto Crime Renting and Leasing Security, New York, New York; and that just ends the A's. I could read the whole list to you, but I will not since you will be meeting one another. You will then see that the proof of the pudding is in the eating and that you are a spectacular group. I hope you are a spectacular group because to be quite frank, the problem which I seek to correct is one of the toughest I have experienced in my dozen or so years in the Senate and in some of my years spent in various law enforcing areas.

The scope of the national automobile theft crisis is almost impossible to encompass in a few words, but will you allow me just an attempt to do so very briefly?

In 1976, on a national basis, approximately one million vehicles were reported stolen. That is one auto theft

every 32 seconds. Including the value of the vehicle and the expense of attempted recovery, automobile theft cost the American consumer almost \$1.6 billion in 1976, and adjusting for inflation and for the increase in the automobile rates, it is probably well above \$2 billion today. Now, while the national auto theft rate dropped in 1976 by about 4 percent over 1975, that did not reveal the true story. Stolen vehicles, with related expenses, continue to skyrocket due to the decline of the number of cars that were recovered. In 1955, for example, the stolen vehicle recovery rate was about 95 percent. Currently that rate has plummeted to 70 percent with some areas actually as low as 30 percent. New York State accounts for more than 10 percent of the national auto theft rate, and contrary to national trends, the statewide automobile theft rate again increased dramatically, however, to the 1975 level. As if that were not bad enough, in New York City in the last year there were almost 95,000 automobile thefts, 13,000 in Manhattan and over 3,000 in my own area on the east side of Manhattan.

Let me mention to you that under the leadership of Senator Caemmerer, some very tough two-fisted action was attempted in this session of the State legislature, and in mentioning this I should point out that it is not always the merits of a case which determine the disposition of arrest cases. Sometimes politics rears its ugly head and thwarts some of the best efforts of some of the most enlightened agencies and individuals.

First, a brief description of Senator Caemmerer's bill because it may represent to you some of the distillation of the kinds of practical steps that can be taken to combat this problem in a beleaguered state such as New York. First, the bill seeks to heighten the control over salvage automobile parts. Second, it seeks different penalties for illegal dismantling through chop shops; through the falsely written auto theft reports that are so often submitted; it also seeks the increase of penalties for the crime of tampering with a vehicle's identification number. Thirdly, it also recommends insurance rate rebates for automobiles which are equipped with auto theft devices. It would also require automobile vehicle identification on major component car parts (making this mandatory after July 1, 1981), and it would establish a special auto theft bureau within the Department of Motor Vehicles to clamp down on the chop shops themselves.

Now, during the course of this conference your purpose will, of course, be to arrive at other practical measures and the finished product of the immediate conference will be a series of hardhitting specifications which I know you will generate. Let me remind you, however, the important achievements of a conference such as this are not the immediate news releases that are issued upon its conclusion. As Herbert Spencer, the great philosopher once said, "It is only by reiteration and reiteration that we can impress an alien concept upon an unreceptive mind." And if the tough measures which must be taken to block car theft are not impressed relentlessly over and over again upon the sensibilities of the legislators in the 50 states, all of your good efforts will have gone for naught.

But I am as confident as I can be that with the quality of this group and with the relentless leadership shown by Senator Caemmerer and by my colleague Senator Pisani of the Consumer Protection Committee of the Legislature, and former Senator MacNeil Mitchell, the Project Director of this group, and Mr. Clarence Geiger, and others too numerous to mention, that you have the opportunity for an enormous success.

Let me just turn briefly to one or two housekeeping matters which relate to the conference, which I have been asked by the staff to convey to you so that you will have a clear understanding of the way the format will work. As you are aware, the National Workshop is a direct outgrowth of the concern of the Committee that I have just described to you in the Senate, and so it is that Committee which has set up the ground rules. The goals of the Workshop are to bring together, at the national level, the various parties concerned to arrive at a consensus.

It only remains for me, ladies and gentlemen, to wrap up by thanking you very much indeed for being here, by wishing you a superb several days in New York City which, if you will permit just a little local pride, despite its car theft problem, is the most exhilarating, entertaining, delightful and wonderful place where anyone can possibly be for a convention. I salute you and wish very much for your success and want you to know that if there is anything that any of us in the New York State Senate can do to be of assistance while you are here or after you leave, we are at your service.

A million thanks, and have a fine day and a fine several days.

SENATOR MITCHELL: Thank you very much, Senator. Senator Goodman has to leave, but I know he carries with him our thanks and appreciation for going out in this extraordinary way to be here to help us. Our four speakers today will talk on the subject of the auto theft problem, and as I mentioned before, I hope that in the Workshops that will follow, you will really bring your talents to bear on that particular issue, because the moderators and the facilitators will be taking notes and will be prepared to present their conclusions on the final afternoon.

The first speaker is going to be Mr. Thomas Horrigan, the Executive Secretary of the International Association of Auto Theft Investigators. Thomas Horrigan.

MR. THOMAS J. HORRIGAN: Thank you very much, Senator. The auto theft problem still continues to be one of the most complex, costly and widespread problems ever to confront either law enforcement or the American public. Our present inability to correct the situation can be summed up in one word—apathy. This attitude is reflected in the courts, the public, the insurance companies, and in law enforcement itself. Auto theft is a major crime and perhaps the fastest growing crime in this country. It is referred to as often as people discuss the weather, but no one seems to be vitally concerned about its ramifications.

During 1960, the FBI, alarmed with the ever rising amount of car theft, authorized panel discussions and conferences all over the country in an effort to establish methods to deal with this offense, to secure all possible information regarding techniques and procedures and to impress upon each police department, large and small, the importance of working together to cope with auto theft successfully. For many years we have tried to justify our lack of success by passing the buck to the automobile manufacturers by blaming the lack of cooperation in providing theft proof ignition locks. However, the manufacturer has now attempted to improve the vehicle, maybe not as much as some of us would like to see, but let us take a look at it. He has eliminated the exposed terminals to prevent the vehicle from being started via a piece of tinfoil, a paper clip or a coin. He has redesigned the tab shifts to eliminate apparent weaknesses. He has tempered windshield glass to be used for windshields. He has also expressed an interest in how vehicles are being stolen, and he wants to know how his safety features are being defeated.

Car theft by juveniles still constitutes a great bulk of the auto theft violations, and it has been suggested that a definite factor in the leniency shown to the thieving juvenile is the unfortunate deviation of the offense called "joyriding." This word infers that the theft is not really intended; that the purpose was to provide just a few hours of enjoyment. Now, as law enforcement officers we know that when a vehicle is stolen it constitutes a threat of death, damage and injury to the general public and to property. Due to the fact that the stolen vehicle plays a large part in police work, it has been recommended that all police agencies, regardless of size, arrange to train personnel who will specialize in the investigation and recovery of stolen vehicles. These officers should also concentrate on the activities of automobile wrecking shops.

Police records still reflect the method most frequently used by auto thieves is the purchase of badly damaged vehicles, thus obtaining a title and a vehicle identification number, which are then used to disguise a similar make and model vehicle which has been recently stolen. In one large department, the robbery squad estimates that 30% of the robberies committed utilize stolen vehicles, and in the crime of burglary, the stolen car is used more frequently by the juvenile offender. It still appears that education, enforcement and engineering are the weapons needed by law enforcement to make headway against this crime of auto theft.

Now, I could end right there, but I want to go on just a little bit further and tell you that this is not my speech. It was a convention speech given by Frank A. Sweeney, Chief of Police from Jenkintown, Pennsylvania, to the 1960 Annual Conference of the International Association of Chiefs of Police, which was held on October 4, 1960. Just think—October 4, 1960, one day short of 18 years ago, and yet we are still talking about some of the same problems.

It is true, auto theft has changed somewhat from the problems we had years ago to what we have now, but has it really? We still have the salvage problem, we still have the VIN-switch problem, we still have juveniles stealing about 50% of our vehicles, we still have keys in the ignition switch, we still have one nontitle state, we still have stolen vehicles crossing international boundaries, we still have a high rate of recidivism, and we still have organized crime and car parts shortages, but it is not all negative. We have made many improvements. Today, and for the next few days, we have an opportunity of going over some of the problems and coming up with what might well be called the three "E's" that Chief Sweeney talked about: Education, Enforcement and Engineering. This means to educate the public, the prosecutors, magistrates, administrators, our departments of motor vehicles, police and police officials that auto theft is a problem that each and every one of us is shouldering the cost of and that no one agency can eliminate alone. The enforcement tools are necessary to overcome the problem of identification, prosecution, reformed tracing and providing the needed auto trail, the information necessary to provide the manufacturers with what we feel might be needed from an engineering standpoint, and not saying we need this, we need that, and not being able to back it up.

How do you secure voluntary cooperation from the motoring public to lock the doors of their vehicle or not to park the car momentarily with the keys in it, or the engine running? Many jurisdictions already have regulations for leaving the keys in the ignition or leaving a vehicle unattended with the engine running. My question is, do we enforce it? Is something more needed? That is the question you will have to answer in the workshops.

To the police administrator I say that when you have an active vehicle enforcement program for traffic and theft you have fewer crimes altogether. Traffic and theft work very well together, and each and every law enforcement officer should know what to look for, where to look for it, how to check it out, and when to check it out. I pose a question to each and every one of you here, can anyone in this room name me a crime in which an automobile is not used? You note I said automobile. I did not specify a stolen automobile. I posed this in several of my classes. One student came up with abortion, one came up with gambling, another came up with skyjacking. My reply is—how did the number slips get to the counting office, to the bookies, to the tug or ship; how does a pregnant woman get to a hospital; how does the skyjacker get to the airport? So we are talking about a vehicle that is in use every day. It may not be stolen, but with an effective traffic and theft program, we can cut it down, so think about it. The vehicle is an intricate part of our lifestyle. We need it, but it has posed some very intricate problems for us. Thank you very much.

SENATOR MITCHELL: Thank you. Our next speaker is substituting for Assistant Attorney General Philip B. Heymann. In his place we have Mr. Ralph Culver of the

Private Property Unit, General Crimes Section, Criminal Division of the U.S. Department of Justice. Mr. Culver.

MR. RALPH CULVER: Thank you, Senator Mitchell. Good afternoon. It is a pleasure to be here with you to discuss the merits of auto theft prevention. The New York State Senate Standing Committee on Transportation is to be commended for its complete devotion to this problem and its work to bring about this first National Workshop on Auto Theft Prevention.

Since most of the objectives of our Interagency Committee on Auto Theft Prevention will be covered in detail during this Workshop, I will only endeavor to give you an overview of those activities at this time. Past experience has shown that when problems commence across state boundaries, federal laws have been enacted to deal with those problems. Since the auto theft problem has overlapped across state boundaries for quite some time, we have had the Dyer Act on the books since 1919. This statute (presently 18 U.S.C. 2312 and 2313) which was named after its sponsor, Congressman Dyer from Missouri, is not a substantive auto theft offense but rather a transportation offense which prohibits the transportation of stolen vehicles across state lines. Also, this statute makes it an offense for anyone to knowingly receive, conceal, sell, or in any way dispose, of a stolen motor vehicle which has crossed state lines.

In 1970 it became evident that there was just not sufficient prosecutorial and correctional resources available for the Department of Justice to continue to process all individual interstate car theft cases. Therefore, the Department issued what is known as its restrictive prosecutorial guidelines. Now, these guidelines emphasized that the field of prosecution would concentrate on interstate auto theft ring cases and certain individual cases which were "exceptional" in nature. As a result of these guidelines, the filings of Dyer violations were substantially reduced. However, these restrictive guidelines, while reducing the federal caseload, by no means eliminated the auto theft problem confronting the local law enforcement agencies.

As you know, these local law enforcing agencies have always handled the overwhelmingly majority of auto thefts within this country. By 1974, nationwide auto thefts were approaching one million. Now we found that the locals were not picking up many of the Dyer Act cases declined for federal prosecution. Also, it was evident that auto theft had grown into such proportions that increased enforcement alone was not sufficient to deal with the auto theft problem. What was really needed was a development of measures to prevent the theft of motor vehicles and the fencing of stolen vehicles and motor vehicle parts.

As with any task to be done, we familiarized ourselves with the nature of the auto theft problem. By that I mean we studied the principle methods by which auto theft was being committed and the principle methods by which stolen automobiles were being fenced in the legitimate marketplace. After doing this, we selected the agencies

that had statutory authority on the books to do something about the auto theft problem, and when I mention agencies in this sense, I mean federal agencies. At that point we selected the measures, or you may call them countermeasures, to deal with the principle methods of stealing automobiles and fencing automobiles.

Having done this, in March, 1975, we formed the Federal Interagency Committee on Auto Theft Prevention. Our goal was a most ambitious one at that time and it still is today. We hope to attain a 50 percent reduction of auto thefts by pursuing six program objectives. Briefly these objectives are described as follows: the installation of improved locking systems for motor vehicles; improvement of motor vehicle titling and controls over salvage vehicles; better vehicle identification and also the identification of the major components of a motor vehicle; the establishment of controls for the transportation of used motor vehicles to foreign countries and also, the taking of necessary steps to improve the means of recovering motor vehicles which have been stolen here in the United States and taken to Mexico; local anti-theft campaigns to stimulate citizen involvement; and better coordinated law enforcement between federal, state and local levels of government.

Let us look for a moment at the membership of our Interagency Committee. This Committee is co-chaired by officials from the Departments of Transportation and Justice, and is made up of representatives from the Departments Transportation, Justice, Treasury, State and Commerce. The Interagency Committee has no separate authority to function as an agency of the federal government. It has no budget. It serves as a coordinating vehicle to achieve such type of action as is needed to bring the resources of the statutory authority of these various agencies together so that we can achieve the objectives that I have just laid down before you.

While trying to come to grips with the auto theft problem, we could not help but recognize that the nature of auto theft is changing. This is not to tell you that juveniles and joyriders do not still constitute a considerable portion of the auto theft problem. They do. However, their involvement is decreasing. In short, these juveniles are being replaced by a growing number of professional thieves. Therefore, different approaches are necessary to deal with this professionalization of auto theft. These approaches will be clearly portrayed to you during the course of this Workshop.

Since auto theft basically is a crime which impacts on the community where the theft occurs and it is usually committed by individuals who are members of that community, most of the governmental efforts taken to deal with this crime must be undertaken by state and local governments. As I indicated to you earlier, most auto thefts do not constitute federal offenses. We in federal law enforcement, as those in local law enforcement, do not suffer from a lack of demand on our limited investigative, prosecutorial and corrective resources. Confronted with white collar crime, organized crime, political corruption and narcotics trafficking, we at the Department of Justice

must use our limited resources in such a manner that we can best "get the job done." Therefore, consistent with the priorities which I just described to you, the available federal investigative and prosecutorial resources must be devoted to the professional side of auto theft which has crossed state or international boundaries.

While we cannot process the bulk of individual interstate auto theft cases, we do endeavor to assist the states. One example of such assistance is the diversionary statute, 18 U.S.C. 5001, which authorizes the transportation of youthful auto thieves at federal expense back to the states where the theft was committed.

Regardless of the effort that we may undertake to enforce auto theft, this is a job that we in the federal government cannot do alone. We not only must look to others to help us, but we must explore new approaches. As we were successful in drastically reducing aircraft hijacking by keeping would-be hijackers off the airplanes, we must simultaneously institute measures which will keep auto thieves out of automobiles and also keep auto thieves from fencing stolen automobiles in the legitimate marketplace. If we do this, we will be well on our way to taking the profit out of auto theft.

A good step was taken in this direction on September 6, 1978, when the Department of Justice sent to Congress for its consideration, a proposed legislative package entitled "The Motor Vehicle Theft Prevention Act of 1978." This legislation represents the combined efforts of the Departments of Treasury, Transportation and Justice. This legislation was introduced in Senate Bill No. 3531 on September 27, 1978 by Senators Biden, Percy and Thurmond.* If this bill becomes law, it will accomplish the following: it will give the Secretary of Transportation authority to issue regulations which would prevent the theft of a motor vehicle or its major components or its contents. This will be accomplished by improving the locking devices for the ignition as well as the engine portion and passenger compartments, and by requiring the marking of identification numbers on certain major crash components. It will make it a felony crime to alter or remove any motor vehicle's or vehicle part's identification number required by the Secretary of Transportation. It will make any motor vehicle or vehicle part which has a removed or altered identification number required by the Secretary of Transportation subject to seizure and possibly forfeiture. It will make it a federal crime to traffic in motor vehicles or motor vehicle parts which have had their identification numbers removed or altered. It will amend the RICO (Racketeer Influence and Corrupt Organization) statute, to include as racketeering activity the trafficking in stolen automobiles and their parts. This will be done by incorporating the present Dyer Act and new trafficking statutes within the definition of racketeering activity. This measure is potentially the most viable because it also imposes severe criminal and civil penalties upon legitimate businesses which dispose of the stolen vehicle and its parts. It will give the Secretary of the Treasury—that is,

* H.R. 14252 in House. Introduced by Congressman Green on October 5, 1978.

the Customs—authority to issue regulations concerning the exportation of used motor vehicles; and it will require the Attorney General to prepare a report of the growing number of "off-road" vehicles used in the construction and farming industries.

As I mentioned earlier, we were influenced in our selection of agencies for the Interagency Committee by the existing statutory authority relating to auto theft which happened to be available to those federal agencies. For example, the National Traffic and Motor Vehicle Safety Act of 1966 gives the Secretary of Transportation regulatory authority to issue safety regulations which are binding on the manufacturers of motor vehicles. Such studies have shown that auto thefts by joyriders and transportation seekers do contribute to the auto safety problem.

The National Highway Traffic Safety Administration (NHTSA) issued Standard 114 relating to theft prevention in the late 1960's. This standard, which became effective on January 1, 1970, has done much to slow the growth of auto theft in the 60's and more or less held the yearly total down to around one million vehicles. To further improve on these anti-theft measures NHTSA has proposed some additional rules to strengthen the requirements of Standard 114. At the present time they are analyzing the comments concerning a recent proposed rule relating to theft protection. It is expected NHTSA will issue a proposal amending the present Standard 114 early in January, 1979.

Another statute which I would like to mention to you, for just a moment, is the Highway Safety Act of 1966. This Act permits the Department of Transportation to issue highway safety standards which are applicable to the states. Acting pursuant to this Act, NHTSA issued proposed Standard No. 19 relating to motor vehicle title and theft. A representative of NHTSA will brief you on the scope of this proposed standard in Plenary Session III.

If we are going to be successful in reducing motor vehicle theft as well as other areas of crime, we must take the partnership type of approach which is characterized by the work of the Interagency Committee. However, I do not mean to infer that this partnership should be limited to the membership of the federal government or only agencies in the federal government. On the contrary, this partnership approach should include the voluntary participation of the state and local governments, the business community and the general public.

In 1972 the Department of Justice initiated just such a partnership with the states by encouraging the establishment of federal law enforcement committees. At present these committees, consisting of principle federal and state law officers, are operating in approximately 30 states. These committees were established for the purpose of increasing the law enforcement of such dual jurisdiction offenses as auto theft, bank robberies and narcotics. Hopefully, the joint efforts of these committees will assist in reducing the motor vehicle theft problem.

Having recognized that law enforcement alone cannot solve the auto theft problem, we are hopeful that others,

such as the insurance industry and the motor vehicle administrators, would work along with us in this endeavor. It is only by working together that we can be successful. Thank you very much.

SENATOR MITCHELL: Thank you very much, Mr. Culver, and please give our best regards to Mr. Heymann. We are sorry he could not be here with us.

Before introducing the next speaker, I want to mention one thing. You will notice these proceedings are being taken down by the stenographer. At the conclusion of the conference we are going to have a compendium published of all the proceedings including what transpired here and the conclusions that were reached. A large number of copies of these will be made available for distribution not only to those who attended but also to others interested in seeking a solution to this difficult problem of auto theft.

Our next speaker comes from the state with which we have had a great deal of interesting communications and activity in the past. During our past eight conferences run by the State Senate Committee, we have had at least five or six people from this far distant state at each one of our conferences. Today we are very fortunate in having an individual who has been quite active in his own state legislature in the development of legislation along the lines in which you are interested, and I would like to present to you, Mr. Gordon Walgren, Majority Leader of the State Senate in the State of Washington.

MR. GORDON WALGREN: Thank you very much for the invitation to attend and to speak before this gathering. I was a little nervous, I might say, when I read that this was going to be a group of experts, and I can well understand that the people around the podium are experts. I do not feel as though I am, but I am happy to say that once again the State of Washington has brought some real experts. We have with us Captain Jim Sprague and Lieutenant Mel Mooers from Washington State Patrol and Gene Baxstrom, staff and Senator Noel Bleich, member, Senate Committee on Transportation. We have a number of people who have been very active in the program that we have put together in the Washington State Legislature with the cooperation of a number of agencies.

Since many of you are directly involved in law enforcement or other occupations involving the prevention of auto theft, I know it is not necessary for me to explain to you the importance of this subject. As I already mentioned, you will hear and have heard from a number of people that know a great deal more about this than do I. I might say that I served as Prosecuting Attorney for a small county in our State and presently serve as a city attorney, and I well recognize the need and necessity for continued and detailed instruction and help to be given to law enforcement officers and other agencies to enable them to cut down the very serious proportions of this crime.

I would like to take this opportunity today to discuss the program that we have operating within the State of Wash-

ington and to make some other comments relative to the importance of our program as it relates to other pressing problems of law enforcement. The approach that we have taken in the State toward auto theft prevention is, I think, a very sound one and one that is based upon two very important principles. First of all, we do our very utmost to ensure that the records that we keep on the vehicles are as accurate as possible. Secondly, we work very hard to maintain a close working relationship among State agencies' personnel, our Department of Licenses, our Department of Transportation, our State Patrol, between local law enforcement agencies and others working with automotive related industries.

Our effort to maintain the most accurate records possible and thereby discouraging auto theft brought about the creation of four different, but related, programs which required implementing legislation which passed through our State Legislature. Briefly, they are as follows. First, the State licenses auto wreckers and requires them to send to the Department of Licensing a monthly report of all vehicles scheduled for wrecking accompanied by titles from those vehicles. After 1969, we required that license plates also be surrendered monthly to the Department of Licensing. Obviously, this type of control prevents or at least minimizes the unlawful use of license plates.

Secondly, when a vehicle does not have a vehicle identification number (VIN) because it was either a homemade vehicle or the original VIN number has been destroyed for whatever reason, we require that there be a State Patrol inspection, and the assignment of number or a reassignment of the original VIN number. A special ID plate is attached to the vehicle by adhesive. A State Patrol logo is stamped partially on the number plate and partially on the vehicle as an added precaution. Previously it was possible that a person could have a VIN number stamped on the car body and a succession of similar vehicles stamped with the assigned number. Each vehicle is inspected by an officer who gives particular notice to whether the number is the same as described in the title. You might be interested to know that one year after this program was instituted we had approximately a 50% reduction in application for new numbers.

Thirdly, in September of 1972, after a very extensive consultation with the insurance companies and with our Insurance Commissioner, the Department of Licensing began requiring the insurance companies to maintain detailed notes concerning the source of the salvage. When sold, the salvage is then recorded on a bill of sale. Any reconstructed salvage then must be inspected by the State Patrol before retitling. That prevents the old ploy of transferring the VIN number of similar makes and models as repaired salvage with title. If the owner elects to retain the title, the title is returned to the owner subject to State Patrol inspection.

In 1974, the fourth element of our anti-theft program was started when the legislature directed that every vehicle formerly licensed in another state and now being re-licensed in Washington State be inspected by the Wash-

ington State Patrol. This means that the vehicle would be brought to a State Patrol office where one of about 75 specially trained State troopers checks for the authenticity of that vehicle's registration. These troopers carefully check the vehicle's identification number for alteration, check other identifying characteristics of the auto, and check each vehicle against reported stolen car records.

Now, you might wonder what kind of response we get from those dealers that are involved in this type of activity, and I have had an opportunity to talk to a number of them. They are very pleased, I would say, with the good, cooperative, courteous work that is done by the Washington State Patrol. I must say that when a well-qualified, well-trained law enforcement officer, somebody about six foot four with a nice blue uniform on and a badge, comes into that particular agency, he does have a tendency to command respect, and I think, for a very good purpose.

No matter how good the programs are, they are only as effective as the personnel who carry them out. As I said, Washington State has approximately 75 State troopers performing VIN inspections. They have been specially trained concerning vehicle identification. These troopers also periodically inspect wrecking yards, bulk dismantlers and scrap processors, and have become very knowledgeable in the methods of falsifying auto records and parts. They have been trained anywhere from 42 to 144 hours, generally at courses given at the Washington State Patrol Academy. In addition, a special abbreviated class on vehicle identification is offered at the State Patrol Academy for other State troopers who are involved on a more or less part-time basis, and for city and county police agencies.

Among other instructors, the State Department of Licensing and National Auto Theft personnel are utilized during these training sessions to familiarize commissioned officers with state and national motor vehicle record management. These kinds of training programs involve all levels of law enforcement, together with membership in national and regional auto theft committees, and facilitate excellent cooperation among state and local personnel.

Now, as a state legislator I am charged not only with looking at the kind of auto theft program and prevention program that we have in the State of Washington, but also—obviously—I have to weigh the benefits of these programs against the public costs; the programs are not cheap. We presently have 47 personnel within the State Patrol involved full time in an auto theft prevention program such as VIN and auto wrecking yard inspection. It requires a budget of about \$1.2 million per year. In addition, there are approximately 15 to 20 Department of Licensing personnel who spend at least part of their working hours at vehicle registration and examining junk yards and auto processors' records. Plus, we have a number of—as I have already indicated—part-time officers, or I should say full-time State Patrol officers, who spend part of their time on these programs. Against the costs that are required, we must weigh the public bene-

fits of the program. Quantitatively, it is difficult to assess the number of auto thefts that may have been prevented. We think many have been. Along with the other major crimes that are associated with auto theft, qualitatively the residents of the State of Washington receive, we believe, many benefits from effective auto theft prevention.

First, the \$10 VIN inspection fee for used cars, for those cars coming out of State, helps determine whether those cars are stolen or not and also ensures that the identification numbers are accurately and properly recorded.

For fiscal year 1978 we had about 200,000 vehicles that went through this process. The State Patrol tells me that they figure \$4.75 is the actual cost that is involved in the processing. The remaining money, of course, flows into our Motor Vehicle account which helps pay for some of our other programs. Every year there is submitted to the State Legislature a bill to reduce the cost of that inspection program, that is, the fee charged. I might say that that bill has a great deal of difficulty getting out of the necessary committee, and consequently, the cost has remained constant. I served as Chairman of the Senate Committee on Transportation before my new responsibilities, and I watched that bill with particular interest as it of course, went to our Ways and Means Committee, knowing full well the amount of money that the current fee produces. Secondly, all of the various checks on titles of cars and on automobile licenses reduces the chances of a Washington citizen buying a stolen vehicle in our State, or of a citizen having their car stolen. Thirdly, minimizing car theft has reduced auto insurance rates and helps keep Washington auto insurance rates near the lowest in the nation.

As an elected official and as part of the legislature, our job is to assign legislative funds to programs deserving of public support. This means we have to provide enough money to have people trained who can do the job and give them the tools they need to do it effectively. In our State, the auto theft prevention program has been well-funded, especially over the last ten years. We think it is an important program, and we believe that it works well. We believe that the benefits to the public justify the levels of expenditure that we have put into the program, and we think that most importantly the public agrees with our judgment in this regard. Admittedly the program is an expensive one—if it is to be done well. Other states may not have to put as high a priority on its value, but we think that those states who have had an opportunity to investigate our program, or who will during this conference, will certainly consider doing some of the things that we have done.

I simply would like to mention in closing that, in the complex and mystifying world of automobile ownership, the citizen has a right to expect whatever protection a state can provide against auto theft. His car is usually his second most valuable possession, and he is not individually capable of making sure that it is always completely secure. As elected officials and as law enforcement people, we have the responsibility to try to devise the

most effective methods of protecting the citizens and ourselves.

This conference is one at which we can do that, and we can share our insights for improving the approach and the methods we now use.

SENATOR MITCHELL: Thank you very much, Senator Walgren. We appreciate the fact that you and your colleagues, the other members of the Highway Patrol and your legislative staff are here today, and we have always enjoyed working very closely with you.

Last but not least of the quartet of imposing speakers today we have Mr. Paul Gilliland, the President of the National Automobile Theft Bureau.

I want to commend him in the first place for having been of such great help to us in connection with securing some of our moderators and facilitators and also in many other ways he has been helpful. Paul Gilliland.

MR. PAUL GILLILAND: I thank you, Senator Mitchell.

From the speakers in these three days of the National Workshop on Auto Theft Prevention it looks like a real working session. I see we are down to our shirtsleeves and vests, so I realize that it is rather warm in here. In summarizing and concluding it, I will try to be as brief as possible so if you bear with me we will get on.

We have heard statistics today indicating that we have nearly a million vehicles stolen each year; that we are meeting in an area where there are about 95,000 vehicles stolen each year, the New York metropolitan area; and there have been estimates of the cost of this crime upwards to and in excess of \$2 billion per year.

Nearly 50 percent of all the larcenies reported to law enforcement in the United States involved the motor vehicle, that is the theft of a vehicle, the theft of accessories or the theft of its parts.

Another very serious statistic, I believe, is the decrease in the percentage of those crimes that are actually cleared by arrest. Ten years ago about 24% of the crimes were cleared by arrest. In 1976, 14% were cleared. This is about a 41% decline.

Now, let us look at the economics of auto theft. The *U.S. News and World Report* of September 25 indicates that in 1978 we sold 11,100,000 vehicles in the United States and that in each of the last three years prior to that, we sold over 10 million vehicles. It was split up—about 2 million imports or nondomestic, and the remainder domestic vehicles. The same source indicates that the average sticker price of a GM car in 1978 was \$7,667. Four years ago, the average price was \$5,000. Auto theft has become an extremely lucrative crime.

Economists say that when the supply of an item is less than the demand for that item, prices will rise. When the supply is greater than the demand, prices will fall. A corollary tells us that if supply and demand are in balance, but the supply is at a price higher than people are

willing to pay, the demand will go unmet or another source of supply will be sought.

The professional criminal, both juvenile and adult, has found that inflation has certainly made these laws operative as far as automobiles and auto parts are concerned. The cost of buying new or late model cars, or buying new replacement parts, has created a market for the lower prices of the auto thief.

Now, what is happening to those four out of every ten vehicles that are not recovered? The chop shops that exist across the nation are where late model expensive vehicles are taken to be disassembled and reduced to parts that are then resold.

We still have the ever present ring operations that were referred to in the speech of 18 years ago, and they are very operational. Counterfeit documents seem to be more prevalent. The salvage titling problem is still with us. Insurance fraud, the use of counterfeit documents, salvage documentation, and even owner's conspiracy (those who submit fraudulent claims to the insurance company in order to secure a settlement) are all problems on the upswing.

Even the juvenile, the so-called "joyrider"—which is a misnomer because stealing a \$10,000 vehicle or having one stolen from you certainly is not joyful—now strips and sells tires and mag wheels and wire wheels, radials, and CB radios from the vehicle. But if you really stop to think about some of the drug problems that exist in the United States, and you realize that just one marijuana joint laced with PCP or angel dust comes on the street at a cost of about \$5, the income has to come from somewhere.

Now, how do we deal with this problem? I think first we have to realize that auto crime is not uniquely a criminal justice problem. It is a problem of all society. If we are to stabilize and control auto crime, we must have the cooperation of all of society and especially that of the motoring public. The Workshop has several major purposes and one is to set priorities. How can we most expeditiously impact the auto theft crime problem that exists in the United States today? What are the most direct methods to accomplish this? Are there intermediate solutions? And what long-term objectives should be aggressively pursued?

Now, I think we are all business people. We deal in terms such as profit and loss and risk, and the market, markup, margin, overhead. I think those are all reasonably familiar terms. If we think about the thief, he has a very sizeable

markup. He certainly has little overhead. He has many tax advantages, so he is a pretty competitive individual, but if we really truly think about his operation, he is a businessman. He really compares the potential profit versus the potential risk that is involved as he plies his trade, and I think profit is a very, very key word. If we can eliminate the profit in auto theft, and for that matter in all crime today, we could stabilize and control it. I think one of the first things that needs to be done—we have to get involved. We have to rededicate ourselves to the fact that we are going to do something about auto theft.

Eighteen years ago the police chiefs met and talked about it. We are still talking about the same thing. We must get the prosecutors, the police, the judges, legislators, the insurance industry, social and civic organizations, the manufacturers, salvage dealers, the recyclers and most of all, the motoring public, involved and rededicated to solving this problem by working together.

I would suggest that we must first harden the target. The simple act of locking the car and taking the key would be a major step in the direction to thwart the juvenile thief. We have to dry up the market. I ask you to remember that for every seller there is a buyer, and the buyer is equally as much involved as is the seller. We must increase the risk to the thief, and we can do this by the assurance of swift and sure enforcement when the law is violated, and I pledge the assistance of the National Automobile Theft Bureau to you in this area.

Ladies and gentlemen, I am encouraged with the attendance that I see here today. There are many experts in the audience. I ask you to participate in the Workshops, to deliberate well, to express your ideas, and help us solve this problem of auto theft. I thank you very much.

SENATOR MITCHELL: Thank you very much, Mr. Gilliland. Just a couple of quick announcements before you leave. We started eight minutes late, which is contrary to the custom of our Committee, and we finished eight minutes early. We are going to try to keep to our schedule even more effectively in the future.

I want to thank Ralph Culver. I want to thank Tom Horri-gan, Senator Walgren, Majority Leader of the Washington State Senate, and Paul Gilliland, for being here and starting this program off so successfully.

You have all been assigned to a specific workshop. You will not start until 3:45 P.M. I hope that you will take a little time out and then meet in your respective rooms. We look forward to seeing you there.

The meeting is adjourned.

Dinner Proceedings

*Keynote Dinner
Tuesday, October 3, 1978*

KEYNOTE DINNER

MR. BLAIR EWING: It's a pleasure to be here this evening to welcome you to what I'm sure will be a very productive Workshop on the problem of auto theft in this nation. Senator Caemmerer and Senator Mitchell and staff have done a wonderful job.

Earlier this year, I had the opportunity to testify before the Senate Science and Transportation Subcommittee, which was investigating a number of issues relating to auto theft. In discussing LEAA programs to help states and localities cope with the problem, it became apparent that greater cooperation and communication among the various groups involved—state and federal government, state legislators, private industry—could be a valuable step forward. So we were pleased that our interests and those of Senator Caemmerer's dovetailed in this particular instance, and we were able to provide the funds to help make this meeting possible.

Certainly, there is no need for me to discuss the dimensions of the auto theft problem. The many able speakers you will be hearing over the next two days will provide a thorough and up-to-date review of the issues involved. Let me just say that we at LEAA are acutely aware of the costly implications of auto theft for the nation.

In addition to the direct costs—the value of the stolen vehicles, the costs of recovery, and the costs of law enforcement efforts to combat auto theft—the indirect costs are also substantial. Insurance premiums must rise as the rate of auto theft increases and as the industry attempts to protect itself against fraud. The growing trend for owners to "dump" cars or to arrange for them to be stolen so they can collect insurance must be halted. As you know, estimates of the costs of auto theft to the American public run into the billions.

Over the next two days, I hope we will be able to draw upon the wide-ranging experience that each of you brings to this meeting so that we can begin to reduce that toll. We are interested in your analysis and recommendations so that we can begin to fashion a more effective intergovernmental response to the problem.

At the same time, the National Institute—the research arm of LEAA—is particularly interested in your ideas for future research and development activities relating to auto theft. Given the complexities of the issues involved, it is important to identify those areas where additional knowledge is needed in order to formulate sound action.

One of the most important benefits we anticipate from this Workshop is the prospect of continuing dialogue. In this way, we will be able to follow upon the ideas and recommendations that emerge from your discussions.

We look forward to working with you. Thank you.

COMMISSIONER G. B. CRAIG: This afternoon we had the pleasure of hearing Tom Horrigan, Ralph Culver, Senator Walgren and Paul Gilliland outline the nation's

theft problems. All of us here today share a deep concern with that criminal problem which is really more like a disease, a \$4 billion ailment, which infects every corner of America.

Auto theft is big business to the professional thief, a lark to the joyrider, a headache for law enforcement, and, unfortunately, of lesser immediate consequence to the general public. But whatever the point of view, the problem *is* a big one.

In California last year 142,600 vehicles were stolen, about 5 percent more than the prior year, marking a reversal of the gains in theft reduction that we had made in the mid-70's when our major auto theft program was beginning.

The problem grows, and our concerns increase, as this meeting indicates. We have gathered to discuss how we can combat auto theft, because it is a *major* criminal problem. I believe it is America's No. 1 property crime, deserving of the best countermeasures we can muster.

I have some ideas along those lines which I will share with you tonight. My overt response as a law enforcement officer necessarily concentrates on the mechanics of catching thieves and averting thefts. My thoughts, however, range well beyond that to analyze the possible remedies which may lie outside the realm of law enforcement.

Perhaps first I can summarize our California approach, undertaken early in this decade when we recognized that auto theft was beginning to overwhelm us.

The year 1970 might be considered a turning point in California, because it was then that State government awoke to the runaway problem of vehicle theft. Our theft rate was the third highest in the nation, recoveries had dipped to below 80 percent. Our solutions were piecemeal—our system looked like a kid's bicycle tire after riding through puncture vines—more leaks than we could patch. It was then that the State Legislature approved legislation authorizing a special, independent study to identify the *specific* problems, and the recommended remedies.

The study conducted by Arthur Young & Co. revealed a whole series of deficiencies ranging from inadequate provision of timely stolen vehicle information to lack of personnel committed to auto theft investigation.

But, the most glaring deficiency was the lack of coordination between enforcement agencies. Fragmentation of investigation and apprehension efforts actually had resulted in formulation of criminal strategies which took advantage of inter-jurisdictional confusion.

Proper coordination implies strong interagency linkages—good communication, cooperative investigations, and unrelenting pursuit, no matter what the geo-

graphical jurisdiction. Accordingly, the study identified the California Highway Patrol as the logical coordinating agency because of our statewide status.

In March, 1973, using federal grant funds, we enlarged our vehicle theft staff to facilitate the coordinative responsibility, to assist in training other agencies, and to enhance our own investigative capability. Primary emphasis was placed on providing assistance to local law enforcement because, obviously, the total resources of municipal departments are considerably greater than ours. The intent was to enable local law enforcement to derive improved results from available manpower and to perfect that vital additional dimension—productive coordination of investigations involving more than one jurisdiction.

The measurement of our hoped-for accomplishment was reflected in two numerical goals—a five percent reduction in thefts per capita, and an increase in the recovery rate to 90 percent. We *achieved* the first goal in the second year of the program, and the recovery rate has been moving upward each year. This year to date, it reached 89 for all vehicles—and 93.9 percent for automobiles. Trailer and motorcycle recovery rates (60 percent) are comparatively low—which accounts for the inability to reach an overall level of 90 percent.

One of the spin-off benefits of the program has been the establishment of excellent relationships with the business sector, the scrap metal processors, auto dismantlers, and wrecking yards.

We also developed an innovative, computerized information system which we call VTIS (Vehicle Theft Information Service). VTIS provides field officers with prompt reports on newly reported thefts. It also furnishes law enforcement management with detailed summary information on trends in thefts, the models which are currently most popular with thieves, and similar data. Local authorities can also obtain specialized reports upon request.

The general level of investigative expertise has risen perceptibly. Our own officers are better investigators, and municipal jurisdictions, encouraged by the renewed emphasis on theft prevention and apprehension of thieves, appear to be more productive. Working with city and county officers, we have jointly put several major truck and construction equipment theft operations out of business. And we have obtained successful prosecutions in these cases.

Our recommendations to the Legislature have resulted in amendments to law which have tightened procedures for checking vehicle identifications and the registration process itself.

Yet, despite the success of our program, we are now seeing the inexorable rise of thefts once again, although that increase is partly offset by the favorable gain in recovery rates which I mentioned. It therefore is logical to conclude that what we need is more money and more muscle. And I *do* recommend that, because as weapons,

technical and investigative personnel are critically important.

I recently reviewed a federal draft report entitled, "Motor Vehicle Theft: Prevention and Enforcement Program" prepared by the U.S. Department of Justice. I was pleased to note their emphasis on better theft prevention mechanisms on vehicles, improvement of titling procedures, adoption of ID numbers for key vehicle components, closer checking of vehicles leaving the country, better coordination among law enforcement agencies and standardization of vehicle identification numbering systems.

If I might digress here for a moment, I would like to briefly comment on the new National Highway Traffic Safety Administration VIN System, because I see a serious shortcoming in their standard which, as you know, was adopted several weeks ago.

The NHTSA vehicle numbering system would retain so-called "flexibility" in one internal grouping of digits, a flaw which both the California Highway Patrol and California Department of Motor Vehicles believe is detrimental to our use of the VIN. Law enforcement obviously prefers a fixed meaning for each position within the VIN because of the vastly improved potential for facilitating the identification and record search processes. It would also simplify detection of errors, and there are other serious problems with the federal standard. DMV agrees strongly, and we have jointly petitioned NHTSA for reopening of consideration of the standard.

NHTSA pre-emption of the VIN standard is based on its desire to facilitate recall of vehicles for safety purposes. Even though the legitimacy of this need can be documented, law enforcement and Motor Vehicle Department dependence on the VIN for a variety of essential reasons suggests that our needs probably exceed those of NHTSA.

The American Association of Motor Vehicle Administrators, which represents state law enforcement and Motor Vehicle Departments throughout the nation, has also voiced its preference for a VIN with fixed definitions in each position. We are hopeful that the combined concern of these responsible voices will at least convince NHTSA to reopen consideration of its decision.

Now, returning to consideration of recent developments in the anti-theft effort, the Biden-Percy-Thurmond Bill was recently introduced in the U.S. Senate. Within official circles then, the urgency of improving defensive measures is now being recognized, and the potential progress suggested by the proposals in that bill would imply that help is coming.

Which emphasizes the point I made a moment ago, that it is logical to conclude that the capacity to put more investigators into the battle, armed with stronger laws and improved coordinative capability, is highly desirable. And if I were to lay down one simple challenge to this conference, particularly to those who make funding decisions, it would be this. Do not send your front line law enforce-

ment troops into this fight undermanned, undertrained, underequipped, or without the authority to establish that level of interjurisdictional coordination which equates with the sophisticated techniques now used by the professional thief. But I also hope to challenge you a bit further tonight. I hope to reach beyond the scope of the law enforcement perspective to elicit your consideration of the auto theft problem in a broader sense.

Before I came to this meeting, I asked my vehicle theft staff what one thing they would ask for if they could have anything they wanted, in unlimited quantity, to improve our vehicle theft program in California. As usual, there were actually several answers, but the one that stood out was—stimulation of greater public interest in reducing vehicle theft, in taking appropriate action against vehicle thieves.

That is not even a law enforcement issue, at least not exclusively. Exciting public interest is also the business of insurance companies, vehicle manufacturers, elected officials, government departments, judges and prosecutors. Perhaps judges and prosecutors in particular. It is my personal belief that prosecutors and judges represent an essential element in the system, especially when we reflect on the preventive measures available to us. The prosecution and punishment of an auto thief may not appear to be a preventive process, but I would like to elaborate on that proposition for a moment, because I believe it relates to the total problem of vehicle theft and even to other crimes occurring in America today.

Considering vehicle theft specifically, I have often wondered whether it is even appropriate to define the act of stealing a car as a "crime" any longer. In California during 1976, almost 30,000 people—adults and juveniles—were arrested on vehicle theft charges. Over 24,000 of these suspects never reached court; of the 5,400 who did, 128 were sentenced to State prison, thus the odds on going to prison in California, for the crime of vehicle theft, a felony, were 1 in 227. It is true that some of these same suspects were sentenced to prison for another charge, and about 1800 did serve county jail sentences. But most of those arrested, the overwhelming majority of the 30,000 suspects, in effect suffered no penalty at all because the charges were dismissed, or they received probation.

It is my contention that the certainty of punishment is itself a strong deterrent. Certainty of punishment is a preventive measure. I frequently hear the opinion that penalties must be stiffer—fines should be boosted, jail and prison sentences lengthened. *That's not the real issue.* Tough penalties for auto theft exist now, but they are seldom enforced. One suspect in 227 goes to prison in California; another 12 or 13 of that 227 spend some time in county jail. The rest get nothing.

No penalty, no deterrent. Or, stated another way, if the crime does not result in a penalty, the cause and effect relationship is nullified. The cause and effect relationship

must be restored because it is intrinsic to the criminal's learning process. It is similar to putting your hand on a hot kettle. That first burn is an excellent teacher. And thus it is with the penalty for a criminal act. Through insistence on application of the penalty, society also demonstrates forcefully that it is determined to reduce the incidence of theft—a determination not particularly evident today.

I hope I do not convey the implication that the loss of this deterrent is solely attributable to weakness in the prosecution and judicial elements of the system. Underlying social philosophy must respond first, and the system hopefully will correct itself.

Our society presently reflects an uncertainty about many moral and ethical issues. That uncertainty, we must now realize, has produced tragic consequences. There must be no uncertainty about the fruits of crime, which today are, unfortunately, desirable. The fruit must be bitter—totally undesirable, not worth the act.

I suggest that a number of specific remedies exist—reduction of plea bargaining, restructuring the bail process, elimination of legal delaying tactics, assurance that similar crimes receive similar penalties, and, as I have already indicated, that receipt of penalties be certain.

Vehicle theft is unique because it is so often the forerunner of a criminal life, yet it draws little public outcry. The car thief can operate virtually without fear; society cares so little that many vehicle owners make theft easy by leaving cars unlocked, keys conveniently in the ignition, inviting theft.

As those with the responsibility to curb theft—those in law enforcement, in motor vehicle administration, in government, in the legislature—we will continue to make theft a difficult proposition, within the limits of our abilities and our resources.

But I believe we have a broader responsibility to literally take society by the lapels, to insist upon the restoration of a meaningful enforcement/prosecution/judicial/correctional process which unfailingly demonstrates that vehicle theft is a socially irresponsible act, reprehensible, indefensible, and subject to certain penalty.

Our task is to reduce vehicle theft. But I do not think we can do our best job without society's backing. We must insist that the public joins the battle, gets back on the team, by standing firmly behind our joint efforts to apprehend, convict and penalize the criminal. Not that we will quit, or even relax our efforts. But without rekindled public support, our job will be lonely, frustrating—and ultimately, I fear, not very successful.

This conference with your active participation and commitment could be the first step toward achieving that objective on a national level. The people are here who can make the difference. Let's not wait for someone else to do it for us—let's do it *now*.

Investigative and Enforcement Problems



Standing in for Senator John D. Caemmerer, Workshop Chairman, Senator Roy Goodman delivered the opening presentation and set the tone and established the objectives of the Workshop.

*Plenary Session II
Wednesday, October 4, 1978*

INVESTIGATIVE AND ENFORCEMENT PROBLEMS

SENATOR MITCHELL: The hour of 9:00 o'clock in the morning having arrived, this second Plenary Session will be in session.

We would like our Committee to be punctual. We appreciate the fact that so many of you people who attended yesterday's arduous grind, particularly from Kansas City, where here on time.

Our first speaker is going to elaborate rather briefly on some of the outstanding activities of a not generally recognized branch of government. However, a branch which plays an important and key role in the matter of auto theft prevention, sometimes successfully, but many times they do not have the available resources and opportunities to achieve their results.

The U.S. Customs Service has an enviable record, and to give you a little explanation regarding what they are doing to help you with your Workshop discussions later, I give you Mr. Thomas Davis, of the U.S. Customs Service.

MR. THOMAS DAVIS: Thank you, Senator.

I would like very briefly to describe Customs' participation in the vehicle theft prevention program. Based on our mission and our presence at the ports of entry in the United States, we see our role in this program as that of helping to prevent the exportation of all stolen vehicles from the United States and helping to recover stolen vehicles that re-enter the United States.

I suspect that most people picture the customs official or the customs officer as that person who, when they are returning from their overseas trip makes them miss their connecting domestic flight by insisting upon going through their dirty laundry. I want to assure you that we have other interests, other than dirty laundry. In fact, to oversimplify a bit, we help enforce 400 laws by 40 other federal agencies.

You might say that Customs is interested in nearly everything that comes into the United States or goes out of the United States. Let us put that statement in perspective. Of our 15,000 employees, about 5,000 are inspectors. These 5,000 inspectors are spread out over 300 ports of entry throughout the United States. Last year, 280 million people entered the United States; \$152 billion worth of cargo was imported into the United States; 75 million motor vehicles were driven into the United States. Now, logic tells us—but I do not believe this is supported by our balance of payments—that if you have this inflow into the United States that you also have to have an equal outflow, or you will be in a position of a guy who went to drain a swamp. In a very short period of time, you would be up to your hip pockets in people, cargo and vehicles, instead of alligators that is.

I said earlier that we were interested in everything that comes into the United States or goes out of the United States. Let us be a little bit more realistic about that. We

obviously, with these 5,000 inspectors, do not have the manpower to inspect everything that comes in or goes out of the United States. I think, based upon that situation, the very logical question comes up, what can Customs do to join in this campaign against auto theft prevention? We are going to try to take—or we already have taken three approaches. I would like to describe those to you very briefly.

The first approach—and we began this about a year ago after negotiation with the FBI—to place the NCIC (National Crime Information Center) stolen vehicle file in our computer-based communications system. This is what we refer to as the TEC System, or the Treasury Enforcement Communication System. By having this stolen vehicle file in our own computer system, it enables us to check the license plates of nearly every vehicle that is driven into the United States, about 75 million a year, against the NCIC stolen vehicle file. Here again, probably somebody will say, "Why do you use the license plates? Wouldn't the VIN number be a more productive inquiry or more productive means of identifying stolen vehicles?" Yes, it certainly would. The reason that we go for the license plate inquiry is that we have the computer terminals at all of our inbound traffic ways, and in about five seconds we can acquire the license plate number. It would take at least two minutes to make a VIN inquiry or a VIN check against the stolen vehicle file, so you can see that since the average vehicle that enters the United States—the average automobile only spends about 30 seconds at a primary Customs inspection site—it would be impossible for us to do the VIN inquiry on all of the vehicles that are entering the United States.

Our second approach to this problem we will begin in November. This approach will be to check vehicle identification numbers, the VIN, of all automobiles being exported commercially from the United States. This will represent about 40,000 vehicles a year and a large majority of those obviously are going out by vessel. The Interagency Committee on Auto Theft Prevention, which Ralph Culver so ably described yesterday, convinced the Bureau of Census to amend their regulations to require that the vehicle identification number of all used vehicles be listed on the Shipper's Export Declaration. The exporter of these used vehicles would give Customs the vehicle identification number of these vehicles 48 hours prior to the exportation of the vehicle, and I emphasize again, this is on about 40,000 vehicles a year, not the 75 million I have mentioned earlier that are driven out of the country. Having the vehicle identification number on an already existing "Shipper's Exportation Declaration" which is required by the Bureau of Census. Customs will be able to check the VIN number of all commercially exported vehicles against, again, the NCIC stolen vehicle file. Obviously if we spot a stolen vehicle, we will detain it then. What we will also do then, we will make the VIN numbers available to the National Auto Theft Bureau, and

at a later date they will run these numbers against their stolen vehicle file. The reason for doing this is to spot those vehicles that have been exported and then reported stolen after the exportation, and we have found that this has happened quite frequently. Usually this procedure is from the insurance fraud angle.

Possibly we might also pick up a few that have slipped through the cracks, that were not reported stolen until after the actual exportation, although it did not involve any insurance fraud.

Our third approach to the problem in essence is an admission that we do not have the manpower to check either the VIN number or make a thorough review of the documents for every vehicle that is entering or exiting the country. The third approach will concern selective enforcement efforts where we either use profiles to check the VIN number of vehicles entering the country or exiting the country, and combine that with what would be the random VIN check. In other words, at any time that you run a selective or profile check you have to know what your success rate is based only against a random check. So on a very limited basis, we will be running those two enforcements in addition to the first two I described.

I hope that my very brief outline of what Customs is doing or anticipates doing has not conveyed a pessimistic or a negative attitude towards this program.

We at Customs, I think, like everyone here, recognize the magnitude of the problem. We are eager to work with you to find innovative ways of helping resolve that problem. Thank you.

SENATOR MITCHELL: Thank you very much, Mr. Davis. The Customs Service really is the unsung hero of many of these operations.

I want to take just a minute if I may to ask you to give appropriate recognition by a round of applause to a man who has played one of the leading roles in assisting us to obtain the grant from the Law Enforcement Assistance Administration. Will you please recognize Dr. Sidney Epstein.

Our next speaker started 33 years ago in the field of law enforcement and rose through the ranks until he now holds a very important position as Chief of Police of the San Antonio Police Department.

This gentleman is one who can speak from experience. He has had practical experience at all levels within the police hierarchy. He is the kind of man we need to have among the others here because it is the man on the beat and it is the man who is doing the spade work that is very important. Chief Emil Peters of the San Antonio Police Department.

CHIEF EMIL PETERS: Thank you very much. They asked me to join the group up here to give you a little bit of insight into life as a city officer or some of the experiences that we have which I guess, many of you have actually also had.

As a local chief, I need to then just tell you a few of our experiences, and I think they will ring a bell with you. I have a 1150-man department in San Antonio which is now the tenth largest city in the nation, with a population of 808,000. We have suddenly become a large city, but we obviously still have a small city police department. That 1150 is about 1.4 per thousand population, or looking at the miles we cover—well, I am trying to patrol 270 square miles of city territory with this squad. We are only able to do it as well as we do by using one-man patrol cars, and otherwise using extreme mobility to try to get around as best we can.

We are an inland city, 150 miles from the Gulf of Mexico, while in another direction, 150 miles from the border of Mexico. Now, I do not think I can really come up with a serious problem that is generated by this proximity to the Gulf. However, I can think of several problems that are generated by our closeness to the borders of Mexico.

We have an outgoing problem and an incoming problem. The incoming problem is narcotics, the flow of narcotics over the border into San Antonio and through San Antonio. The narcotics market is constantly changing and keeps a good deal of manpower committed; that problem sometimes relates to the outgoing problem. The outgoing problem is stolen goods going over the border. Anytime that you are two and one-half hours driving time from a national border, it naturally presents a very tempting situation, a good place to go with stolen goods, particularly with vehicles that can move on today's interstate highways with ease and can get over the line, past Customs or through the border checkpoints with little or no trouble. This is our problem—stolen cars going south of the border never to return. Many times, of course, cars are stolen and they are in a foreign country, so to speak, before we have even received the stolen report, so you can see why our stolen vehicle problem is aggravated by this proximity to a foreign nation to which they can either wade or go across the bridge and they are "home free."

In 1977, 5,290 vehicles were reported stolen in my city, many were temporarily missing, mis-parked, used without permission, etc., and the actual cases finally jelled at 3,949. Of these, 2,559 were recovered, 585 by arrests involving 396 defendants. Of these, 184 were juveniles. That means that at least 1,390 vehicles were never recovered, never again seen, and for that matter, the cases are still active. We are still looking for them.

I might add that in our area, in Texas particularly, the pickup truck is a very favorite means of transportation, particularly as a second car. Everybody there has to have a pickup truck, which is a sort of status symbol; whether it is used for recreational purposes or running errands or whether you join the "kickers" as they call them down our way, to be a cowboy or such, it is a popular vehicle. In fact, 2,400 of the stolen vehicles in San Antonio were either vans or pickup trucks. The pickup truck being so popular, because of resale value, makes them a favorite target, and they are less frequently recovered than the passenger car. Another reason is that the parts are so

interchangeable and they are easily disassembled. I think that probably the larger portion of our cars that are never recovered are pickup trucks, many of which are probably "chopped up" and find their way into the "hot parts" business, as we speak of it now.

The hot parts business has become a number one concern of the police departments because of many reasons, not the least of which, of course, is inflation. In the current economy, the inflation of prices of repairing vehicles has created the new market for stolen parts. "Shady" repair shops find that it is highly profitable to buy stolen parts instead of new legitimate parts. In fact, to go the legitimate route is prohibitive, and you just could not get a car rebuilt. This is not news to you; certainly it is something that you too have been aware of in your city. *It is a big business.* It is something that needs to be addressed, and all too often our appeals to the Legislature have fallen on, not deaf ears, but slow to react ears, let us say. We are not getting a whole lot of help. Obviously this is a problem around the country because I notice that a new bill to be introduced in Congress by Senators Biden of Delaware and Percy of Illinois and Thurmond of South Carolina, means to address this very point, this very weakness in our ability to counter the problem. The bill seeks to require the manufacturers to place the vehicle identification numbers on such easily resaleable parts as doors, fenders, roofs, trunk lids and what-have-you. What a boon that would be to our operation, to perhaps make some inroads on these hot parts businesses.

Because, in our city it has become a major problem, it spawned one of our larger investigations in recent years. About two years ago, we uncovered a ring, then on the east side of our city, that was just camouflaging pickup trucks, by interchanging parts and moving them down the road, still as a "hot" vehicle. That was going pretty good but we busted them without too much of a problem; then a more sophisticated approach was selected. Last spring, through the help of State investigators, our auto theft team discovered some information that we might have two or maybe three "remanufacturers," let us call them. These were body shops who were doing legitimate vehicle repair, second-hand rebuilding, and what-have-you. Well, they found out that going to the salvage yard and buying late model wrecks that were in demand, and trying to rebuild them was much too expensive. An easier way was to just rebuild the identifying system, the VINs. Consequently, the name of the game was to steal a car identical to the one that was listed as salvage, and then transfer the numbers and thus seemingly giving a guise of legitimacy to the stolen vehicle and, of course, moving it to the legitimate market.

Okay, we started investigating. The largest of these operations was in our jurisdiction. The operators were operating two used car lots, with one body shop where they were supposedly rebuilding the salvage vehicles, and selling them at the "going" prices all over our area. We worked on this some four months and through the help of the State finally traced every car for which he had

applied for "retitling." In Texas you have to apply for a new title when you rebuild a vehicle, and the procedure includes inspection of said vehicle, which is a very minor or simple routine to go through. However, through the help of the Motor Vehicle Division of the State, we were able to check every car that this actor had rebuilt in recent years. We finally settled down to a total of 99 vehicles that we found were traceable, and we set about searching for these vehicles. Our team worked about three months of the four and finally located 88 of the 99. Obviously the others had been moved out of the country or in another direction, as we were not able to locate them. However, 88 of these were located and with court orders, seized and brought into our vehicle storage facility, where they were put on jacks and thoroughly inspected—high, low, underneath, etc. Of the 88, we found that 12 were legitimate cars (oh, yes, he was selling a legitimate car here and there, but the big business was the hot cars!). And 76 cars were definitely found to be altered; they had transferred VINs onto the "hot" vehicle. Eventually 30 were positively identified as stolen from some location, a stolen report found in some city identifying this vehicle that had been, so to speak, remanufactured. Sadly enough, 46 were not identified as stolen. Either they were never reported or they were brought in from so far away that the NCIC or other traceable records never did actually identify these as stolen vehicles so they remain as altered vehicles or vehicles with altered motor numbers. Well, it is still a violation to possess a car in Texas with an altered VIN, so there we are with 46 altered vehicles and no rightful owners.

Eventually we found that most of these cars were stolen in Houston, Austin and Dallas, which are in the radius of 210–280 miles from our city. Local cars were never used in the remanufacturing process. Finally, the investigation culminated in a state grand jury indicting seven persons, which included the owners of this place. They were mother and son, believe it or not, a strange team; the other five were employees or confederates, who were involved in picking up the hot cars, bringing them in and going to work on them behind closed doors. One other person indicted was on the "outside;" he was a bank "loan" officer, and he is under federal indictment for conspiracy.

One of the side effects of this case, and this one may stay with you for sometime if you are involved in a similar situation—we now have 46 cars in storage and we do not know what to do with them. We cannot return them. Actually some of these people who bought them did so in good faith, maybe all of them. Nevertheless, the cars were taken away from them; several have gone to court and tried to get their car returned to them, but the court will not release them because, they say it is unlawful "to have in your possession a car with an altered VIN." Consequently, I still have them in our compound, and I am liable for them. I have had them for over a year now, depreciating all the time. Recently attorneys for several of these deprived owners have come up with a new gimmick; they are suing me (and my department) for unlaw-

fully seizing their clients' vehicles. They cannot sue to have the car returned, as the courts have already denied this, but they are suing me for damages. They say the seizure was unlawful because of the weakness in the statutes—and this is something you ought to look into in your own state laws. Our laws say, of course, that it is unlawful for a person to have in their possession a vehicle with an altered VIN but it goes on to say that we shall arrest such owner. Then to make good the arrest, we must be able to show that he "knowingly" purchased or came into possession of such a vehicle.

Well, in a situation where we could not prove that "he knew," we had no case. In most of these cases we had to accept the owner's "good faith" defense that he did not know, and we made the case but we just did not bring any charges against the owner, and we still have no grounds to file charges against the owner, but this is the loophole through which they are trying to recover damages. While we feel the city is liable for the cars while we are holding them, I do not think we are liable for damages caused by the loss or deprivation, and I tell you for certain, I would be glad to give them back to those 46 owners, but I just do not know how this will finally be resolved. If we finally find a way to get rid of this mess without paying some damages, I will certainly be pleasantly relieved.

This was a big operation and it took a lot of man hours; and I would guess this is just one of many that are going on in our State and many that are going on in the nation. *It is the way to move hot cars.*

Another experience—and this has to do with Mexico—was an investigation we had in 1976; we got onto a ring operating between our city, Guadalajara, Mexico, and Reynosa, Mexico, which is a border town, and other areas as far west as Arizona. What was happening, they were stealing heavy equipment: caterpillars, bull-dozers and road maintainers, sometimes a motor home or a boat/trailer, and vehicles—seemingly anything mobile that could be grabbed up by the thieves. They then delivered them over the border to predetermined destinations where the sale had been arranged for it. We worked on this for sometime and finally were able to make several cases. Eventually indicated were one lawyer, his assistant, one finance company manager and three runners and two others of the gang. The entire operation was tied to narcotics smuggling. Seemingly some of the stolen goods were traded for narcotics rather than dollar bills. The sad part of it is that we never recovered any goods out of Mexico, and one of the persons still on our wanted list (no charge is pending, and I doubt whether there will be) is one of their team who posed as an investigator of the Attorney General's office of the State of Jalisco, Mexico. He was at least one of their agents or contact men and certainly embarrassed a couple of my detectives who accepted his good credentials and gave him rides, sometimes to several destinations in our city while all of the time he was setting up the deals for the next heist. Just another one of the sad situations that are sometimes spin-offs of the serious matter we have to deal with.

Summarily, we are in need of help from our lawmakers and help from the manufacturers. We would like to ask that every effort be made, and the IACP committee again recommends, that the Congress and the legislatures act to mandate, if necessary, the manufacturers to go further with good identification systems.

You know and I know that many parts of vehicles lack means for identification and are not well marked with identifying numbers. There are many things that could be done to make this a lot easier, a lot better for us, a lot more effective. But, of course, it is costly on their end of the business, so we have to recognize that it is not going to be easy, but we need to keep pushing and continue in that vein.

I hate to give up the podium without telling at least one Texas joke. You know, in Texas, they always talk about things being done big, and sometimes they are, sometimes they are not, but there was this case when a Texan and a fellow from Louisiana got together annually to go duck hunting which is quite a thing in Texas. Anyway, the Texan was always able to bag just a few more, just did things a little bit better. Finally the fellow from Louisiana got an unusual retriever dog. This dog was able to retrieve on top of the water. He said to himself, "Boy, I am going to put this over on my friend in Texas this year. I want to see his face when he sees what this dog can do." The time came for the hunting trip and finally they went out around El Campo and in just a little while the first duck flew over and the Louisianian aimed and shot. It fell in the water and this dog ran out there on top of the water and retrieved the duck. The Texan didn't say a thing. The second time it happened he said to the Texan, "Don't you notice something unusual about that dog of mine?" The Texan said, "I sure do. The damn dog can't swim." (Laughter.)

Thank you very much.

SENATOR MITCHELL: Thank you very much, Chief Peters. For your edification, that very fine joke of yours will be reprinted in the compendium of events, which is going to be distributed to all our conference attendees and others who are interested.

It is not too early to reiterate the fact that this particular series of workshops is not intended to conclude with you people going back home and saying, "Well, that was a good one and what is next?" Because, through next June 30th we want you to know that under the auspices of our Committee, and the Liaison Committee soon to be appointed, we are going to continue to set up state and regional Task Forces. That is one of the important things that will come up in our Resolutions which will be voted on near the conclusion of our conference.

We have a particularly appropriate group of speakers this morning because our Topic II is "Investigative and Enforcement Problems". Each one of these four gentlemen is an expert on those matters.

Our next speaker has also risen from the ranks. He served for 33 years, started at the bottom rank, went through all

of them, and through diligence, industrious hard work, as well as his great integrity, he has now become Superintendent of the New Jersey State Police. I would like to give you Colonel Clinton L. Pagano, Superintendent of the New Jersey State Police.

COLONEL CLINTON PAGANO: Thank you very much, Senator Mitchell. For those of you who do not know where New Jersey is, it is just west of here, but it is somewhere north and east of Texas. We do not have any dogs that can walk on water. We have a few dogs over in New Jersey that cannot swim and some who cannot walk, so we will just part the waters over here.

As you know now, in Texas they specialize in stealing pickup trucks; in New Jersey, we will steal anything. Chief Peters has a problem with 46 cars that he cannot identify and does not know what to do with. In New Jersey if we had 46 cars for a year, you can rest assured that 46 troopers would be driving those cars up and down the interstate finding other stolen cars.

We do not have some of the problems you have in Texas, but I will guarantee you one thing, Emil, there is nothing that happens in Texas in the category of stealing cars that has not already happened in New Jersey, and will not happen in New York, and will not happen any place else.

I do come here as Superintendent of a large state police organization, third largest in the country. We do play a varied role in the area of auto theft. I spent 21 years of my service in the State Police as an investigator, eight years of which were specifically assigned to auto theft, so I do come to you with some knowledge of what goes on in that particular field. I have read the conference's syllabus and I also have an idea as to what you intend to cover.

Nonetheless, in New Jersey probably our basic mission in the area of auto theft is the same as every other police department's. We have 1,950 patrolling troopers that are out on the highway stopping automobiles, checking with NCIC, recovering automobiles and arresting those persons who are either stealing them, transporting them or whatever. Beyond that, we are a state level agency, and we are responsible for the NCIC input from some 560 municipalities that take the initial theft report. There again is the role of a state level enforcement agency, but I want to speak about a couple of other things: one, a problem in the area today that has already been alluded to; second, an activity; and probably thirdly, something that has not been addressed here and which I cannot address in 12 minutes but something that each and every one of you should consider.

Our operational unit in auto theft comprises a major effort on the part of my investigative organization to stem the flow of thievery that is growing day by day. When I first went into the auto theft business, we worked closely with NATB (National Automobile Thief Bureau) and the FBI, and we looked to a 97 percent recovery rate. We assumed that when the recovery rate went below 97 percent, we were not accomplishing our mission and, in fact, we were in difficulty. We always assumed that that 3

percent of nonrecovered vehicles went into the resale markets, and I think that is a fair assumption, even today.

We faced a theft rate in New Jersey back in 1955 of approximately 4,000 vehicles. That is for all categories of theft: joyriding, used in a crime, theft for resale. Today in New Jersey we see in excess of 20,000 vehicles a year being stolen, and the recovery rate of approximately 60 percent, and that to me from a purely statistical view represents a problem, and a problem that has to be addressed by everyone.

The speaker prior to me spoke of vehicle stripping. That is something that has got to be considered as the core of the problem today. Vehicle stripping is a sign of the economic structure or is just another sign of the economy. Vehicle stripping—the ease in which these automobiles are taken to local body shops, cut up and then sold to other body shops in lieu of legitimate purchase from manufacturer's parts origin sources—presents for the police administrator probably the most difficult problem that he has to face today.

Without question, auto theft, by and large, in dollar value exceeds the dollar value of all other forms of thievery that we investigate. The stripper without question, because of the ease with which he can operate, presents a problem to us that we find very difficult to address. The ease with which the vehicles are stolen without question is known to all of us, but I think the one thing that really impresses me is the ease with which these particular thieves are moving these parts with impunity. There are no identifying marks that are of value to an organized investigative effort. Without question, from time to time we do find that a particular door came from an automobile from a rather discriminating owner where he placed a business card in it, or he may have opened it and made an identity-type mark behind the upholstery. Those things do from time to time occur, but they do not occur with the frequency that is acceptable for proper investigation over any long-term investigative effort.

The profits to the thief that are coming from this particular activity far exceed the profit that he could probably hope to gain through the theft of whole automobiles for resale. There are means by which these people have got to be addressed, and those means are going to come from the work product of conferences such as this because the influence of persons such as yourselves can be heard and can be felt. Regardless of the cost to the industry, there are things that can be done to be certain that the major component parts of automobiles are made identifiable.

The AAMVA (American Association of Motor Vehicle Administrators), the IACP (International Association of Chiefs of Police) and the individual efforts of police administrators through the years have created situations where the Legislators in our state have passed laws that make it illegal to possess vehicles or to possess property without proper identifying numbers. Those laws are essentially in place. Efforts of NATB and conferences such as this have got to be brought to focus so that we can have some

reasonable hope to identify the parts that we see flowing through our states and our communities, and parts that we know play a big role in the thievery that we are experiencing.

I want to address myself very briefly to another issue that I believe the state level enforcement agency has to take notice of, and that is the area of intelligence, intelligence gathering, and the proper use of intelligence in law enforcement and especially in auto theft. Every state in this nation regardless of the constitutional problems that we face, regardless of the fact that the words "intelligence gathering" seems to be dirty in the constitutional setting, every state must without question begin—if they already have not—the development of the necessary procedures to collect, to collate and disseminate effective law enforcement intelligence.

Intelligence, ladies and gentlemen, falls into two general categories: strategic intelligence and tactical intelligence. Strategic intelligence tells you what others are doing; tactical tells you what you have to do today and how you have to do it, too.

Our State has developed probably one of the more credible intelligence gathering organizations in the nation. We are recognized because we are the first state in the nation to actually go forward beyond the strategy and tactical effort and get into a worthwhile analytical effort. However, when you speak in terms of what can law enforcement agencies do and you allude to the fact that manpower is a factor, no matter where you work, then you have to speak in terms of effectively addressing that manpower to a problem that you have properly examined and a problem that you properly understand. It means taking in all the information available to you from sources that you probably had never even thought about until you took time to step back and think, putting it together and coming up with a game plan that will properly or possibly move toward resolving a given problem.

There has to be without question in a large law enforcement agency, too, a critique of past activity. You have to establish long-term and short-range goals for the utilization of your manpower. There have to be ultimate goals set in order for you to measure the effectiveness of what you are trying to do. There has to be an educational effort. There has to be an absolute effort in the area of auto theft of directing your manpower resources against the organized groups of auto thieves that are present in every state and in every community today. There has to be some input given credibly to the organizations that feed into the manufacturers the kind of design material that is necessary in order to face up to the problem. By and large this is essentially the job of the intelligence gathering, the intelligence collating and the analytical results of an intelligence organization.

No modern day police organization can face up to the auto theft problems that we have unless it directs its attention in an intelligent fashion to the problem. I believe that we have started this effectively in New Jersey. I believe that some of the studies that we have done have

been effectively guided my office in both a strategic and tactical fashion toward trying to resolve an almost irresolvable problem in the area of law enforcement. Auto theft is a problem to all of us.

I speak to you today—and I am just about done with my 12 minutes, Senator—I speak to you today as an individual who has had experience in arresting auto thieves. One thing that has not changed and one thing that can be overcome—the one item that can be overcome through seminars such as this and workshops in which you are going to participate—is the public and official apathy. Without question the average citizen takes little note.

The efforts that you are going to make towards marking of vehicles more effectively is the absolute and effective approach to resolving the problem. But apathy—apathy on the part of the citizen who thinks that auto theft is really not a problem for him so long as he pays a minimal insurance premium, and so as long as he is able to go on with a minimal amount of difficulty into a new automobile—must be overcome.

Publicly, I find from my own experience that many prosecutors will shy away from auto theft cases because of that very public apathy and because of the intricacies of trying to prosecute those cases. It is an absolute responsibility on the part of persons such as yourselves who come together in settings such as this to take the message back to the companies, back to your residents and back to the public, if you serve the public, and let them know that auto theft is a real and pressing problem in our economy today. Public apathy and official apathy must be overcome and can only be overcome through the efforts of persons such as those people who had the foresight to establish conferences such as this.

The police can do their job. We have got a big job. The private sector has a tremendous economic problem to overcome; but I do believe that working together in sessions such as this we can overcome some of the public and private apathy that really makes auto thievery the business that it is today.

Now, I really wish that I had a New Jersey joke to end with but the truth of the matter is that I have neither the time nor a credible New Jersey joke to end with. We do not have much time for joking in New Jersey. Obviously, with the figures I have stated to you we are too damn busy stealing cars, so I wish you well with this conference. I hope that each of you is able to take something back from this period in New York that will effectively go toward resolving a problem that obviously people working together can resolve. Thank you.

SENATOR MITCHELL: Thank you very much, Colonel Pagano. I know that each and every one of us will take back the message we are receiving this morning, and I hope that they will lead toward the development of some of those Task Forces which we hope will develop out of this session.

Colonel Pagano's remarks about stripping reminds me that tomorrow morning from 9:00 to 9:45 there is going to

be a slide presentation on that very subject, a chop shop presentation with running commentary by Sergeant Robert Pope of the Cincinnati Police Department, in the Mercury Ballroom.

Before introducing the last speaker, I just want to make two announcements. One, we hope that a number of you will be able to stay for the banquet tomorrow night; we have as a speaker, the Honorable Alan J. Dixon, the Secretary of State of Illinois. As some of you may know, in Illinois the Secretary of State handles all motor vehicle operations. Also, if a few more of you can sign up for the Friday tour, I think you will all find it to be a beneficial and interesting way to end this series of workshops.

Our next speaker started at the bottom 22 years ago. He was in the office of the Federal Bureau of Investigation in Birmingham, which happens to be the state where I acquired a loving wife who has continued to live with me for many years, so I have a soft spot in my heart for Alabama. He then moved to the Philadelphia office. He has now received a further promotion and is located in the Washington office of the Federal Bureau of Investigation in charge of checking of motor vehicle stealing operations.

I give you Mr. Richard D. Schwein of the Federal Bureau of Investigation.

MR. RICHARD D. SCHWEIN: Thank you very much, Senator. A few years ago the FBI headquarters in Washington had an entire unit handling stolen cars and now they have me. The FBI role in auto theft investigations has changed and most of you in law enforcement are well aware of that. Jurisdictionally we have two major areas which deal with auto theft. It is not a federal crime to steal a car unless you steal it from federal property. The federal law deals with the interstate transportation of a stolen motor vehicle or, in cases where the vehicle is cut into component parts, the interstate transportation of stolen property valued at \$5,000 or more. Historically, car cases comprised a major part of the FBI's workload from 1919 up until 1970. In recent years, the FBI has received criticism for wasting resources on "minor car cases." And you are well aware of that.

The Attorney General of the United States in March, 1970, established guidelines for investigative activities by the FBI in stolen car cases. The policy of the Attorney General, the FBI and the Department of Justice is that we will vigorously investigate, and U.S. Attorneys will vigorously prosecute, commercial auto theft cases. We will also investigate single car cases where there are certain aggravated circumstances. Other than that, it is the policy of the Department of Justice, in most cases, to defer prosecution to local authorities. One problem we have with auto theft and with many other things is that we are a very small organization. We have about 7,800 agents in the field investigating. We have a multitude of things to investigate, and our agents are spread from New York City, and from the tip of Maine into our latest office at Agana, Guam. I am happy to report that our office at Agana, Guam has very few problems with stolen cars.

We have dedicated our resources to the national priorities of organized crime, white collar crime and foreign counterintelligence. We are also mandated to assist, whenever possible, the Drug Enforcement Administration, in the interdiction of major narcotics traffickers. We have 11 percent of our resources dedicated right now to our general property crimes program. Auto theft comes under that program, so we have to divide the 11 percent down into truck hijackers, car thieves, fences, top thieves, and a multitude of other types of criminals. Consequently, we do not have the manpower to work on all the cases we would like to work on. We have concentrated our resources as best we can; I think it is indicative of our emphasis that in August of 1977 we had under investigation 343 commercial auto theft cases. Today we have 651. Therefore, we have doubled the number of commercial theft cases we have under investigation. We anticipate we will have successful prosecutions in all of these cases.

To show you that the FBI is concerned, we conducted a motor vehicle theft survey on the 29th of September, utilizing our computers. For this survey, we selected the last three model years of luxury cars, trucks, tractors and other classes of vehicles. Do you know how many are in the computer and what they are worth? As of September 29th, we had entered 105,075 stolen vehicles of the last three model years, with an aggregate value of \$586 million. A heavy percentage of these are trucks, pickup trucks, and truck tractors. We are finding through our intelligence efforts and through our investigations, undercover operations and traditional investigations, that this country has a major problem with so-called chop shops, or cut shops, with the exportation of stolen motor vehicles overseas, and with the exportation of stolen car parts. We find the criminal is earning vast sums of money in this. In the State of Illinois, there have been approximately 13 homicides which are the result of persons seeking to control this lucrative used parts operation. This is being conducted in what has been called the junk car business.

There is every indication that organized criminal elements have moved in, and they have moved in because that is where the big money is and that is what they are in business for, for power and profit. We also find that we have a serious federal problem with the exportation overseas of stolen vehicles in a barter system: the direct trading of stolen American trucks, tractors, heavy equipment, motor vehicles, in exchange for cocaine, marijuana or heroin. This is a tremendous problem, as we have a very big border to interdict. We continually seek answers on how to deal with this problem. Right now it is very difficult to check things being shipped overseas. The FBI in the port of Philadelphia, with our Customs friends, intercepted a bulldozer being shipped by a "phantom" shipping company of Brooklyn, New York; it was a \$100,000 stolen machine being shipped out of Philadelphia bound for Africa.

Currently there are few controls of vehicle exportation. We hope the Motor Vehicle Theft Prevention Act of 1978

will help us correct this problem, and we see a real need for this law.

If any of you are interested, I think we have some copies. Steve Weglian from the Department is here, and I think he has some copies of the law as printed in the Congressional Record. It is a very good law.

Recent investigations show that over and over again many stolen cars are not actually stolen. They are mainly insurance frauds. We recently had a case where we recovered 140 allegedly stolen cars; however, 100 were not stolen but given away by owners for insurance purposes. Of course, the end result is the same. A car is cut down, the parts go into the market. The legitimate recycler or parts dealer loses because a thief can undersell him. The latest fad is a "no-car." You have a title, a VIN number, and you go down and insure your new Lincoln with your friendly insurance agent. Of course he does not look at the car, so then in a few months, you report it

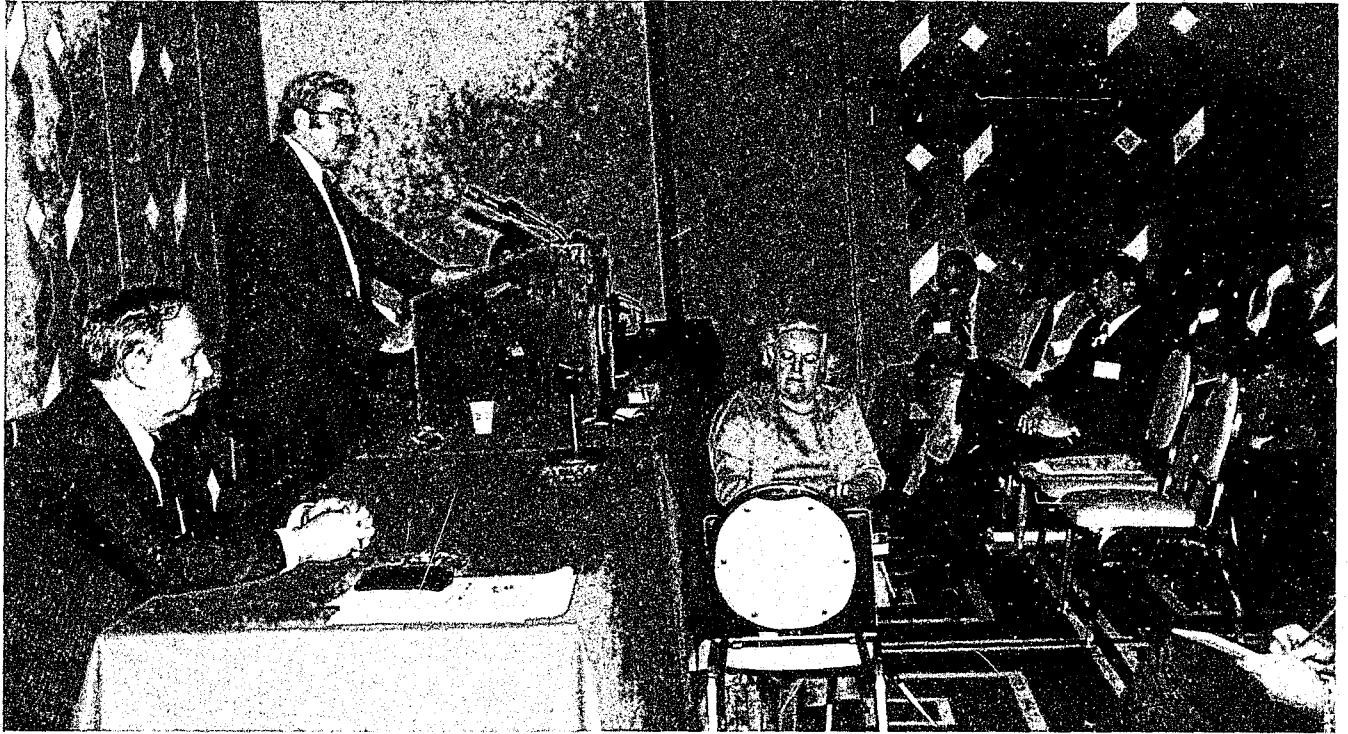
stolen and collect on a nonexistent vehicle. Federal law covers these criminal violations—they are mail fraud and fraud by wire. Although they sometimes are a little hard to prove, we have an investigative interest there. We are doing all we can with very limited resources.

Our agents in the field will still, wherever possible, help you with this problem, but they are very limited in what they can do. Thank you very much.

SENATOR MITCHELL: Thank you very much, Mr. Schwein. We will also include a copy of the Motor Vehicle Theft Prevention Act of 1978 in the appendix of our compendium. I think we can give all of our speakers a vote of thanks for each having provided a very important contribution to our cause this morning.

Please now move to your assigned rooms quietly and expeditiously. The meeting is adjourned *sine die*.

Luncheon Proceedings



Paul Gilliland, president of the National Automobile Theft Bureau, was just one of the keynote speakers who helped stimulate the meaningful work session discussions.

Wednesday, October 4, 1978

LUNCHEON PROCEEDINGS

SENATOR MITCHELL: The hour of 12:25 o'clock in the afternoon having arrived, the house will be in order. We want to keep to our schedule. We have a very distinguished guest here to speak to us.

I want to make a quick announcement. There will be a meeting of the Resolutions Committee in Room 4215 at 3:15 p.m. sharp to consider a couple of other proposals. In addition to that, when you go to the Plenary Session, there will be a booklet there on the subject of auto theft by General Motors and a couple of other companies which have been delayed due to a miscarriage in the air mail service.

Now, for the purpose of continuing on the rest of the luncheon meeting, I want to give you a real treat so that you won't have to listen to me harangue you. We are going to have Professor Joseph S. Zimmerman, who we are fortunate in having as our Research Director, from the State University of New York Graduate School, and he will take over now for the rest of the session. Professor Zimmerman.

PROFESSOR JOSEPH S. ZIMMERMAN: Thank you very much, Senator Mitchell. I worked with Mac for many years and he gave me very precise instructions. One is to keep the introductions brief.

I will introduce the head table, and then our key speaker. I would request that you hold your applause until after we introduce the entire head table.

On your extreme right, we have Dr. Sidney Epstein of the National Institute for Law Enforcement and Criminal Justice. I think most of you have met him earlier. Seated next to him is one of our morning speakers, Thomas Davis of the U.S. Customs Service of the Treasury Department. Next to him is an attractive young lady, Nancy Ostreicher, who is Administrative Assistant to our keynote speaker today. On my extreme right and your extreme left we have another one of our morning speakers, Chief Emil Peters of the San Antonio Police Department, and next to him we have Mr. Michael Zipkin of the Aetna Life and Casualty Company, who is here on behalf of the Resolutions Committee. Michael J. Murphy, next, former Police Commissioner of the City of New York, who is also a member of the Resolutions Committee, and finally, our eminent Senator MacNeil Mitchell. (Applause.)

Our keynote speaker for the luncheon has served in both houses of the New York State Legislature for the past 13 years. He served seven years in the Assembly and six years in the Senate. Currently he is the Chairman of both the Senate Consumer Protection Committee and the New York State Temporary Commission on Child Welfare. He has worked on a wide range of problems, including problems of economic development in the State. In addition to his experience as a legislative leader, he has a profession in the field of criminal justice; he is a criminal lawyer. He is a former city prosecutor from the City of

New Rochelle, New York. He has been a co-sponsor, along with Senator John Caemmerer, of a number of bills involving the problem of auto theft, so it is my pleasure to introduce Senator Joseph Pisani.

SENATOR JOSEPH R. PISANI: Thank you. Senator Mitchell, distinguished guests in the audience and on the dais, I am very happy to be here today. As I understand—Senator Mitchell told me a moment ago, "you are not going to talk to small fry out there." I understand we have a lot of heavy hitters from most of the country, and it is an honor to speak to you.

I want at the outset to congratulate Senator Caemmerer. I know, of course, John is not feeling well, that he is not here, but those of you who have participated in this kind of conference, the workshop in the past, know that his leadership has been tremendous in the State of New York, following in the great footsteps of the great Senator Ed Speno whom he worked with when he was in charge of these affairs in the Senate.

John Caemmerer has established new benchmarks in matters concerning the vital issues of transportation and motor vehicles, and, of course, the subject of auto theft. I am sorry that he is not here but we are so pleased to have him give us his creativity in the Senate. The people of the State of New York are certainly indebted to him.

My thanks go also to my assistant, Nancy Ostreicher, who has done a lot of research for me in the area about which I am going to speak today. I would also like to commend Peter Derrick, from Senator Caemmerer's staff, and Linda Conrad, who I understand helped put this thing together with Senator MacNeil Mitchell.

I am particularly pleased to be here this afternoon because the subject of this workshop is one for which I have had a deep concern, particularly for the last year and a half.

My involvement in the problem of auto theft developed from my intention, as Chairman of the Senate Consumer Protection Committee, to halt the spiralling rates of auto insurance in the State of New York, and my search led from auto insurance rates to auto insurance theft losses, and to auto theft itself, and the statistics grew more appalling at each stage of my investigation.

In New York State, for example, auto insurance premiums are 220 percent higher than the rest of the country. Auto insurance premiums rose over 60 percent between 1975 and 1977 according to *Business Week*. I asked the top 30 insurance companies in New York State what their theft losses were for 1977. The 13 who responded said their combined loss was over \$60 million. Allstate alone lost \$24 million, and clients of Allstate, which, I understand is one of the largest, if not the largest insurer of this State, each paid approximately \$45 per year just for theft coverage. In 1977 over 133,000 automobiles were stolen in New

York State, and I am sorry to say that over 95,000 of them were stolen in this City of New York.

A national report, not yet released by the U.S. Justice Department, but perhaps many of you know about it, notes for the public that from 1976, 49.9 percent of all larcenies reported to law enforcement involved the theft of a motor vehicle or its parts or its contents, and the cost of these thefts is \$4 billion per year.

Your presence here indicates that you know how extremely complex the auto theft problem is, and obviously, you are here for the purpose of coalescing the various areas of expertise that you bring to this Workshop to see if you can come up with new answers, new approaches to the problem.

A theft for parts, which is the form of auto theft on which I have concentrated for the last two years, is a most difficult area to get a handle on. Most of us think of auto theft as involving old cars or someone stealing and selling a car, or someone stealing it for the purpose of just driving it and abandoning it. That is the garden variety theft. It does not happen to any great extent. If it does, it is not really significant in terms of what we are talking about today.

What we are addressing today is a new, sophisticated form of theft. It is a theft that is an industry where many people are making millions of dollars, and it is interwoven dramatically in the fabric of many of our communities to the point where it is distressing to all of us. No matter how you analyze it, this form of theft boils down to one fundamental point—we currently have no way of tracing the movement of major component parts through the automobile recycling industry.

The value of parts is so high in this State, the potential for profit is so great, and the channels of the recycling industry so numerous and obscure that we must have some method of tracing the parts to their source if we are to control who buys them and who sells them.

One part of the solution is to exercise very tight controls over the salvage industry—which we plan to do. One of the bills that I have introduced, Senate 9658, will require every member of the auto recycling industry to be registered with the State Department of Motor Vehicles. Included in this bill is a provision that dismantlers may not advertise their business without displaying their registration. Let me add that I emphatically deny and deplore the idea that all dismantlers are auto thieves. Many of them are legitimate people in a legitimate business, and it is just terrible that the stigma of illegitimacy has been attached to the entire industry in recent articles appearing in national magazines. It is not so. They are legitimate people who are trying to survive. They are paying employees, they are paying their taxes, but unfortunately it is the illegitimate dismantlers that are causing the problems. I must also bring out the contribution that many people in that industry are making, the legitimate ones, who have come in and have worked with me and have helped to develop legislation with some teeth in it which

will help regulate their industry, which I think is a commendable thing.

However, if all members of the recycling industry are registered it means that law enforcement officials or state officials will then be able to inspect their places of business. Let me parenthetically state the nonsense that is going on today. If an illegal operation is taking place on Premises A, and a legal operation, a registered dismantler, is taking place on Premises B, the inspectors can go to Premises B to see what is going on, but they cannot go into A without a search warrant. However, a search warrant is almost impossible to obtain because the current penalty for failing to register is a misdemeanor, and who wants to issue a search warrant for a misdemeanor? It is an absurd situation. A loophole in the laws has made it more feasible to work as an illegal operator than as a legal operator, and that has got to stop, and that is one of the things that we have put into our package of the Caemmerer-Pisani multi-sponsored bills. Now, inspections would be pointless in controlling theft unless the inspectors have some way of determining whether or not they have found a stolen part, and this is an important point.

During a January hearing on auto theft, which I jointly chaired with Senator Caemmerer, every member of law enforcement present testified that placing vehicle identification numbers, VIN numbers, on those major component parts which are the main attractions for the thief, would be a tremendous help in producing evidence for prosecuting and convicting those people dealing in stolen vehicles and parts. I introduced a bill during this session which would require manufacturers of automobiles sold in New York State to place VIN numbers on major component parts of those automobiles, and automobile owners have responded and reacted in a very curious and interesting way. The response is as follows. "Well, that is not our problem. We manufacture and sell cars. Law enforcement and auto theft—that is not our business." Some of the manufacturers suggested that the dismantlers mark the auto parts. The dismantler does not have anywhere near the technology available that General Motors or Ford have. Besides without reflecting on anyone, if one dismantler has the ability to mark, then another dismantler has the ability to change or remove that same mark. Stealing cars, like horses, just means they change the brand. But if the technology is sophisticated in the manufacturing process I think it will help us to trace stolen parts and begin to curb the thieves freedom to market illegitimate parts.

To the manufacturer we say we cannot prosecute and convict for a crime without evidence and the VIN numbers will give us the evidence we need, and I am not talking just as Joe Pisani, State Senator. I am talking about my experience as former city prosecutor. I am also talking from the evidence and information given by many of you, from many of the people in the audience today in law enforcement who have testified openly and freely that VIN numbers would assist them tremendously and have a substantial effect in reducing this kind of crime.

Now, someone may say, "Well, what do you know about manufacturing costs?" Well, I know nothing about it, or I would be in the business, but I did visit a manufacturing process and I must say that I do not agree that it would necessarily restrict the manufacturing process.

From my visit to a General Motors assembly plant, one in my district, I concluded after viewing the assembly process that there was no reason why manufacturers cannot place the numbers that we should require on the designated parts. As a matter of fact, the manufacturers are now putting two numbers on the car in secret places which are totally useless, and all I want is another four numbers. I want visible numbers. I want numbers that I can see—that a cop can see, that a potential buyer of a used car can also see. I have introduced a bill which will help resolve some of those problems.

Let me add, we intend that these additional numbers will be marked on parts in a place that will make easy or accidental removal impossible. We are fully confident that the automobile manufacturers will be able to develop the technology to meet this requirement. After all, if they can develop a robot to work on an assembly line, it is reasonable to expect that they can also develop the technology to place VIN numbers on additional parts.

Despite what General Motors is publicly stating, they recently negotiated a contract with an electronics firm to produce a laser marking machine, and I understand that at least one Ford company lawyer etched his own license and VIN number on a variety of parts on his automobile. That was in the July issue of *Auto Jobber and Recycler Magazine*. So if one of their lawyers is doing it, it must have some validity.

Cost. Auto manufacturers objected that additional numbers would be prohibitively expensive. In order to judge the validity of that complaint I wrote to four manufacturers to give me an idea, a cost analysis, of what it costs to place the numbers being used in the manufacturing process right now. I wanted to know the cost of putting on those two secret numbers because that is an easy cost analysis. They are doing it already. They can compute the time on whatever machine is necessary, capitalize it, and tell me per car what it would cost. No one would provide me with even this currently existing information, let alone an estimate of what the new numbers would cost. So when I as a legislator go to an industry and say, "You say you cannot do it. Give me some information which will validate that claim," and they give me no information—then, my friends, that industry has no credibility on that point with me. And, my colleagues, the auto industry is not alone in sharing the responsibility, in my humble opinion, on this problem.

Included also in the legislative program is a bill sponsored primarily by Senator Caemmerer, which requires the insurance industry to try to shape up as well. I intend to criticize the insurance industry, too. But before that, I want to give a bouquet of flowers to Aetna—and Mr. Zipkin of Aetna is here today—for running ads, paid-for ads, with which this insurance company has advertised

its approval of, and is asking for a public consensus on, the placement of VIN numbers in automobiles. I thank the insurance industry for supporting us on this because eventually, as I said to someone outside this hall, when the consumer asks for it, the manufacturers will do it. It is very strange. They will spend millions and trillions of dollars to put a funny-looking thing in front of my car, which I do not particularly like anyway, but to put VIN numbers on parts to reduce my insurance cost, that is a major problem.

I believe the insurance industry has been dragging its feet in providing the information we need to assess the problem intelligently, and realistically, and the insurance industry has less excuse for lack of cooperation since the problem of theft and larcenies is essential to their operation. To give you a brief example, this year a member of my staff tried to get statistics relating to fraudulent theft reports, a form of theft unique to the insurance industry, and one on which they should be expert. She contacted the Insurance Crime Prevention Institute and asked for information on how many phantom car cases they had received, and what the outcome of these investigations were, and she was told by the ICPI that they did not keep such records after the investigations were completed, and was then referred to the Insurance Information Institute. They, in turn, denied having any such records and referred her back to ICPI. Such tactics indicate at best gross inefficiency and at worst may represent a coverup by the insurance industry.

What is worse, over and over again this year I have been told by State Motor Vehicle investigators that they cannot keep active records on the movements of salvage vehicles in this State because the insurance companies consistently fail to notify the Department of Motor Vehicles, as required by existing law, when they take title to a total vehicle surrendered to them by a client, and when they sell their piece of salvage to automobile dismantlers. The insurance industry has, in fact, single-handedly made it impossible for the title laws of this State to work effectively.

My advice to those members of the insurance industry attending this Workshop is to take advantage of the wealth of technical expertise possessed by the many law enforcement officials present and learn from them how to set up their own theft control bureaus, find out what kind of statistics the police and the district attorneys need, and arrange to provide these statistics. We should work hand in hand. I also strongly suggest that you rethink your current policy of requiring prosecutors to notify second-hand body shops that a raid is about to take place.

This audience is a very interesting, dynamic group, and the quantity as well as the quality of experts present in this workshop will convince the prosecutors in New York City and New York State that auto theft is a serious crime and must be treated as such.

The pending report from the U.S. Justice Department, to which I referred earlier, states that 41 percent fewer of

your motor vehicle thefts are being solved now than they were 10 years ago, and the value of the recovered vehicles has dropped 31 percent. These figures have led the Justice Department to conclude that, "motor vehicle theft has moved from the amateur leagues to the professional big leagues."

In response to this evidence of a big league criminal involvement, Senator Caemmerer and I have created many new felonies for those actions which contribute to auto theft, and with felonies now the issue, perhaps law enforcement officials might have a better goal. I understand the frustration they must feel having had to go through all of that trouble and to end up with a misdemeanor conviction, with a \$100 fine and the next day the perpetrators are out on the street again. I understand. Legislatively we have responded. We will make it a felony and then if that does not help we will mandate sentences, but I hope we do not have to go that far.

We hope that the judicial process will respond as we have in the Legislature. Because of the urgency of this problem, in addition to drafting my own legislation, I am endorsing the federal Auto Theft Prevention Act of 1978 which has just been introduced in the U.S. Senate. I know some of those present in this room will view this recognition by Washington as rather belated, and you will feel that the scale of auto theft losses over the past decade strongly suggests that federal action should have come sooner, and I agree with you, but let us not quibble. Washington has recognized the problem and it has recognized it more clearly and earlier than most of official Albany, I am sorry to say.

I am now proposing that the New York State Assembly and our Governor acknowledge the gravity of the situation and transform the New York State Senate bills which

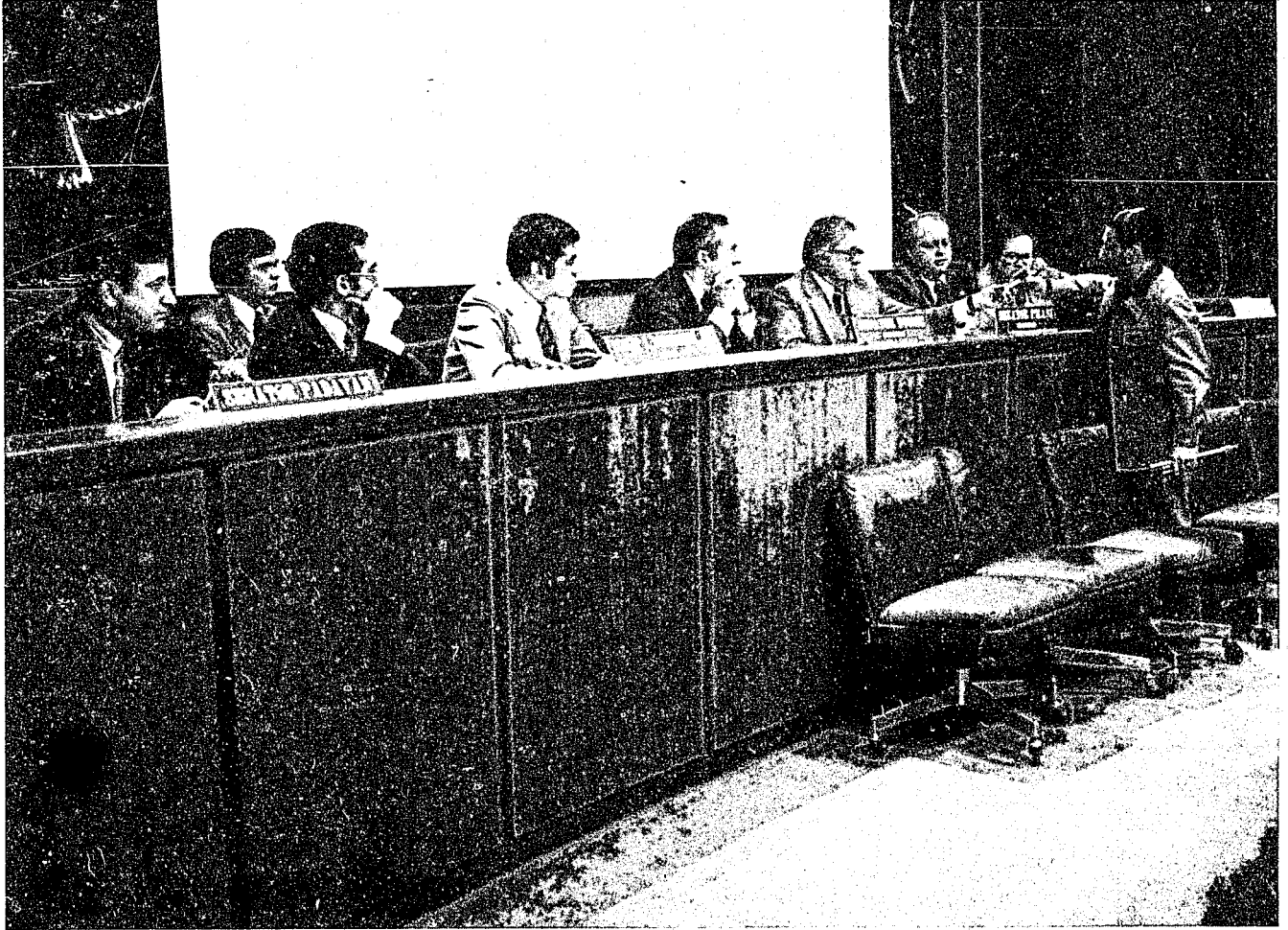
have passed our House into law. State government has the advantage of being able to move faster than Washington. Now is the time to use that advantage. Since we are in the vanguard of the problem we should be in the vanguard of the solution.

I advise the auto and insurance industries to wake up as well. I know that auto manufacturers, when they contemplate our VIN number bill, will feel that it would be onerous to perform a special manufacturing operation, however simple, to conform to the requirements of one state which is a market for perhaps 10 percent of the domestic output. I have two things to say in response to that. First, they will scream just as loudly when Washington eventually obliges them to do the same thing for everyone—it is going to come—and, secondly, when and if they conform to the New York State statute I am predicting that they will find that almost overnight law enforcement officials will be gratefully using the new tools that New York and Detroit have jointly given them to fight a hitherto uncontrollable form of crime.

As a legislator I can see only two basic ways in which the auto theft problem can be resolved: either through voluntary compliance by the involved industries with those measures which are reasonable and necessary to control this crime; or through increasingly oppressive legislation from Albany and Washington. We in Albany are serious. The choice is up to you. I hope you have a good conference and Workshop. Thank you very much.

MR. ZIMMERMAN: Thank you very much, Senator Pisani. I have two very brief announcements. The resolutions will be distributed at the end of the next Plenary Session as you leave the room, and the second announcement is that Senator Mitchell says he will be starting the Plenary Session in exactly six minutes, at 1 o'clock, so you have six minutes of free time.

Laws and Regulations Relating to Vehicle Titling and Salvage Control Procedures



The acute auto theft crisis in New York State became apparent during State Senate hearings conducted in 1976 and 1977 on the pricing and distribution of auto crash and replacement parts.

*Plenary Session III
Wednesday, October 4, 1978*

LAWS AND REGULATIONS RELATING TO VEHICLE TITLING AND SALVAGE CONTROL PROCEDURES

SENATOR MITCHELL: The hour of 1:00 o'clock in the afternoon having arrived, this Plenary Session III is now duly convened.

I know that we are rushing you a little bit, but I must say that we have a great deal of information to disseminate, and I hope that you will be patient and bear with us. Remember that the active discussion of the session is concentrated in the workshops hereafter.

As was announced before, at the closing of this session you will receive the first report of the Resolutions Committee.

Our first speaker is a member of the Commissioner's staff of the Maryland Motor Vehicle Administration, Mr. Clarence Woody.

MR. CLARENCE WOODY: I would like to thank the Committee for affording me the opportunity to be here. When I was first contacted and asked to give a little talk up here, the first thing Peter Derrick said was, "Make it short." When I registered in, one of the girls in front told me, "You will have to make it short." When I came up to table today, the first thing I heard was, "Can you hold it to ten minutes or twelve minutes?" So undoubtedly they do want me here, but they do not want me to stay. I do not know, maybe I talk too slowly. Even when I say "Good morning," it's a long speech. Of course, I had a girlfriend one time who talked so slow that before she could say she had not, she had. (Laughter.)

I think if you come to one of these meetings to contribute something, to make it a success—we are ahead of the game—but we should also take something back with us. That is why I have attended all the Plenary meetings I possibly could since I have been here.

The problem of auto theft directly or indirectly affects every person in this country, and it affects us where it hurts most—in our pockets. I think we all agree that the Motor Vehicle Department's role in auto theft prevention is to make it as difficult as possible for a stolen vehicle to be titled. If a thief cannot dispose of a vehicle, he loses the incentive to steal it.

For many years it was easy to steal a vehicle in one jurisdiction and sell it in another, due primarily to differences in titling and registration documents issued by motor vehicle departments, such as bills of sale or even a registration card. In recent years, more and more states are enacting titling laws and issuing Certificates of Title as ownership documents. These titles contain security features making them difficult to duplicate, counterfeit or alter. However, as each motor vehicle department implemented its titling program and selected its title document, it was guided by different problems of storage, computer processing, etcetera. Therefore, the end result

was a mishmash of many sizes, colors and formats. This is also true of most department of motor vehicle forms in use today.

In Maryland, all applications for title and associated documents must be reviewed by a title examiner. In performing this routine job, each examiner uses for reference three looseleaf folders containing over 400 documents used in various jurisdictions. It is obvious that if more of these forms were uniform, employees in any department of motor vehicles could more readily identify counterfeit documents.

Seven years ago, Mr. Charles F. Pfaff, Deputy Administrator, Maryland Motor Vehicle Administration, working on the AAMVA D19.4 Committee, designed and introduced a uniform title certificate which was subsequently adopted at the International AAMVA convention. Presently, several jurisdictions are using this approved title format, and over half of them, that is, half of the jurisdictions, are committed to using it in the near future, as soon as their present supply is exhausted or as soon as the necessary computer changes are made. When adopted by all jurisdictions, it is obvious this will be a big help to the title examiners or the people responsible for accepting and issuing title documents in all jurisdictions. This will also assist in preventing the flow of stolen vehicles across jurisdictional lines.

However, as more states become title states and you close one door, as it often happens, another door opens, and in this case, in Maryland, the automobile thieves turned to salvage vehicles in order to get ownership documents, and I think the previous speaker discussed that procedure. They buy a salvage vehicle, immediately go out and steal a vehicle identical with it and switch the VIN plate from the salvage vehicle to the stolen vehicle and use the assigned certificate of title to dispose of the stolen vehicle. In the vernacular of the trade, this is known as replating.

We firmly believe that the key to stopping this practice is to remove the vehicle title from circulation, and a good salvage program will do that. When you received your handouts and registered, you received as part of your package a model salvage procedure. This procedure will help accomplish this by getting the title out of circulation. The model salvage procedure will accomplish this end by the issuance of a salvage certificate. This becomes an interim ownership document until the vehicle is scrapped or rebuilt.

In 1975, the Maryland Motor Vehicle Administration recognized the existence of this problem and introduced legislation in the General Assembly to permit the issuance of salvage certificates. The legislation was enacted, and subsequently, two seminars were conducted

by the administration to familiarize the insurance companies, police departments, recyclers and scrap processors with the new law and the procedures for obtaining a salvage certificate.

A year before we passed our salvage law, before we recognized the problem and addressed it, the General Assembly enacted a law making it mandatory that the VIN plate would be sent to the Motor Vehicle Administration for each vehicle salvaged. Well, that was the last thing we wanted, thousands of VIN plates coming into our office. The police did not like it and no one else liked it. We prevailed upon the Governor to veto this piece of legislation because, first, you would have lost the complete identity of the vehicle when you removed the VIN plate. Second, we would have had to issue another VIN plate if the vehicle was ever restored or rebuilt. Third, we would have had to have the confidential, secret, whatever you refer to it as, VIN number on the vehicle verified. Since only a select few people know the location of these VIN numbers, securing the services of a person like this would have been nearly an impossible job. It just was not practical, so as I said, we did convince the Governor to veto this bill and we came back the following year and got a salvage vehicle program enacted.

The salvage certificate issued by Maryland contains the same security features as the Maryland Title document. We feel this security is necessary since it is an ownership document. Our salvage program is working very well within the State.

However, we are experiencing some problems with other jurisdictions refusing to accept the salvage certificate as proof of ownership for titling and/or registration. Often, this is not an arbitrary decision of the motor vehicle departments; they cannot accept it due to statutory limitations. For example, one of our adjoining states is prohibited by law from accepting the Maryland salvage certificate. However, I have been informed that they are introducing legislation to correct this situation in the near future. Also, when insurance companies are aware that certain jurisdictions will not accept the salvage certificate as proof of ownership, they are reluctant to secure one for a salvage vehicle. This leaves the title for the vehicle in circulation with the possibility it will be misused. This further points out the AAMVA contention that uniform laws, forms and procedures will eliminate many of the problems of the state motor vehicle departments.

Based on our experience with the Maryland Salvage Vehicle Program and consulting with other jurisdictions with similar programs, Mr. Pfaff and I prepared a model salvage vehicle procedure and presented it for consideration at the AAMVA 1978 registration, title, vehicle, dealer's and manufacturer's workshop in New Orleans, Louisiana. It was received very favorably with minor changes.

This program has not yet been adopted as policy by the AAMVA. It is only one facet of an overall anti-theft program under consideration by the AAMVA Standing Committee on Vehicle Registration, Title, Vehicle Dealers

and Manufacturers. The program will be completed when resources are available.

You will note that a uniform salvage certificate is included as part of the model salvage procedure. This is another product of the AAMVA D19.4 Committee. If any jurisdiction presently contemplates initiating a salvage vehicle program in the future, we strongly urge that it include this document in the program. We feel that the color and design of the certificate should be the choice of the jurisdiction; however, by adopting the uniform size, text, data content and format, uniformity could be achieved. We would also urge jurisdictions already involved in a salvage program to adopt the certificate for the obvious reasons outlined in the model salvage procedure. We think if you went to a uniform model salvage procedure, it would solve a lot of our problems. We also urge any state that already has a salvage program to look this certificate over and see if it can be adapted to your needs.

As the writer of this program, I am not offering it to you as a magic elixir or cure-all. It is not a panacea that will automatically stop the theft of motor vehicles if adopted by a jurisdiction. However, we do feel that it would be a big step in the right direction. I thank you.

SENATOR MITCHELL: Thank you very much, Mr. Woody, and I congratulate you on the pithy contents of your speech, and it conveyed a great message.

Our next speaker is a member of our Advisory Committee, who has played an important role in the development of this series of workshops. There were some passing references to him and his organization during the luncheon speech of Senator Pisani, so I give you now Donald Rouse of the Automotive Dismantlers and Recyclers of America.

MR. DONALD ROUSE: I would like to express my appreciation for the opportunity for our industry to be represented at this National Conference and Workshop on the problems of auto theft.

It has been suggested by some people in the past, and it has been suggested here, that our industry is part of the auto theft problem, and that our members engage in the salvage racket (which is the practice of switching VIN plates and titles from salvage vehicles to stolen vehicles). It has been suggested that we are a channel of distribution for stolen auto parts, and I guess that we cannot deny those allegations. But, I would very much like to tell you that there are many auto dismantlers in our industry whose moral and ethical standards will not permit them to engage in such illicit practices. I wish it were possible to tell you that all members of our industry refuse to engage in some of these illicit practices that have been discussed but that is not possible. I cannot make that statement.

Four years ago we took some positive steps to see if we could do something to help bring about a correction of some of the ills in our industry. We joined the American Association of Motor Vehicle Manufacturers (AAMVA)

and started attending their meetings. It was there that I met Jim Doto from General Motors and we had our first debate on whether or not there should be VIN numbers on component parts.

We have presented ourselves to any agency that will consider including us in their hearings. We were one of the first industry groups that appeared before the Federal Interagency Committee on Automotive Theft Prevention. If you will check the output from the task force, you will discover that many of the recommendations that we gave them in those early days were incorporated in the final output. Four years ago we were not too sure anybody else cared about the problems of our industry. Today we believe people do care; we are beginning to believe that some of the solutions are just around the corner.

The Automotive Dismantlers and Recyclers of America is a national trade association. The members of our association and the people I represent are engaged in the business of buying motor vehicles which are no longer suitable for transportation, dismantling those vehicles into component parts and selling the parts for the repair of other motor vehicles. The vehicles we dismantle are generally purchased on a bid or contract basis from insurance companies. The vehicles are wrecked or damaged in an accident or other mishap and an insurance company representative has made a decision not to repair the damage. The owner is given a cash settlement or a replacement vehicle. The insurance company takes ownership of the damaged vehicle and eventually will sell it, often to someone in our industry, a dismantler to sell usually for parts. Some of the parts our members sell include transmissions, rear axles, rear clip assemblies, doors, complete front end assemblies, radios, seats, glass, just about anything you can name that comes off a motor vehicle.

The age of a motor vehicle has a direct bearing on its desirability for parts. The prime action on automobile parts is the most current five or six-year span of models which would now be 1973 to 1978 models. These are known as late model vehicles. If you consider just the sheetmetal portion of the vehicle, the 1976 and 1978 models are the most desirable and, of course, contain the more expensive parts.

We have discovered that more and more people are showing up at the used parts dealer's counter. A surprising number are women. We have come to the conclusion that some people can no longer afford to take their automobile to the franchised dealer for repairs and are looking for a more economical method of solving their repair problems. Discounts of up to 50 percent over the price of new parts are often available on used parts. Consequently, the used parts business is on the upswing.

The price of a new automobile has taken a dramatic jump in the last four years. According to *Automotive News*, a national trade publication, the average price of a 1979 General Motors vehicle will be \$7,668, while the average 1979 Ford will be \$7,368. The top of the line model for both Ford and General Motors is over \$15,000.

There has been a corresponding increase in the price of new parts. The price of some parts has risen to the point where it is now possible to sell a used door from a late model vehicle for \$250 or \$300; a low mileage engine may bring anywhere from \$750 to \$1,000. A front end assembly, which includes the fenders, hood, grille, as a unit, may bring upwards to \$1,500, perhaps \$2,000. Component parts of automobiles are now worth substantial amounts of money.

I have been asked to discuss laws and regulations relating to vehicle titling and salvage control procedures. Let me say at the outset that our industry does not welcome additional regulations. We believe there are too many rules and there is too much government intervention right now. However, we do recognize that some problems exist. We have been told these problems cannot be solved without additional rules and regulations. I am not too sure we accept that theory. Rather the first thing we need is some judges who will pass down some meaningful sentences for convicted offenders. Secondly, we need some prosecutors who will seek conviction in court of those who are charged with auto theft. We need some law enforcement people who will pursue the alleged felon instead of looking the other way or worse yet, in some isolated cases, accepting a payoff. In our opinion, the existing laws should be sufficient to reduce or curtail the problem if there was active cooperation all along the line. From what we have been told, this kind of cooperation is apparently idealistic and impossible to achieve. Therefore, it seems, unfortunately, we may need more rules, more laws, more restrictions on business. While we do not agree with this theory, we are willing to accept the burden if by chance it might help reduce the problem of auto theft.

Our first recommendation is that all certificates of title on insurance company total loss vehicles should be surrendered to the Bureau of Motor Vehicles (or the Secretary of State) within each jurisdiction. The insurance companies should be charged with the responsibility of surrendering the title document and applying for a substitute certificate. The substitute—let us call it a Salvage Certificate—should be valid only for proof of ownership and reassignment, not for registration purposes. All licensed vehicle dealers and used part dealers should also be required to surrender any certificate of title which they may receive on damaged vehicles which have been subject to an insurance company total loss claim. The dealer should also apply for a salvage certificate.

Removing title certificates from circulation on salvage vehicles would help to reduce the possibility of the title being used on a stolen vehicle. The substitute document, the salvage certificate, should be recognized as a valid proof of ownership; it should serve as an instrument of ownership reassignment, and should incorporate security features.

If a title surrender program is instituted within a jurisdiction, there should also be a title restoration procedure as well. Insurance companies and dealers will be more cooperative in surrendering titles if they know the title

will be restored if the vehicle is rebuilt or reconstituted. Care must be taken when designing the restoration procedure. The vehicle should be inspected to ascertain the identification of the vehicle. It is important to determine that it is in fact the vehicle that it is presented to be. The inspector should be trained and qualified in methods of determining vehicle identification. (A surprising number of police officers do not know how to properly identify a motor vehicle.) The inspector should also determine if the parts used for repairs were purchased in a legitimate manner or were stolen from another vehicle. The applicant should be required to furnish proof of purchase or other proof of ownership of the repair parts.

Law enforcement officials report they are often hampered in their investigations by the inability to trace the salvage vehicle after it leaves an insurance company's ownership. One method of improving on this situation would be to adopt procedures which would create an audit trail on a salvage vehicle within the automotive recycling industry.

Let us follow the trail of the insurance company total loss vehicle. The owner has an accident. The insurance company decides the vehicle is not repairable and pays the owner an agreed amount, and takes ownership of the vehicle. It is assumed the owner hands the certificate of title to the insurance company at the time of the settlement.

The insurance company may send the vehicle to a salvage pool where it is put on display aids are solicited. The salvage pool does not generally own the vehicle but is simple storing it in a secure area and advertising it for sale to potential buyers.

The insurance company receives bids from prospective buyers and eventually selects one as a successful bidder. Notification is sent to the buyer and to the pool operator and the vehicle is released to the buyer. Occasionally the insurance company will request that the buyer pay for the vehicle on a C.O.D. basis when it is picked up. To accommodate the insurance company, the salvage pool operator may receive payment from the buyer and forward it to the insurance company. He might even deduct the charges for his services from the check. Generally, the insurance company will send the title directly to the buyer after payment has been received or it might be given to the pool operator who will hand it to the buyer.

And, let me interject this. Traditionally, insurance companies have been extremely lax in their handling of title; so lax that in the State of Michigan we have had to have an ongoing program of assistance to our dealers in getting titles from insurance companies. Sometimes six months or twelve months go by before the title shows up after the vehicle has been delivered to the buyer. These problems need to be corrected.

The buyer may decide to dismantle the vehicle for parts or he may sell it to another buyer. Frankly, there could be any number of subsequent buyers, but in actual practice, it is probably limited to no more than one or two.

If the vehicle is dismantled for parts the normal industry practice is to remove the prime parts and store the hulk of the vehicle in a storage facility. At some point in time the hulk will be declared no longer valuable for parts and will be disposed of for scrap.

There are several methods by which this may be accomplished. A hulk may be delivered directly to a scrap processor where it may be shredded into raw material or it may be sold to a third party who may crush the hulk and then transport it to the scrap processor.

Now, let us restate this possible chain of events in that illustration. The damaged vehicle is moved from the owner to an insurance company, to a salvage pool, to a salvage buyer, to a crushing operator, and finally to a scrap processor. Please notice we are discussing a common practice within the industry. There are exceptions. We could have skipped any one or more of the steps, but this line of disposal of a late model insurance salvage vehicle is reasonable for discussion purposes. One of the exceptions is when cars are purchased on a contract basis. They go directly from the owner to the insurance company, to the salvage buyer and completely skip the salvage pool operator.

In order to create an audit trail on this movement of salvage vehicles, each industry participant would have to account for his ownership and disposition of the vehicle. This probably means the participants would have to be licensed or otherwise controlled by the jurisdiction. Under the licensing provisions records should be required of each vehicle acquired by each participant. Ownership should be transferred between each party on specified documents and the proper records maintained. These provisions would allow enforcement personnel an opportunity to trace the movements of any vehicle from the owner to its ultimate destruction.

Now, let me add a word of caution. It is possible to make the procedures so restrictive they become impractical and self-defeating. For example, you could conceivably pass legislation requiring all insurance companies to surrender certificates of title and apply for a salvage certificate for all total loss vehicles. Let us say the insurance industry approved this practice and agreed to comply, and, let us say that the procedures require the insurance companies to have the salvage certificates in hand before they can release the vehicle to the salvage buyer.

Then, in actual practice, we discover something. We discover that the turnaround time on the issuance of the salvage certificate by the jurisdiction is four to six weeks, and our whole program goes right down the tubes. Why? An insurance company needs to recover the maximum dollar on its salvage. A total loss vehicle has its greatest value the day after the accident. It may deteriorate rapidly in value if it is exposed to weather, dirt and persons who steal radios, wheels, tires, carburetors and so forth. So, it is important that salvage certificates be issued promptly, preferably in less than five days. Otherwise, there will be a great temptation to move the vehicle and skip the whole title surrender procedure.

The salvage certificate should accommodate reassignment of ownership from the insurance company to the buyer. If the buyer is a licensed dealer, he should be allowed to keep the reassigned certificate as proof of ownership. If the buyer is a private party, the transaction should be considered a retail sale and the buyer should apply for a salvage certificate in the buyer's name.

Now another area where the procedures can be self-defeating is in the transfer of ownership from the dismantler to the scrap processor. Normally, hulks are sold in bulk form to the scrap processor. Sometimes they are crushed and 20 or 30 are loaded on a semitrailer, flatbed truck for delivery to the processor. Bear in mind that the vehicles are flattened into slabs perhaps ten inches high and they are stacked one on top of another. At this point it is no longer possible to identify the vehicles—or at least it is extremely difficult. Now, let us say the procedures require that the dismantler provide a document to the scrap processor for each hulk. The scrap processor, in turn, let us say, is required to enter information from each of these documents into his permanent records and then forward the documents to the jurisdiction. Let us also say that the processor buys up to 500 hulks a day. The workload of accepting documents per hulks which can no longer be identified, entering information into records and sending bundles of documents to the bureau may help defeat the whole system.

As an alternate approach, we suggest the dismantler be given the responsibility to surrender documents on hulks disposed of for scrap to the processor. The dismantler should be required to complete a transmittal form, call it an invoice or manifest, in which he enters the VIN and the appropriate description of the vehicle. The dismantler sends a copy of the form to the jurisdiction with the ownership documents attached and sends another copy of it to the scrap processor with the loaded hulks. The scrap processor simply drops the copy into his file and that becomes his proof of ownership for those vehicles. The dismantler is given the responsibility for the accuracy of the information on the transmittal form.

Of course, if the scrap processor buys vehicles from unlicensed persons, the scrap processor should be required to maintain all of the necessary records and to receive ownership documents of those vehicles.

Time does not permit in-depth discussion on possible procedures and regulations, but let me say a word about VINs, vehicle identification numbers.

Some administrators and legislators are under the impression it is good practice to remove the VIN plate from insurance company total loss vehicles and to require they be surrendered to the jurisdiction. I ask you, what is the first thing that the thief will do with the stolen vehicle? The answer is, he removes the identification and replaces it with another one. He does not want to be caught with the stolen vehicle identification in his hands. He needs a cover. A law requiring the removal of VIN plates may help the thief. Can you imagine the plight of a law enforcement officer who enters a 20-acre storage lot of salvage

vehicle hulks from which the VIN plates by law have been removed, and it is his assigned function to determine if there are any stolen vehicles within that 20 acre lot? There is no way he can practically, within a reasonable time, check the identity of those vehicles. We suggest all VIN plates by law remain in place and a penalty be prescribed for unauthorized removal, alteration or defacement of the number. With VIN plates in place, an identity of most hulks can be accomplished rather quickly.

We also believe that the traffic in stolen parts could be more easily controlled if the manufacturers would place VIN numbers on the major components at the time of the manufacture. Primarily we are concerned with sheet metal, the doors, front end assemblies and rear clip sections. Professionals are not likely to handle stolen items which can be readily identified. Of course, there must be penalties prescribed for unauthorized removal or alteration of VINs with the intent to conceal the true identity of parts.

It has been suggested that used part dealers inscribe the VIN's specified components at the time they receive the vehicle. This would provide some improvement, but it would be a very time-consuming requirement for the dismantler and would be very limited as to effectiveness. Dishonest dealers would find methods of circumventing the requirements.

Our final recommendation is that there must be effective enforcement behind the laws and the regulations. If effective enforcement is not possible, then please let us not bother with writing the laws and regulations. They simply become mere harassment without enforcement. Business has had enough of that already. We do not need any more time consuming, ineffective regulations. We need some positive results. Thank you.

SENATOR MITCHELL: Thank you very much, Mr. Rouse. We are grateful to you for this contribution, and I might add that each of the speakers on the dais today will be in one of the workshops after the session starting at 2:00 o'clock, so that that will give you an opportunity of pursuing some of the questions.

The American Association of Motor Vehicle Administrators is in the thick of this problem, and I am going to now ask Jack Leverenz of that Association to give us a brief talk.

MR. JACK LEVERENZ: Good afternoon, Senator, guest speakers, ladies and gentlemen. I appreciate having the opportunity to speak at this Plenary Session on auto theft, even though the Senator has said that I must speak very briefly. Having been involved in law enforcement and motor vehicle administration for the past 25 years on the local, state and national level, I have seen many of the problems created by ineffective or obsolete laws and administrative procedures. I commend you for your efforts and look forward to the meaningful success of your conference.

First, a word about the American Association of Motor Vehicle Administrators. Our Executive Director, Donald J. Bardell, was unable to be here today because of previous commitments. He does, however, plan to join us before the conference ends.

Most of you know of our organization in general. AAMVA functions as a coordinating mechanism for state and provincial agencies dealing with management of vehicles and drivers. It is engaged in the vast and complex field of motor vehicle and traffic law enforcement. AAMVA attempts to provide guidelines for programs in state and provincial jurisdictions to enable them to perform a more effective public service. Collective compliance with these guidelines provides a means for achieving greater uniformity of laws.

Programs designed to reduce vehicle theft have become a high priority of AAMVA. Our Association has developed policies and positions that relate to the vehicle theft problem.

1. AAMVA supports the United States Department of Justice in the campaign against auto theft. However, a caveat to this policy is that our administrators would need to review any specific legislative proposals in respect to its impact on our member jurisdictions.

2. AAMVA has worked towards the development of a vehicle number system since 1946 and a uniform VIN concept since 1969. Most recently, at our Annual International Conference, we reaffirmed our position in support of the Vehicle Equipment Safety Commission's VIN regulation.

Since Commissioner Craig spoke on the VESC VIN in the keynote address, I will not dwell on the requirements of the composition of the VESC VIN. However, I would like to point out that this vehicle identification number (VIN) was developed with the interests of all users and is the only VIN concept presently being considered that would provide consistent, optimum recognition, the fixed-length, fixed-field concept of identifying vehicle characteristics for the use of law enforcement and motor vehicle administrators.

3. Our Association recommends that physical inspection of the VIN be required of all vehicles previously titled in another jurisdiction.

4. We recommend that a uniform title system be established in all jurisdictions.

5. We further recommend a Manufacturers Certificate of Origin (MCO) to be uniformly required in all jurisdictions, and we recommend the MCO contain security features and uniform security features and uniform format as recommended by the AAMVA D19.4 Committee on uniform forms.

Our Association also recommends voluntary standard procedures for a uniform compatible interchange of information pertaining to data systems in vehicle and driver administration. In this regard, the AAMVA has endorsed the continuance of the AAMVA-sponsored ANSI D20

Model Motorist Data Base Committee, the surrender of the vehicle title upon transfer, and in case of interstate transfer, the return of the title to the originating jurisdiction. In addition, AAMVA has requested that a uniform VIN replacement standard be developed by the VESC.

Moreover, in 1977, the direction of our Standing Committee on Registration and Title was expanded to include Vehicle Dealers and Manufacturers. This was done to address the administrative control of the vehicle from its birth to its death.

Also, the AAMVA has urged the governors and legislators of all states to enact such legislation as they deem necessary to implement a salvage title document.

And, finally, AAMVA, in cooperation with NHTSA has developed a model odometer disclosure procedure requiring the mileage reading to be placed on the face of the title. In addition to consumer protection and fraud prevention, the recording of the odometer reading can be a secondary check in regard to discovery of stolen vehicles.

These are a few of our activities directed toward the prevention of auto theft. I would like to emphasize the words "prevention of auto theft" and note that although "efficient administrative procedures" are definitely an aid to enforcement of auto theft laws, this administrative control is primarily a preventive activity—especially in the connotation of the cyclical movement of professional auto theft activity.

A strong uniform title procedure can have a substantive impact on preventing professional thieves from stealing vehicles. An efficiently operated administrative control system will detect stolen vehicles and auto thieves during the process of attempting to title the vehicle. It will also eliminate loopholes in the system, preventing fraudulent vehicle transfers, especially interjurisdictional transfers.

Our administrators are continually addressing procedures that are not only effective in detecting auto theft but are primarily aimed at preventing thefts. This seems to me to be the most cost-effective philosophy in the anti-auto theft program. Strong administrative control will not only aid in developing stronger enforcement measures and prosecution but will tend to minimize manpower needed for investigative enforcement after vehicles are stolen.

Thus, to the degree that vehicle title and registration systems promptly and accurately identify vehicles and their owners, the identification, recovery, and control of stolen vehicles are made more effective. Strengthened identification, recovery, and control of stolen vehicles may deter vehicle theft to the degree that:

- first, it becomes more difficult for thieves to avoid detection;
- second, vehicles can be recovered more promptly;
- third, it is more difficult to obtain fraudulent certification of ownership; and
- fourth, it becomes easier to trace and identify vehicles stolen for the purpose of selling their major components.

In order to authorize the operation of motor vehicles on the public highways, motor vehicle agencies must first establish vehicle ownership. Some agencies establish the ownership of vehicles for purposes of identification and revenue collection, even though these vehicles may not be registered for highway use. The effectiveness of ownership establishment by an agency depends upon both the quality of the proof presented and the thoroughness with which the agency reviews this proof. Unless it receives documents which provide needed and accurate information about the vehicle, it has no way of correctly identifying the vehicle. On the other hand, if the agency does not ensure that the information on the application is correct e.g., by comparing previous ownership records and inspecting the VIN, it cannot be certain that it is accurately certifying the ownership of the vehicle.

A wide variation among state and provincial jurisdictions in proof of ownership requirements has resulted in a number of weaknesses in the overall titling process. Of the acceptable documents, the Manufacturers Certificate of Origin (MCO) is the best for new vehicles. It is designed to identify a vehicle and provide for control of ownership of the vehicle from the time it is manufactured until it is titled. The MCO also provides an extensive description of the vehicle, with more data than is now required for vehicle identification utilized in the registration files of most of our member jurisdictions.

With the current variance among the jurisdictions for proof of ownership for both new and used vehicles, and with the absence of any minimum criteria, it is difficult for our member agencies to ascertain stolen vehicles at the time ownership is established. Better criteria for titling with respect to ownership are requisite to ensure accurate identification of vehicle owners.

Several key elements in establishing ownership are important for strengthening the control which motor vehicle agencies have over vehicles for which fraudulent ownership certification is being sought:

- uniform guidelines for all jurisdictions, in order to familiarize vehicle administrators with both the proof of ownership required from, and the quality of the ownership certification of, other jurisdictions;
- proof of ownership, which establishes a vehicle history from the time it is manufactured, to facilitate identification of illegitimate breaks in ownership transfer;
- physical inspection of the VIN at the time of each transfer of ownership in order to ensure the accuracy of the data on the proof of ownership, including identification of any tampering with the VIN; and
- checking of proof of ownership against stolen vehicle files.

Uniform and effective standards for vehicle titling will make it increasingly difficult for fraudulent ownership documents to be obtained. It will also serve to make it increasingly difficult for professional thieves to sell stolen vehicles. Since potential financial gain from the sale of stolen vehicles is the ultimate objective of the professional thief, these strengthened ownership controls

should serve to reduce the attractiveness of the market of disposing of vehicles. Such a reduction will serve to provide more accurate identification of vehicle owners. Consequently, it will permit improved controls over the vehicle while registered.

The lack of appropriate controls for salvage and abandoned vehicles is an area of special concern among motor vehicle administrators, as well as many others. In particular, these officials feel that lack of effective controls hinders efforts to strengthen vehicle tilting procedures. It appears that the markings of component parts of new vehicles may be desirable.

Both the pros and cons of this concept have been thoroughly discussed, and although the desirability of component-part marking appears beneficial in counteracting auto theft, unless appropriate records are kept to authenticate transfers of major component parts, the effort would not be fruitful. To make it efficient and cost effective, it would require used auto parts dealers to keep adequate records with permanent notations included in the application for title; this is to be retained by the Motor Vehicle Department. Herein I cite a problem, tremendous administrative costs to state motor vehicle departments. Consequently, without federal funding assistance states will be reluctant to enact such recordkeeping procedures. Salvage vehicle title procedures will also entail additional state administrative costs.

As the administrative control system is strengthened to make more difficult the disposition of stolen vehicles within the United States and Canada, it can be expected that additional stolen vehicles will be exported elsewhere. Strengthened controls of these potential outlets also are required to eliminate this possibility. Presently, few effective controls exist to regulate the shipments of vehicles outside the United States. Although custom declarations must be made and shipping information reported at the port of debarkation, proof of ownership is neither required nor are VINs checked by either state Motor Vehicle officials, the Port Authority, or Customs officials prior to shipment. Neither the federal government nor state government currently have really effective regulations controlling the shipment of vehicles from the United States.

With respect to the flow of stolen vehicles outside the United States, experience of the National Automobile Theft Bureau (NATB) and state vehicle administrators indicates that present lack of controls provides a convenient means for disposal of stolen vehicles. Strengthened administrative controls for vehicles leaving the United States will reduce opportunities for unauthorized transfer of vehicle ownership and will have a supplementary benefit to vehicle titling as an aid to law enforcement efforts and improved protection to personal property.

Although considerable progress has been made in recent years, our Association feels additional efforts are required in order to raise the level of auto theft program effectiveness. The following matters have been discussed, but please keep in mind that in some states many

of these recommendations are already at different levels of development:

- use of a title as the primary proof of ownership;
- use of a standardized MCO as the primary proof of ownership for all previously unregistered vehicles;
- use of security features in both MCO and title documents;
- specifications for minimum data elements required on the title to provide for needed vehicle and owner identification, including information about previous owner;
- identification of key characteristics of the title document;
- development of an administrative control procedure for all commercial entities involved in ownership transfers;
- strengthening of ownership review procedures, including surrender of proof of ownership and comparison of application with previous ownership files;
- use of salvage vehicle title procedures and audit procedures for scrap processors.
- strengthening of controls over salvage vehicles, including return of titles and license plates, efficient periodic inspection of salvage yards and uniform disposition of VIN plates;
- specification of standard data elements for correlation of vehicle registration and other files;
- marking of component parts of new vehicles and salvage vehicles;
- consideration of penalties for obliteration, defacing or missing VIN plates and component parts identification;
- issuance of certificates of ownership and consent for owners who wish to ship vehicles out of the country, as well as vehicle inspection and document check to ascertain proper ownership;
- use of an EDP printout turnaround document for renewal registration;
- physical inspection of the VIN and odometer reading to correlate with title information;
- security minimums for storage of titles, registration forms, and license plates;
- use of uniform definitions for key data elements required for positive identification of motor vehicles and their owners (i.e., the D20 Data Element Dictionary);
- development of system requirements for correlation of inspection, accident record, manufacturer recall and registration data;
- use of optimal inputs required for vehicle title and registration information systems to reduce delay times in entering data and data inquiries;
- use of methods of conversion of existing systems to provide for rapid data entry, update and retrieval;
- definition of systems parameters required for optimal interstate registration data interchange; and
- uniform requirements and procedures for truck rebuilding.

In conclusion, we believe optimum administrative control procedures for the use of motor vehicle agencies will greatly affect the auto theft statistics. It appears that after several years of peace officers and judiciary not being able to effect a decrease in auto theft independently, we have finally become aware of the necessity of a united effort being the only way to counter the rise in auto theft. It is, of course, necessary that state vehicle and enforcement agencies cooperate. It is also necessary that indus-

try cooperate, as well as for the federal government to realize that financial support of motor vehicle administrative control procedures on the state level for auto theft prevention is as necessary as funneling financial support to agencies dealing with the problem *ex post facto*, after the vehicle is stolen.

Thank you for your attention.

SENATOR MITCHELL: Thank you. The next speaker is going to be very short. The last two speakers, by the way, are members of our Advisory Committee, and we owe them a debt of thanks for the help they have given us in setting this up.

Now, we would not expect that the National Highway Traffic Safety Administration would have much to do with stolen cars but strangely enough they do, and in a very unusual set of circumstances. To give you that in a capsule form, I am very pleased to introduce to you one of our Workshop members, Frederick Schwartz of the Chief Counsel's Office of that high and mighty administration. Mr. Schwartz.

MR. FREDERIC SCHWARTZ: Thank you very much, Senator. One of the great advantages of appearing last when you have to give a short speech is that everybody else gives most of your speech for you.

I will be brief, although I must say that we in the government have been called high and mighty before, without quite the kindness I hope the Senator intended.

I think that sitting here, I have heard very little that I disagreed with from the previous speakers. They talked about uniform titles which would thwart counterfeiters; they talked about salvage certificates of title; and they talked about removing titles from circulation. I think what they pointed out also is that the major problem is not so much how to deal with stolen vehicles and titling, but how to really achieve uniformity in all the states. This is a problem that hopefully the federal government will be useful in solving.

Let me interject that being from Washington, I have to reserve the right to revise and extend my remarks, as I rarely get them totally right the first time.

I think that the AAMVA and ADRA, the recyclers association, have done an absolutely splendid job in coming up with a number of proposals. What we have done in Washington in terms of our efforts has been primarily under the Highway Safety Standards Program under the Highway Safety Act, by issuing Uniform Highway Safety Standards.

Now, with our Uniform money, generally in generous denominations, which we send to the states each year, come these standards. Though they are not specifically required—you cannot tell a state that they have to abide by a standard or go to jail—the states get very little money if they are not followed. These standards are hopefully going to form a pattern that all states will adopt. We all know that if half the states adopt uniform titles, thieves will start hauling cars to the other half of

the state. Therefore, what we have done is to issue a proposed Standard No. 19. The major points of Standard No. 19—and I will just very quickly run over them in English, which is not in the standards, but I hope will make sense to you—are as follows.

We would require that there be a birth to death uniform title. When you get your car, you title it. The title stays with the car until it is sold or salvaged. When it is sold or salvaged, we would require the title be canceled. We would also require that during any retitling—that is, after the vehicle has been sold for the first time—or retitling in different states, a check be made with the NCIC, which, of course, we will pay for, up to the interface. Further, we would require that the old title be returned to the issuing state.

We would also require than an auto inspection be carried out in association with each titling. That is, that there be a physical inspection of the vehicle to make sure it is the vehicle which you are supposed to be titling, and, secondly, that the vehicle is safe.

We would also establish a process for retitling of reconstructed vehicles and again, the proposals that you have heard earlier today would fit in with that proposal.

We have no jurisdiction over salvage vehicles once they are sold for salvage. We only deal with things that go on the road, and when they stop going, we lose our jurisdiction. On the other hand, we certainly would support any effort on the part of the states to have salvage licensing.

Now, this standard was issued in November of 1976, which is really a long time ago, and it is still in a holding pattern, I am sorry to say. We are faced with a situation of congressional imperatives first. Every time we issue a new federal safety standard, we send it to the Hill for review. Secondly, we have been reviewing all our highway safety standards. Third, the Congress wanted recommendations for revising the Highway Safety Act. These three items held up our standards. We hope, though—and I am authorized to say at this session that

we are nowhere—that sometime by the first of the year, we will be moving forward with this uniform titling standard. What we probably will do is reissue it so that not only the major organizations, such as the AAMVA, ADRA and the VESC, will have a chance to comment on it but also all of you will have a chance to comment on it too, those of you who deal in the area.

The one thing that I have learned in Washington—and it was hard to believe when I went there—is that we do not know all there is to know about what we regulate. Fortunately we have a practice of asking the advice of everybody who is concerned. However, in this process, it is incumbent upon you to comment on our standards and our proposals, and I would hope that each of you would do so. We will ensure that all of you who are attending the conference are advised of the actions we are taking, and as I said, we need your help in this regard.

Now, I think I have used up the two and one-half minutes that I really had after everybody else had gotten over talking about their good ideas. Let me just say a few words about Standard 115, which is the VIN standard. Some of you are intimately involved. I just flew in from Washington before lunch where I am working on the petitions for reconsideration. We hope to have those resolved very quickly. For those of you who are interested—actually two of our speakers represent organizations who submitted most comprehensive petitions for reconsideration—I am sure you will be pleased to know that even if the administration does not grant your petitions, you will have brought me to an early grave.

SENATOR MITCHELL: Thank you very much, Mr. Schwartz.

I guess I want you to know that at 4:00 o'clock we will have our next Plenary Session which will not be followed by workshops. It will be on the problems in the adjudication of motor vehicle titling, and you will be in the West Ballroom on the 3rd floor, at 4:00 o'clock, so you have a little break to have longer workshop sessions.

Without further ado, the meeting is adjourned.

Problems in the Adjudication of Auto Theft Violations



Utilizing data gathered by federal and state sources, as well as the work session discussions, the Workshop Advisory Committee developed a comprehensive set of resolutions adopted by the Workshop attendees to spur national and state action against auto thefts.

*Plenary Session IV
Wednesday, October 4, 1978*

PROBLEMS IN THE ADJUDICATION OF AUTO THEFT VIOLATIONS

SENATOR MITCHELL: The hour of 4:00 o'clock in the afternoon having arrived, this Plenary Session will convene.

Unfortunately for me, I am not going to be in a position, because of conflicting engagements, to preside, but for that purpose I have an individual here about whom I would like to speak just briefly.

We have two program coordinators who have worked very closely, energetically and successfully in helping to arrange the program. One of them is Miss Linda Conrad, and she, unfortunately, is not here at the moment, but you have seen her and she is doing a tremendous job. I would like to give her all the appropriate recognition to which she is so richly entitled and when we can take her away from her duties, we will give her additional recognition at that time.

The other is an individual who has worked very closely with me. He is going to continue to work with me after the conclusion of this conference. He will be developing under the grant, the compendium, as I like to call it, of the proceedings that have taken place. For those of you who do not realize it, this compendium will be distributed to everybody who has been here and to all others who desire a copy. This panel discussion is the only one which will not be followed by a workshop, although tomorrow morning, Topic V again will be. It will consist of four reasonably short speeches which in turn will be followed by questions and answers from the floor, which will be fielded by the moderator with his adept and efficient manner. I first ask you to give a real round of applause for our program coordinator and my dear friend, Peter Derrick.

MR. PETER DERRICK: Thank you Senator. Before I go into this Plenary Session, I want to explain why you have this little booklet on your seat, "Recommendations on Auto Theft." That is something that was supposed to be put in the packet that everybody received. Unfortunately the air freight service between New York and Washington is not the best, and it did not arrive here until this afternoon, so we are giving them out to all of you now. If anybody else wants a copy—your friends who are not here this afternoon—we are going to have them available at the registration desk. So much for that.

This topic, unlike most of the other topics that have been covered here today is a little vague, but it is an important topic. A number of people have asked me, "What does the adjudication of auto theft violations mean?" Truthfully, I am not quite sure myself, but I think the reason we have put it in is that we obviously have a major problem on our hands with auto theft in terms of the value of the vehicles that are stolen, in terms of just the simple numbers of vehicles, but very few people who steal cars ever suffer any consequences for their acts. Judging from the

feedback that I received from many people with different backgrounds, one of the major reasons for this is that the courts, and indeed the entire criminal justice system, have put auto theft on the back burner. The question that I hope will be addressed by the four speakers today is a twofold one: should the judicial system pay more attention to auto theft? If the first question is answered yes, then what can we do to make sure that it addresses the problem in the correct way?

We have four distinguished speakers here today, and I would like to introduce them. The first speaker is L. Brooks Patterson, Oakland County Prosecutor, Pontiac, Michigan. The second speaker is Steffan W. Graae, a lawyer who has helped prepare the Blackstone Institute study of the disposition of the Dyer Act violations. Barry Moskowitz, Assistant U.S. Attorney, District of New Jersey, our third speaker, works out of the U.S. Attorney's Office in Newark, New Jersey. Our last speaker will be Senator Ronald L. Nabakowski from the Ohio State Senate. He has a long involvement in the auto theft field; he has sponsored a bill requiring vehicle identification numbers to be included on major component parts. He is here today to give us a state legislator's perspective on the problems of adjudication of auto theft violations. I think there is a strong feeling on the part of many legislators that we do not really need any more laws because the existing laws are not being enforced anyway. I think he is going to address that problem.

They are all going to make short presentations, and then we are going to open it up to the floor. I have no list of set questions that I am going to ask the speakers so while they are speaking if you could jot down or keep in your minds what you want to ask them, I would appreciate it. When you do ask questions, I would appreciate it if you do not make a speech. Ask the question; direct the question to one of the speakers. I will pass the microphone to that speaker, and if any other speakers want to comment on it, I will pass the microphone on to them.

First, I would like to present Mr. L. Brooks Patterson, Oakland County Prosecutor, Pontiac, Michigan.

MR. L. BROOKS PATTERSON: Senator Mitchell and attendees, it is my pleasure to appear before you to give the perspective of the prosecutor (in this case of a District Attorney) as he faces the challenge of auto theft prosecutions. What it means to him as far as his office is concerned.

First, let me start by telling you a very, very quick story. We often hear about the three most often told lies, the lies you hear more than any other. Number one, the lie that is told more than any other is, "The check was in the mail." Number two, "Of course, I'll respect you in the morning." And the third is, "I am from the government, I am here to help you." Well, I represent the government.

But first let me tell you a little bit about my county and office so you get an idea of the size of the operation. Oakland County is the second largest county in Michigan. Wayne County is Detroit. Oakland County is the next county to Detroit, with about one million two hundred thousand people. My office has now 53 Assistant Prosecutors and 17 investigators, a fairly large operation. Maybe by comparison to some offices you deal with it is small, but I imagine it ranks in the top 10 percent as far as size, and in the number of cases. We deal with 13,000-14,000 felonies in a year.

I checked my office statistics in preparation for my appearance here and gleaned just a few of them to give you some idea what my main problem is with dealing with auto theft prosecutions. I think the problem becomes clear when you listen to these statistics.

Last year, 1977, in Oakland County we issued 48 murder warrants, 242 armed robbery warrants, 165 rape warrants, 84 assaults and intent to commit murder warrants, 46 assaults and intent to commit armed robbery warrants, 15 manslaughter, 98 sale of narcotics. The total of that comes to 698 crimes (narcotic crimes are included because of the serious impact it has on the community). In addition to that number there are many other crimes like shoplifting and breaking and entering and so forth.

We had 109 auto thefts, what we call in Michigan "unlawful driving away in an automobile," and 408 possession of stolen property, which in the majority were stolen autos. Total that together and you get basically 517 auto theft violations.

I have been prosecutor now almost nine years, and we have a pretty aggressive office. My office is recognized in Michigan as being one of the most aggressive offices, and we have never in any given year tried over 200 cases in court. The most we ever tried, I guess, was 191. That was a bumper year! We had a lot, so the main problem facing me in the adjudication of the auto theft violation is a very simple one. It is a matter of setting priorities.

Is anybody in this room—and I don't mean to be offensive, I am a guest here and have looked forward to this opportunity to discuss this issue with you—but is there anyone here in this room who would ask me to forego a murder prosecution in favor of an auto theft, or a rape or an armed robbery or a kidnapping, or a sexual assault or sale of hard narcotics?

That is the problem.

I have nearly 700 of those which I deem to be more important frankly, as far as trial time goes. I am not going to get more than 200 trials in a year because the civil dockets—those lawyers who have tried condemnations and divorces and accident cases—demand their day in court, too.

Now, I disagree respectfully with the luncheon speaker, Senator Pisani, who said that the auto industry does not give a damn about auto theft. I do not think that is true. I come from Michigan and I know the emphasis in Michi-

gan in trying to reduce auto thefts. I also disagree with his assessment of the insurance companies not caring. I do not think they have any stake in keeping auto thefts high and paying off those kinds of premiums, and I know from the prosecutor's point of view that we are concerned.

My problem is one of setting the necessary priorities. I believe the adjudication of auto theft is one of society's main problems. The fact is, however, that society does not deem auto theft to be a major felony. Until we do deem auto theft to be a major felony it is not going to get the kind of priority that it should from the various segments of law enforcement and representatives from the private sector who deal with the problem of auto theft.

Despite the fact last year in Michigan that we lost nearly 50,000 cars (49,055) and two-thirds of those were lost between Wayne and Oakland counties, two counties where I serve; despite the fact that a car is stolen every 33 seconds; despite the fact that the monetary loss of automobiles is a multibillion dollar business which is now being manned by professionals; despite the fact that auto theft represents approximately one-ninth of all crime in the United States; and despite the fact that the recidivism rate—a person who repeats that crime—is nearly 75 percent; despite the fact that insurance rates I think are tied basically to the rates of auto theft in many cases; despite the fact that one-third of all stolen cars are not ever recovered; and despite all this and much more, auto theft and the crime of auto theft is a category of crime that continues to get low priority. Let's look at auto theft from different perspectives.

The policeman on the street, many law enforcement agencies, are sharing a very common problem, that of manpower shortages. They lack the personnel resources to combat violent street crime. Thus theft of automobiles and investigation of those thefts are relegated to a lesser priority. As an example, we have nearly 640 police departments across the State of Michigan, and we can only find 12 that have any trained auto theft investigators.

From the point of view of the courts, the judiciary finds that the auto thief is almost harmless as compared with the murderer or the rapist that they have to deal with. Therefore, lighter sentences and reduced sentences are the rule rather than the exception, and that leniency, unfortunately, extends to repeat offenders, which most of them are, 75 percent.

From the prosecutor's point of view, the one that I represent, as I said a moment ago, it would be fortunate if my staff can ever reach 200 cases to take to trial in a year. During that same year, 700 crimes of violence will be committed, that I will recommend which go to trial first. That is my problem. It is a hard one. If you have any solutions I would be glad to hear them, but I pulled 40 cases at random from my files before I came here today.

Back in 1977 we prosecuted, from those 40 cases, and we found that approximately 50 percent, 19 out of those 40, were reduced in District Court, which is our lower court, and left down there on a misdemeanor charge. Approx-

imately 50 percent or 21 of the cases came over to Circuit Court for felony trial. All cases resulted in conviction in Circuit Court. Of the 21, five went to prison while sixteen received probation sentences.

From the perspective of the public, which is another perspective, who are paying high insurance rates because of auto theft, I think the public recognizes or considers auto theft to be a "victimless crime" because they are compensated for their loss. Basically the public perceives this as more of an annoyance rather than a major felony to be dealt with as—I guess it depends on whose ox is being gored.

A couple of months ago I had the opportunity to address a retailer's association in Detroit. Their main concern was not the crime of auto theft—it never came up during the two day conference there. Two days were spent on how to cure the crime of prosecuting shoplifters. "Why don't you put shoplifters in jail? Why don't you prosecute them?" It depends on whose ox is being gored. Their answer was the same as my wife's: that all purse thieves ought to go to jail. My wife had her purse stolen. (We did not prosecute the thief because he was spending less with the credit cards than she was. But that is another story.)

A wild solution—which I hope this court reporter doesn't put down—one way to end the public apathy, the public's disregard or lack of concern for auto theft is to prohibit auto insurance for a year. All of a sudden you could end public apathy when they would have to pay that \$8,000 to replace the auto. But that is not a serious solution.

From my nine years in the prosecution business, I have come to this conclusion: if you raise the risks of the commission of a crime, you lower the numbers of those who are willing to take that risk to commit a crime, to engage in a crime. This is true for narcotics. This is true for armed robbery. When you raise the risk of going to prison, getting caught, getting punished, you proportionately lower the number of those willing to take the risk. Therefore, I suggest firmer penalties for those engaged in the commercialized, professional auto theft industry. Every expert I have been able to read has agreed that those kinds of approaches, increased penalties, are going to be a deterrent to auto theft. Those penalties must be in two ways—swift and certain.

Some of my remarks dovetail 100 percent with the Commissioner of California, a previous speaker. Penalties must be swift—we cannot have adjournments for years—and those penalties must be certain. Therefore, I think in Michigan—and not only Michigan, but across this country—we should pass not only tougher penalties, but mandatory penalties so there will be that certainty of punishment for a thief that steals a car. Those penalties should be increasingly harsher especially, for the professional thief that engages in an ongoing business of stealing cars and chopping them up—as well as increased penalties for white collar insurance ripoffs.

If the Legislature in Michigan—I see that Ron is from Ohio and there are many legislators in the audience—if

all the legislatures respond with tough penalties for the professional car thief (that is what we are concerned with, the professional, those whose livelihood is to steal or is to bring cars in for chopping up), then we, from the prosecutorial end, must meet the legislature more than half way and guarantee full prosecution without any plea bargaining.

I can say from this platform that I would end plea bargaining today, despite the problem I have in all cases of time for trial in my county which has over one million people now, if I knew that the judges and the Legislature would likewise respond with an appropriate penalty for the crime.

In my county we have ended plea bargaining in any narcotic case, in any armed robbery case, in any crime where there is a weapon and in any burglary. Last year the convictions by a plea of guilty on those exceeded 1,100 as compared to 1972 when there were only 67. We have gone from 67 to 1,100 who have pleaded guilty and there is no sentence bargaining. Judges tend to treat, and I think I mentioned this before, auto theft as a minor violation because they are looking at it together with another dozen cases that come to trial that are murders, rapes, and robberies.

Maybe we ought to take auto theft out of the criminal court. Set up a referee and let the referee, who is schooled in what the problem of auto theft really is, deal with the problem. You know, we hear a lot today of domestic courts, family courts, where we take the divorce case, where the kids are involved, and so forth. Why do we not set up a "referee system" where that man hears only the crime of auto theft. Then the penalties would be, in fact, more uniform, more swift, and certainly much more severe than they are today because that man is dealing with a crime for which he is trained. That is one solution.

Finally, with the sophistication of auto theft today and all the myriad problems I think you might find it of interest that when I sat down with a group of my investigators and I fielded the questions to them I said, "I am going to a conference in New York. I want to leave them with one hell of a good idea: How we could curb auto theft. What is the best thing I can tell them? What is the best thing we can do? What is the best idea we have come up with in auto theft?" These guys tossed it around for a few days, and when they had a few minutes they came to me with the conclusion that there was not one thing I could leave you with—not one simple solution for this very complex problem.

At the manufacturing level, the auto companies must try to outwit the ingenuity of thieves. I picked up this copy of *Money* magazine at the airport dealing with the auto theft problem—"I can get into your locked car in 23 seconds"—shows how this man for 15 years has outwitted the engineers from the auto companies. It is really an interesting story, and he is a professional who now, by the way, represents companies who sell anti-theft devices. He has gone straight, apparently, and he talked to

the writer of this article in *Money*. For a demonstration, they put him in a lot with 20 parked cars, different makes, different models, and he went through those cars from 1 to 20, got them started, and the average time it took was 23 seconds. It is an interesting article; I bring it to your attention.

It is far too complex for one simplistic answer. There must be assistance: at the manufacturing level by auto companies who must continue to outwit the ingenuity of the thief; at the insurance point where stricter titling becomes critical; at the insurance point where nonexistent cars can actually be insured and later be reported stolen as a ripoff; at the law enforcement level where more effort and time must be concentrated to reduce this costly escalating category of crime; at the court level where the repeat offender must be dealt with harshly.

It's got to be a concerted effort from all the sectors touched by auto theft. One of us acting by ourselves cannot plug the dyke. Thank you.

MR. PETER DERRICK: Thank you very much, Mr. Patterson, for an excellent presentation.

The next speaker is Steffen W. Graae, who, as I said before, is one of the authors of the Blackstone Institute Study. I will let him explain. Mr. Graae.

MR. STEFFEN W. GRAAE: I think Mr. Patterson touched on the basic problem that we found in our study, namely, that auto theft is a low priority offense in terms of prosecution. But let me add a layer to that, what about auto theft which involves the taking of a car across state lines? Who wants to prosecute the case? In essence, that was the subject area into which we plunged, and the basic question before us was this: what happens to the auto theft case that began in one state and ended in another?

The starting point of our investigation was the fact that the federal government, pursuant to changes in its policy guidelines back in 1970, decided that, except for auto theft ring cases, individual auto theft should be prosecuted at the state and local level. The question was then: "What has happened to auto theft prosecutions at the state and local level now that the federal government essentially has removed itself from that area?" That was the subject of our study.

Let me start by giving you what I think is a neat little illustration of the problem. In the course of our study, someone kindly sent me a news clipping from Birmingham, Alabama, and it recounted a situation with respect to a car that had been stolen in Massachusetts. Police officers in the small town of Fairfield, which is adjacent to Birmingham, noticed a '74 Cadillac with Massachusetts plates. They checked it through the NCIC and learned that the car in fact had been stolen. They learned the owner's name. They contacted the authorities in Massachusetts about the situation. Incidentally, they had arrested a person with keys, a Mr. Vann. They locked him up and he sat in jail for three or four days. They talked to the owner of the car and said, "We have your car. Would you care to come down here and help us prosecute this

man for stealing it?" She said, "Well, no, I am really not too interested." And I think one would have to assume that because the insurance company was taking care of the problem, Massachusetts authorities failed or refused to pursue the case. As a result, authorities in Fairfield, Alabama, felt that they had no alternative but to let the man go. They did let him go and they gave him the car keys and he drove off. That illustrates very nicely a substantial part of the problem. No one seems to want to prosecute these cases.

The jurisdiction of the theft presumably has an interest in prosecuting the car thief because the car was stolen in that jurisdiction. The victim was presumably a resident of the theft jurisdiction, and thus, he or she would conceivably have an interest in prosecuting the person who stole the car. But here, I think, judging from the many conversations that we had with state and local prosecutors across the country, enters what I would call the "hassle factor." They regard it as a big problem to go through all of the steps necessary to prosecute someone who has taken a car across state lines. Not only would they have to bear the cost of bringing the auto thief back to their jurisdiction for prosecution, they would also have to bring back the arresting police officer. They would have to get the cooperation of the victim of the theft, gather all the relevant evidence, and so on. Given this context, the conclusion we reached is that the prosecutor in the average jurisdiction will more than likely give this kind of case low priority. As Mr. Patterson has already suggested, in many jurisdictions auto theft generally is a low priority crime, but you superimpose on this the additional problems of bringing someone back from another state to prosecute him, and I think you have a very difficult problem. As for the jurisdiction of arrest—that is, where the car was located and the individual arrested—their interest in prosecution is considerably less than that of the jurisdiction of the theft. To them, it is a nuisance. The car was not stolen from someone in their jurisdiction. Presumably the auto thief is a transient. In short, their motivation to prosecute is low.

Now, rather than go into details as to what our study found, I think the brief abstracts and excerpts that you have from the report will give you some idea of the subject area that was covered. However, let me sum up Blackstone Institute's impression of the problem of prosecution. We asked all of the prosecutors we talked to what was the reason that you did not go forward with the case even though you had the culprit in hand or you had access to him, you could bring him back? Even in those instances where they did bring him back, the major reason cited was that the victim refused to prosecute. The feeling of many prosecutors is that without the victim's willingness to cooperate, their own interest in prosecution is dissipated. Another commonly cited problem was insufficient evidence against the auto thief, particularly in those states where the requirements of proof are difficult to meet. In those jurisdictions it is difficult to prove that a given person, with the specific intent to deprive the owner of the car for all time, took that car. It is somewhat easier to prosecute in those states which have unau-

thorized use statutes or some other similar statutory provisions for prosecuting auto thieves. But basically I would say the two major reasons are: one, there is not enough evidence against the subject, and two, the victim is unwilling to cooperate. The bottom line is that in many jurisdictions they regard the interstate auto theft as a low priority case.

There is one interesting wrinkle which perhaps supports the view that it is the priority that the community puts on the crime that determines whether or not there is going to be a prosecution. We found that in jurisdictions with populations of less than 100,000 and with relatively low auto theft and overall crime rates, the rate of prosecution for interstate auto theft was nearly double the rate in the larger jurisdictions with large populations and large crime rates.

If you have any questions pertaining to some of the conclusions that we reached or how we reached them, I would be more than happy to answer them. Thank you.

MR. PETER DERRICK: Thank you very much, Mr. Graae.

The U.S. Attorneys' Offices in this country have the responsibility to pursue Dyer Act violations in ring cases under the Justice Department ruling. We have a representative from a U. S. Attorney's Office to discuss what U.S. Attorneys' Offices are in general, and, I think, what they are doing in New Jersey with ring cases. Also, I think, what they are doing in terms of deferrals and in terms of the federal-state law enforcement committees which Mr. Del Tufo, who is a U.S. Attorney in New Jersey, has been very active in forming.

We have from the U.S. Attorney's Office in New Jersey, Mr. Barry Moskowitz.

MR. BARRY MOSKOWITZ: When I was in my second year of law school, I had a professor who taught a course called "Law and Psychology." This professor seemed to believe that he knew it all and could explain the whole criminal justice system, including penalties. At the same time, my wife, who had nicely put me through law school, was working as a social worker with juvenile delinquents. She had one 16 year old who already had developed a promising career. He had stolen 15 Mustang automobiles by the time he was 15, and each time he was prosecuted. The first two times he, as they say in criminal justice, got a walk, but eventually he went to reform school and was released. Then oftentimes he would steal another Mustang. I mentioned this to the professor, and asked what could we do about it. Do we lock this kid up forever? Is this the type of crime that deserves that kind of punishment? What should we do? And the professor looked at me and said, "I think all you people in law enforcement are ignorant. There is an obvious solution to this thing. Give the kid a Mustang." And I suppose that is one way we could deal with the problem, but luckily we have not chosen to do that, and someone is paying my salary to do something else about it.

Well, who am I and what do I do? Unfortunately, I can only speak for what I do, and I cannot answer for the

other U.S. Attorneys' Offices in the country, but I handle a small section of the U.S. Attorney's Office in New Jersey that handles these car violations, truck violations, and all sorts of motor vehicle violations.

Essentially I like to consider myself as the counsel and trial attorney for the 19 FBI agents who work in that section of the FBI in Newark, and I would add that that section of the FBI in Newark has the most number of agents out of the some 275 agents in Newark, so, as you can see, there is some priority given to automobile violations. But automobile violation is not the only thing that I handle. In addition to some exotic crimes like terrorism and revolution that I sometimes get involved in, I handle immigration and naturalization crimes. Thus, I am also the counsel and trial attorney for some 20-odd criminal investigators from the Immigration and Naturalization Service. I also handle, in my section, all the IRS inspection cases which deal with the policing of IRS agents, IRS bribery. Under my supervision I have two people and that gives us the sole manpower to handle our caseload of all those crimes.

There are 64 attorneys in our office, and we are, I think, probably the third or the fourth largest U.S. Attorney's office in the country. Most offices are much smaller. I know Connecticut has 14. I do not know what the Southern District in New York and Manhattan have. I know it is a lot more than 64, but we are one of the larger offices in all the districts. Out of that, we have three people who would concentrate one-third of their time on these motor vehicle violations. The U.S. Attorney of New Jersey, Mr. Del Tufo, had made the policy decision that theft of automobiles in these rings are a priority, at least to the same degree as shoplifting has a kind of priority, that property crime is property crime and ought to be addressed equally.

The one difficult problem we have in adjudicating these crimes is that prosecution of automobile crimes requires some expertise to identify these particular thieves. It is not the same as prosecuting the theft of a couple thousand dollars of treasury bonds with serial numbers. It is a bit more difficult getting the identification of these cars that are now chopped up—but we are targeting these cases. I would like to point out how we get these cases in our office and what we found out from our investigations.

A State or an FBI agent or a State Police Officer will come in and say, "Here is a person we have arrested." We work with the FBI from the initial time that they get their information that a crime may have been committed, whether it is from an informant or from some surveillance they conducted. We are in it at the beginning not just when they have a search warrant or when they are ready to make an arrest. As I go on, you will see it is necessary that we work hand in hand with them. As to the time that is involved, we found from investigating with the FBI, that unlike a lot of property crimes, thefts of automobiles have become a major industry for organized crime. We have also found that public officials at the municipal level and at the state level are involved in a lot of the dealings involv-

ing the theft of automobiles. In regard to these rings and the mail fraud aspect of it, we are presently handling the investigation of several cases dealing with these organized crime and public officer categories. We found that it is not just one individual stealing a car that makes a case.

But I would like to go now through the process of what is involved, what the three of us in our office do each day and I would like you to see the time that is involved. I would be pleased if the priorities were changed and I would have one or two more individuals work with me on this.

Let us take a look. First of all, as I said, we work with the FBI and with the State Police at the very beginning when they find a violation has been committed. Let us assume it materializes and through our investigative processes results in arrest or grand jury presentation. Grand jury presentation alone involves the issuance of subpoenas. Now, I am a bit amazed to hear that one of the problems that Blackstone Institute has come up with is that the victims do not cooperate. I have never had that problem. Maybe that is one area that I have been lucky in in that I tell the victims—and oftentimes there are numerous victims in these ring cases—that they are going to be issued a subpoena and that they will appear. No doubt they will complain to me that they are busy, but I always tell them a subpoena is not an invitation to come to a grand jury or a trial, but it is a demand they be there, and as long as the particular witness is not a physician, he usually comes. Physicians for some reason would like to keep people waiting, but in the grand jury, we try to stay away from the presentation of merely an agent's report and it takes some time. It will take several hours of grand jury presentation, several hours of preparation, and then there is the filing of the indictment as soon as the grand jury indicts. Within ten days, there will be an arraignment. You will go to court and you will not be the only attorney there. It may be a motion day and there are plenty of attorneys making \$250 an hour sitting in court waiting to make a motion in some civil case or in some criminal case. You wait too. If the arraignment is called for 10 o'clock, it often does not come off at 10 o'clock. It may come off at 12. That time is dead time, waiting, which is billed to the taxpayers. In the district of New Jersey, with very few exceptions, there has to be a trial within 60 days. Now, what does that leave us to do in 60 days?

Let us assume a ring case. One that I just investigated is now at the point of a grand jury presentation. It involves the theft of 67 stolen trucks valued at approximately \$30,000–\$40,000 each. Now, they were all stolen in the Elizabeth-Newark, New Jersey, area over a two-year period, and then they were transported to various states. Eventually, we have to get all 40 victims to testify. Now, we may not need to in the grand jury, but we are going to need to at the trial because opposing attorneys are not going to stipulate that these trucks were stolen. They are going to put you through the trouble if they have to go to trial. We have to contact them. We have to subpoena

them, and we have to get the necessary documents. We have to do it within 60 days, but we actually have to do it in a shorter period than 60 days because at the arraignment the judge will ask, "Mr. Moskowitz, I want all your exhibits marked ten days prior to trial and distributed to defense counsel." It cuts my time down, and it means for the next 60 days on a major ring case, I will be doing nothing else. If I then try a case—and as you know it often takes two weeks to try one of these cases—there are various things that go into a trial. The government will present its case. There will be the defense case. There will be arguments over the legal issues to be presented to the jury. All this will take my time in presenting one particular ring case, and I tell you that if I can bring to trial two or three ring cases a year, that is a substantial amount. Luckily I have had to try only one motor vehicle case since I have been in the office. All the rest have pled. I would just like to comment on this aspect—what my office does in taking guilty pleas in these particular types of crimes.

Our office presently takes between 85 and 90 percent guilty pleas on all indictments. That leaves approximately 10 to 15 percent of the cases to go to trial. Now, we have heard a lot about plea bargaining. The Commissioner from California has mentioned it. He does not want to see plea bargaining involved in this particular type of crime. Well, ask yourself what would happen if we did not have plea bargaining? First of all, all the cases at present that would not go to trial would have to go to trial because there would be no advantage in pleading. But there are certain advantages to the defendant in pleading. In our district, the judges will not allow us to recommend or agree on a specific sentence. Not only do we not have that power—and thank God we do not—but we also never recommend as a policy decision that a particular offender not go to jail. We have two things that we can bargain with. The first is that in the multi-count indictment we can dismiss counts of an indictment. Secondly, we can agree at the time of sentencing that we will not say to the judge, "Sentence him to jail." We will say to the judge, "These are the facts that you ought to reconsider in making your determination." Well, it may seem that we are throwing some of the teeth out of these statutes, but, as a matter of fact, the largest sentence I have had in any motor vehicle ring case that I have prosecuted is approximately three years incarceration. A first-time offender, a person who has no criminal record and who does not run the risk of recidivism, would usually get probation. A second conviction or a violation of probation often does guarantee jail time, but not the amount of jail time that the statutes call for. For a 17-count indictment, for example, for a six-count truck ring, the defendant got five years, plus a five-year conspiracy count. No judge is going to sentence anyone to consecutive sentences for every count. He may take two counts and sentence the defendant consecutively for ten years. That would be a rare situation. So in terms of plea bargaining, what we have done is keep a lot of cases out and take a lot of pleas, thereby saving the taxpayers a lot of money and probably apprehending a lot of people.

You have to understand when I am preparing a case, there are at least one or two other FBI agents with me. That takes them off the street. It takes them away from handling new cases.

After we do get a conviction, we seem to be fairly lucky in getting our cases upheld on appeal. An appeal takes an inordinate amount of time and expense. In filing briefs in our circuit court you have to file 25 copies of each brief and ten copies of the appendix. It runs into some several thousand dollars. All that aside, only three people were convicted when we prosecuted nine cases.

By "ring," I might point out to you the type of case we are talking about. Those cases that we do not prosecute are those thefts involving few vehicles; the agents who cover them will bring them to us and say routinely, "What will we do? We caught this person stealing three cars. What shall we do with them?" We first make a determination in a situation like this. Is this the tip of the iceberg? Is this person who was caught with three cars part of a large ring or is this person just a small individual who just started out, whatever? If we decline prosecution, the case must be presented to a local prosecutor and the county prosecutor is put on the line. A FBI agent will walk down to the office to talk to the person in the county prosecutor's office that he knows and will say, "These are the facts in the case." The person will say, "We will help you present the case to the grand jury, and we will testify at the trial and present the evidence for you. Will you prosecute?" A lot of times the answer is very equivocal, they do not have the time, as Mr. Patterson mentioned to you. They have priorities themselves and certainly homicide and robbery cases take precedence. But what we have come to do in New Jersey is to create what is known as the Joint Federal-State Law Enforcement Committee. Prior to handling automobile cases, I handled firearm cases, and I do not believe I saw one single firearm case go unprosecuted by the federal or state government because of that committee. If the federal government did not handle it, the state prosecutor or the county prosecutor handled it.

The Committee sets policy as to who has to deal with what so that we can maximize the prosecutions, making sure that we net most of the criminal element who are dealing in automobiles. In addition to the creation of the Joint Federal-State Law Enforcement Committee that deals with automobile theft and firearms violations and other crimes of concurrent jurisdiction, there is one other recommendation that I can make. In two years I have come to learn a good deal about prosecuting automobile cases, about how automobiles are marked and the different schemes. Every time I think I have gotten the scheme down that the individual thieves are going to use, they seem to create another one that will keep me baffled for a while until I can unravel that one. The answer is that we have to train prosecutors in prosecuting and dealing with evidence in special types of crimes. I recommend that, as we have now in our narcotics, that there be a prosecutor in the U.S. Attorney's Office in the major cities and in the larger county prosecutor's offices, that they be schooled

well enough in handling automobile crimes so that they can identify the schemes and work with the agents to prosecute those particular rings and that they be able to identify the other areas where these cars seem to end up these days. Those are the solutions that I can think of in summing up.

As much as we can maximize, we are still not going to significantly dent the problem that we have presented here in the last couple of days, but I think that what I have suggested is at least one way our profession can help. Thank you.

MR. PETER DERRICK: Thank you very much, Mr. Moskowitz.

As our final speaker, before we throw this session open to questions from the floor, we have a State Senator from Ohio, who, I am sure, will give us an interesting perspective of this problem. Senator Ronald L. Nabakowski.

SENATOR RONALD NABAKOWSKI: First off, I would like to thank the New York State Senate Transportation Committee and the LEAA and staff people and everybody for their cooperation, and I really thank you for giving me the opportunity to address this conference.

One of the answers to the problems of the adjudication of auto theft has to be new legislation. It is obvious from the discussions we have had today that there is, in fact, a low level of interest among our constituencies.

Out of the roughly 2,000 bills proposed by Ohio's 112th General Assembly, only three bills really had anything at all to do with auto theft, which reflects a low priority on the part of politicians and legislators, and that in turn reflects the low priority on the part of our constituencies. I think if you look around, one of the places you will find general interest at the state level is with anything that has to do with this tremendous upsurge in the cost of living, this inflation problem.

We might very well be able to do a great deal more for constituencies in terms of that cost-of-living burden by making a real attack on the auto theft problem. We have an obligation, whether as legislators, law enforcement officers, or as prosecutors, to communicate to the public the real cost auto theft represents to all of us.

All of the statistics that we heard all day—they are, in fact, dramatic—are important to hear. I think one of the answers to the auto theft problem is to raise public consciousness, to really create a constituency of people who know.

I have seen a lot of hope here today. I am very happy to see that the Percy bill is getting a great deal of discussion. I think it is a very comprehensive measure.

There was some discussion in one of the workshops that perhaps we ought to wait for the federal law. I took violent opposition to that. I think the states are very good experimental workshops, to test and to evaluate the methods of dealing with problems. I know, without getting into the merits of the proposal, that we in Ohio gave up on no-fault some time ago as an

insurance mechanism because we were going to wait for federal no-fault. We are still waiting.

I feel very strongly that we do need the marking of component parts of passenger cars. We have a bill in Ohio that will require that by 1981. I look for the federal legislation to go beyond our current measure. I believe that it is important to begin to solve the problem now to save our people's hard-earned money.

Another bill that I have introduced in the Ohio General Assembly will license the salvage dealers. The honest salvage dealers are getting their heads knocked in by some of the competition who are not so interested in solving the problem and are perhaps not so honest. I think we have to get legislation on our books to find the fences, to root them out, to give the prosecutors a chance to win in court more often than they lose. In addition, since we need the cooperation of insurance companies in order to successfully prosecute auto theft cases, we need to look at some relief for them in terms of immunity from civil liability.

Again I must congratulate this assembly, the New York State Transportation Committee, and all of you for taking your time to come here today. I am glad to be with you.

MR. PETER DERRICK: Thank you very much, Senator. Now I would like to throw it open to the floor. We have a stenographer here. If you would, just state your name and where you are from.

MR. STUART BAKER: Stuart Baker. I am from New York. I am addressing this to Mr. Patterson.

Sir, the setting up of a referee court as opposed to the general criminal court, could you explain the problem a little bit more with regard to court time?

Do you have a civil court and a criminal court or is it all in one?

MR. L. BROOKS PATTERSON: In Michigan we have one court system, the circuit system, which is our trial court which has jurisdictions for murder all the way down to the smallest crime, which would be a one year misdemeanor such as joyriding.

In that court you can see what happens. When an assistant takes a case in—let us say on a given day the judge will try a number of cases, and the judge sets sentences for example on every other Thursday. We have eleven judges, soon to go to fourteen in November, and one of our eleven judges sets the day of sentencing. It is not unusual to have ten defendants, maybe one for murder, a couple for narcotics, three for rape, and one for auto theft. I can bet you that he will hold out on the theft.

I have some disposition sheets with me from the cases that were disposed of, that when the auto theft is sandwiched in between what that judge faces that day, that judge may say to himself, "This guy is an angel." Now, I am saying, why not pull him out of that court and set up a totally different court that deals with the auto thief before a referee. He can be an adjunct to the circuit court in Michigan or any other state for that matter.

He would be the sole judge at these hearings and would have the opportunity to hear cases and make the decisions on them. He would not have auto theft cases sandwiched in between murderers and rapists. The defendant would then get the kind of treatment and the kind of deal from the court that he ought to because that referee hopefully will be a trained individual. I couldn't agree more with Mr. Moskowitz. We ought to have trained prosecutors. We ought to have trained judges who understand the magnitude of the problem, not think it is a minor violation when it is it is a major crime which, in fact, costs us \$2-to-\$4-billion a year.

MR. BAKER: Excellent idea. New York did something on a minor scale to that effect. For many years parking violations, parking tickets and things of that nature were handled in the criminal court system. The criminal court system was bogged down with these tickets by the millions, and as a result, was not doing a good job there, wasn't doing a good job within the criminal court system. That was the reason for setting up this Parking Violations Bureau which has its own officers who adjudicate all the various misdemeanors or whatever you want to call them, the perpetrators of parking violations. It is a very interesting concept. But to put it in a different perspective, I don't know how it could be done or who could recommend it to be done or who could get it to be recommended to be done, but I think it is a super idea for every state if they have a similar problem and I know New Yorkers most definitely must have a similar problem.

MR. DERRICK: Next.

MR. THOMAS MILLER: Mr. Thomas Miller, District Attorney's Office in Philadelphia.

I think you can make a reverse argument for what you want to say about this, that auto theft is as bad as many crimes.

MR. PATTERSON: You are not going to tell it to me, and I have been familiar with it for nine years. I asked before if there was anybody who would prefer placing auto theft prosecution over murderers or rapists and no one said "yes" or "no" to that.

MR. MILLER: Well, there are murders and there are murders. In Philadelphia there are about 400 a year, and there are a lot of murders, such as when a guy gets into a fight with his girlfriend and he stabs her and four other people. That is an awful lot.

A guy goes away for a few years and then they put him on probation for something like that.

Then you have the professional auto thief, assuming you can prove it. I am prepared to say that that professional auto thief is a greater threat than that particular murderer I told you about. I have no problem with that—but I am saying the public would not buy it. I have a real problem with the prosecutor telling the judge that auto theft is not as important because I feel it is the judge's decision.

MR. PATTERSON: I don't want to mislead anybody in the audience. I brought some case sheets here. A couple, this

one—was just brought in as we left town yesterday. (Referring to case sheet.) We knocked off a chop shop in one of the communities which was handling Cadillacs. We know there are three others, three out of 26 communities. We estimate there are as many as 25 rings with at least 25 shops. In the chop shops they found 15 steering columns, 16 engines with the VINs punched, 10 rear seat and axle assemblies of Corvettes. Pieces of two old Corvettes and two whole rebuilt Corvettes with missing VIN numbers were found. Now, they are going to plead guilty and I still have enough knowhow, despite my limited time to link a guy like this to a ring or at least I can try.

Don't let me mislead you. We had another case. I can't give you the name because he is now testifying before a grand jury so we can call him Mr. X for the time being. He pleaded guilty to 13 out of 25 counts. We executed 7 search warrants in four hours. We found 200 Certificates of Origin for Ford vehicles, 10 New Jersey Title forms. We have three sets of Operator's Michigan plates, 2,000 blank registrations and 3 state notary seals from three different states—obviously a professional. We held out for 13 pleas of guilty on the nose, and he is now being called before two other grand juries on a count of murder involving stolen cars steamshippped out of the country.

This is the type of guy we should have the harshest penalties for. So we do treat those guys that we know to be professionals with a little more care than I might have indicated in my opening remarks, but day in and day out, the auto thief is going to get a softer walk than some people should.

MR. FRANK MARTIN: Mr. Frank Martin, New York City. I think, realistically speaking, to ask or seek to have judges give stiffer prison terms to auto thieves is totally unrealistic. I would like to suggest that perhaps we could develop some kind of mandatory restitution system where, if we go into a chop shop and we can identify parts of cut up vehicles, the owner of that shop should be made to reimburse the owners of those vehicles for the full value of the vehicle. Also any equipment used in the cutting or transporting or towing of stolen vehicles or stolen parts should be taken away from this individual, similar to the way it is done with narcotics. If a car is used to transport narcotics, it is taken away and the owner doesn't get it back. I think if we can take some of the profit out of the cutting operations, monetarily speaking, I think it would have a far greater effect than trying to get two or three more years time added onto the sentences, because I don't think, number one, we have the room in this particular locale. We don't have the room in jails to put these people.

I think if you hurt them in the pocketbook you are going to be doing a lot more to deter the crime than directing greater sentences in jail.

MR. DERRICK: Next question. Dr. Sidney Epstein from LEAA.

DR. SIDNEY EPSTEIN: I am sorry to stay on the same topic, but I have one question. I am wondering what we save in terms of resources. Are we trading a trained

referee for an extra-trained attorney or is there something else we are saving in terms of resources like a judge's time or something?

MR. PATTERSON: I know your idea of a referee, and I want to bring it up as a possibility. He would be in addition to the eleven judges we now have.

DR. EPSTEIN: He would be like a judge?

MR. PATTERSON: He would have the power to hear and adjudicate the sentences.

DR. EPSTEIN: So he would be more than an attorney?

MR. PATTERSON: Yes, he would have powers to incarcerate, give more time to try certain cases in circuit court and bring the car thefts down.

DR. EPSTEIN: I understand.

MR. DERRICK: Next question.

MR. JOHN STAUDT: (Nassau County Police Department)

Mr. Graae, how many jurisdictions would serve if the complainant would not come to court say from another state. Where did you get your figure from or the basis of your report?

MR. GRAAE: Let me answer your question by telling you just what our data-base was and how we went from there.

Basically we had two sources of information. One was NCIC records, and we took two months, September and October of 1977. From NCIC records we took all of those cases where a car stolen in one state was found in another, okay? We came out with roughly 2,000 cases like that. Every jurisdiction that has found a car stolen elsewhere was contacted by us by mail for additional information, specifically whether or not they had made an arrest, and if so, what they did with the person. Did they prosecute the person? Did they let him go? Or, did they refer the person back to the jurisdiction of the theft? Through that process we ended up with a substantial number of cases where they had made arrests and where they theoretically had made a referral back to the jurisdiction of theft. That was one portion of it.

The other source was the FBI's own records of referrals that they had received and made to other jurisdictions, known federal jurisdictions. Through that we came up with a total number of subjects of, I guess it is, 359 to be exact, and all of these were traced back to the jurisdiction where they were supposed to have been referred to for prosecution. So we had final information on that number of cases, and we had telephone conversations with sheriffs' offices, police departments and so on, and 90 local prosecutors who handled, if I recall correctly, a total of about 140—odd of those 359 cases. Did I answer your question?

MR. JOHN STAUDT: Yes, thank you.

MR. DERRICK: Again to Mr. Graae.

MR. BAKER: (New York City) I have appeared quite often in court with regard to the attempt—and I emphasize

attempt—to prosecute a car thief or a chopper, and it seems that a set pattern of questions are asked specifically of the driver and the owner, and it would seem to me—and, of course, I am a layman and I don't know anything about the jurisprudence—but why couldn't sworn depositions be acceptable in court in situations of that nature because all they really ask the guy is, "Is this your car?" "Yes." "Did you give Joe Blow the car?" "No." "Thank you." That seems to be the crux of the whole thing on each one that I have sat in on.

MR. GRAAE: I would have to answer that as a defense lawyer, which I am, and I would say to you that my client has a right to confront his accusers, and I think that is the basic reason why you don't proceed by affidavit or deposition in any criminal case.

MR. PETER DERRICK: Next question.

SERGEANT ROBERT DAVIS: (New York City Police Department, Auto Squad.)

My question is for Mr. Moskowitz. Part of the pending legislation in Congress is incorporating auto theft into the RICO (Racketeer Influenced Corrupt Organization) statute. I wonder what effect, if any, that would have on your office and the investigation that could be done.

MR. MOSKOWITZ: Well, I was going to mention that a moment ago when we had a question dealing with restitution. Let me see if I can answer both questions at the same time. Restitution can only be made by people who have enough money to make it.

We are just not going to throw people in jail for not making restitution if they don't have the funds to pay, and if you put a lot of people out of business, I am sure that they are going to find it difficult after they get convicted to get a legitimate job substantial enough to pay several thousand dollars worth of stolen car parts. Even my payments on my car don't amount to that much. Anyway, the RICO statutes provide not only substantial criminal penalties—they increase what would ordinarily be a five-year count in an indictment to a twenty-year count—but also they provide civil remedies which are pretty devastating.

Assuming you track down what these criminals are doing with their cars, they take that money and they do something else with it. You could essentially go into that company under RICO statutes, the racketeering statutes, given the present jurisdictional limits, and you could pretty much take over that enterprise, get a receiver appointed, and have those funds paid back to a degree.

There are also civil damages that apply similar to anti-trust. Under RICO, a state can bring a suit for commission of substantial car thefts, an insurance company may be a victim, the individual owners, and they can recover three times the amount of damage.

Now, large organized crime rings have the money to pay; and if profit is the motive, then certainly adding motor vehicle violations to the RICO statutes is going to give us tools to work on that problem.

MR. IKE THOMPSON: (Chairman, Assembly Transportation Committee, State of Ohio.)

I agree with you, sir, wholeheartedly—mandatory sentences for the first offense, second offense, third offense, and so on.

We tried to do that in the State of Ohio on some other offenses, and we always find opposition from the judges. Now, the judges don't want to give up that part of their jurisdiction, that is, when a person is found guilty that they have to give them a certain amount of time or certain fine. How do we educate the judges or have them agree that we should have mandatory sentences? I think in this case we took them off the hook, really.

MR. PATTERSON: I have come to the conclusion after nine years that the judges are not educable on that point, so I think we have to ram it down their throats with mandatory sentences.

We have started that in Michigan, Florida and so forth. In January last year we put in, for instance, a two-year mandatory minimum sentence in the commission of a felony for anybody who uses or has in their possession, whether he uses it or not, a firearm. There was a holler that went up from the courts that you are invading a judge's discretion when you have mandatory sentences.

Judges were not giving any meaningful incarcerations for crime, as Mr. Baker said, we don't have any room in the prisons. We don't have to lock them up for ten years, fifteen years.

The first time that kid comes through the court he gets 90 days. That is going to be a learning lesson for him, and we might just give him that 90 days as a first offender. According to statistics, most of them are teenagers. Let him know what it is to be deprived of his liberty with 60 days or 90 days in the county jail. Obviously, I am talking about harsher penalties of long terms, for the professional, because this is where I am convinced that you raise the risks and make the risks outweigh the profit. Then you are going to lower the number of people who are going to take that risk, so you have to lower the risk. They can see the risks are minimum; today the statistics bear out the fact. The statistics of the Commissioner of Highway Patrol in California showed that of the thousands and thousands of arrests, minimal numbers saw the inside of a jail. There are not any risks. One of the people we busted in Oakland County just a couple days ago made a statement to my investigator that he is a high school dropout and that he now makes \$150-grand a year. That was clearly his motive, making a good living on it, taking the risk.

MR. DERRICK: Next question.

MR. HERBERT LIEBERMAN: (Los Angeles, California)

I would like to ask a member of the panel if he can possibly respond to a question that has been bothering me all through this seminar and that is that we have been dealing with the automobile thief, but if that automobile thief had no place to dispose of the merchandise he

acquires, he would no longer be acquiring that merchandise. Is there any suggestion that you could make to us or those here representing our states as to anything we can do to make this merchandise too hot to handle? In other words, if the thief does not have any place to dispose of his merchandise, he is not going to steal it.

MR. DERRICK: Who would like to answer that one?

SENATOR NABAKOWSKI: I think that is exactly the reason for the component parts marking, using the VIN numbers or derivatives thereof. Once we identify really the hot parts in the market, we have it made. Once we mark those things and say, "If you are caught with one of those in your possession, a front clip door, car seats, whatever—if you are caught with it then you go to jail or pay a fine." Then I think we have done exactly what you said, cut out the market. I think that is what we are trying to do. And the same thing with licensing because we know that even

with legitimate dealers, some hot stuff is going to end up in his place. And we have VIN controls, and we have numbers by which we can control those things, making sure to keep records available to law enforcement people for a long time. Then we can shut down the ability to fence the stuff, and that will take this \$150,000 kid out of business.

MR. DERRICK: I think we have time for one more question.

MR. RICHARD SCHWEIN: To Mr. Graae.

Are recommendations included in the conclusion of the Blackstone Report?

MR. GRAAE: Yes, they are. I believe you have them in the portion that you received.

MR. SCHWEIN: Very good. Thank you.

*Slide Presentation on Chop
Shop Operations*

Thursday, October 5, 1978

SLIDE PRESENTATION

SERGEANT ROBERT A. POPE: My topic for this morning is listed as "Chop Shop." Actually, I am going to discuss and show you one case, this case is a "cut-up" operation. Today, one of the greatest losses sustained is the total strip-out of an automobile. The sale of used parts, not only engines and transmissions, but the sheet-metal—doors, clips, doghouses—most of which are considered unidentifiable.

One of the most asinine things to have to do is to call the owner of a late-model vehicle and tell him that you have recovered his \$8,000 car, when to claim it he should bring a basket because all that has been recovered is the cowl. This is how a vehicle is recovered in almost all jurisdictions. You have an \$8,000 car stolen and have \$100 worth of scrap recovered. Somehow it just does not sound right.

The used parts business is big money. One of the dealers in the case I am going to show you told me he grossed \$480,000 in used parts per year. He was indicted on 17 counts in this case; but he admitted to the Grand Jury that he legally grossed \$480,000 a year. He was just one of the three parts dealers indicted.

You have heard previous speakers talk about the things necessary to successfully carry out criminal prosecution in auto theft. Cooperation is of the utmost importance. In this case, which occurred in Hamilton County, Ohio, there are 42 separate police agencies. Not all were involved, but a task force of six officers and one FBI agent assembled this case.

After scratching the surface and discovering what looked bigger than had been expected, the Hamilton County Prosecutor, Mr. Simon Leis, was contacted and one of his assistants was assigned to this case from almost the very beginning. For this man it was a total education

process because he did not know the front from the rear of a car. He learned the terms, and after awhile he actually began to understand. We thereby had educated the man who would present this case to a grand jury—which made it one hundred times easier than handing the case to a man who had no idea what we were talking about.

In Ohio, we have a statute, a first-degree felony of engaging in organized crime which briefly means that five or more people conspire to commit a criminal act. The statute has been used on several occasions in Hamilton County. The most famous case was the successful prosecution of *Hustler* publisher, Larry Flint.

We were able to bring indictments against nine people on seventy-five different counts in this investigation. As someone stated earlier this week, we as police officers do not really become involved until the vehicle is stolen. In my opinion, our job is recovery and identification. That is what this case is all about—IDENTIFICATION. What I am going to show you is some of the means we used to recover and identify these vehicles or parts thereof.

I will give you a quick background on this case. An individual approached us about his friends' activities. After talking with this guy, we took a taped statement which when transcribed totaled over one thousand pages. He talked about a group, which he was a part of, who stole over two thousand vehicles in our area in the last several years. He took us to yards, fields and rivers where they had dropped identifiable parts of the cut-up vehicles.

This is what we found and how we identified what we found.

(There followed a slide presentation showing a chop shop operation in its various stages.)

The Role of Private Industry in Helping to Curb Auto Theft



Receiving wide television, radio and print media coverage, the Workshop has helped heighten public awareness of the local and national auto theft problem.

*Plenary Session V
Thursday, October 5, 1978*

THE ROLE OF PRIVATE INDUSTRY IN HELPING TO CURB AUTO THEFT

SENATOR MITCHELL: The hour of 10 o'clock in the morning having arrived, this Plenary Session on Topic V will now be in session.

MISS ADRIENNE FLIPSE: I move for an immediate recess for five minutes.

MRS. MARY FRITZ: I second the motion.

SENATOR MITCHELL: On motion, the meeting is recessed for five minutes.

(The meeting was recessed temporarily.)

SENATOR MITCHELL: The hour of 10:05 o'clock having arrived, this Plenary Session on Topic V is hereby reconvened. I have two announcements.

Again there will be a meeting of the Resolutions Committee on Room 4215 at 11:15 A.M. Any amendments received prior to that time can be offered at the afternoon session when the voting will take place.

Also, for the benefit of those who are going on the inspection tour tomorrow and the breakfast at the Windows on the World Restaurant, charter buses will be on the West 53rd Street side of the hotel from 7:45 A.M. to 8:05 A.M., and the two buses will be dispatched as fast as they are loaded.

Now, this Plenary Session on Topic V, The Role of Private Industry in Helping to Curb Auto Theft, is our concluding session, to be followed by a workshop. We have a very distinguished and effective panel. The middle speaker will make use of this machine for slides.

The first speaker is going to be Mr. Charles W. Hannert, Vice President of the Motors Insurance Corporation, who has a distinguished record in this field and is a leading exponent of private industry. I give you Charles W. Hannert.

MR. CHARLES W. HANNERT: I am pleased to be able to take part in this Workshop, regarding the subject of auto theft which has been one of my main interests for many years. One could hardly be involved in insurance claim work for over thirty years without being exposed to a great amount of auto theft. In that period of time, one of two things usually happens—you either resolve to do something about it or you throw up your hands in disgust and decide to let other people worry about auto theft.

I have never felt the problem was without solution but will admit to great frustration, as I am certain most of you have also experienced, as auto theft has grown over the years. With concentrated effort in a few areas, we have been able to make improvements, proving that when enough insurance, law enforcement, legislative and judicial authorities get involved and become determined to do something about auto theft, we can make major inroads in it.

For many months now I have been optimistic about the auto theft problem even in the face of some discouraging facts, but that is because I have been keenly aware of an increasing determination of the part of a lot of people to do something about it. Certainly this Workshop is a good example of the interest currently being shown in overcoming the auto theft problem. The Federal Interagency Committee on Automobile Theft and the resultant Motor Vehicle Theft Prevention Act of 1978 is another reason our industry should be optimistic. We in the insurance industry must be resolved to make the most of it and cooperate fully; it is too good an opportunity to solve a problem we have wrestled with for many years to let it slip through our fingers.

We must become more involved and get the current interest expanded within our respective companies in the industry in general, and with authorities in our local areas. If we need any incentive, we should remember that on the basis of one million thefts a year, in the three days this conference is meeting, 8220 vehicles will be reported stolen. If it is difficult for you to visualize 8220 vehicles, they would make a solid line, bumper-to-bumper, for about 27 miles. They will also involve losses of 20 to 25 million dollars.

But, this may be part of our problem, as with amounts as large as this, when we as an industry first attempt to interest people in auto theft, they suspect us of an ulterior motive in simply trying to save loss costs. I suppose this is a natural reaction, but we must convince such people that it is not really our money that is saved—it is that of the citizens of the community who pay for excessive motor vehicle theft through higher premiums.

But this is not the only cost to be concerned with. There are also many additional costs to the community and its citizens brought about by vehicle theft. I am talking about the staggering costs of investigating and prosecuting, the loss of time, injury, and personal hardship that sometimes result from vehicle theft. Also, let us not forget that motor vehicle theft supports a large share of the criminal element in our communities. So our obligation to help reduce auto theft goes far beyond loss cost or premium considerations.

We recognize that prosecution of auto theft takes a backseat to the more violent crimes, but regardless of this, the prosecution of auto theft must be stepped up. If not, the citizens of these communities will find themselves paying more in excessive insurance premiums than it would cost to add the necessary additional law enforcement and prosecutors. Let's look at the difference in the community they will be living in: in one case, the community would be rampant with crime; in the other, the crime rate (all kinds) would be lower.

It's a little like a football coach—he can't spend all his time on the trick flea flicker pass plays—he also must spend time on the basics—blocking and tackling. To me, auto theft is one of the basics in crime. It supports the criminal element. It provides a training ground for the criminally inclined, and it must be dealt with.

I want to assure you prosecutors and law enforcement people that the industry intends to cooperate in every way it can. I am quite confident most any company would be willing to appear in court with their claim file and testify to the facts in it. It is difficult, however, for us to sign complaints as usually these contain charges that go beyond the facts in our file.

Noel Chandonnet will review with you the work being accomplished by some of the anti-car theft committees. No where is the cooperation between the insurance industry, police agencies, legislative, business, and political leaders more apparent than within these committees.

Without question, there are many times when each of these various agencies by themselves must feel they are the only ones interested in the auto theft problem, and the only ones doing anything about it. I suppose sometimes they are right, but whatever the situation, when these various organizations start working together, as we find within the anti-car theft committees, things begin to happen. So, we as an industry, should fully support efforts of this type. The point should be made, however, that we need not wait for the formality of an anti-car theft committee to cooperate more with police and official agencies.

We also urge greater industry support of the National Automobile Theft Bureau. This organization which is solely supported by the insurance industry has some 200 employees devoting their entire effort to combating auto theft. I am confident that any law enforcement official here at this Workshop can tell you how much NATB has meant to their organization in their efforts to combat auto theft. Yet, in spite of this, not all insurance companies support NATB and work with it in its efforts to reduce auto theft. Moreover, NATB is currently restructuring itself to provide even greater assistance, particularly in the area of increasing investigation and prosecution of auto thieves. Any companies who are not members should reappraise their stand on this matter.

Whenever we talk of auto theft, we must consider the handling of salvage, and here there are three areas where the insurance industry needs to make a commitment. First, we need to support strong salvage titling legislation. I must admit to you that not everyone in our industry feels this way. Some object to the additional administrative detail this imposes, and, of course, such regulation of salvage may in some instances delay and even reduce our percent of recovery. But what good does it do to save a little on administrative expense or get a little higher return on collision salvage only to pay it and even more on theft losses? In my opinion, those of us in the industry who are familiar with the salvage problem should start a grass roots movement within our industry and get at least

our key people to take the longer range viewpoint of this problem.

Second, we should be certain that our handling of salvage properly protects the title claim. In an effort to increase our efficiency, we have centralized a number of our operations, and salvage for a wide area may be handled from a single central location. Let us take a look at those operations to be sure we are not making the audit trail of salvage more difficult. If there is any doubt, we should check our procedures with NATB. We also need to be sure we are dealing with only ethical salvage buyers in both our sale of salvage and in the purchase of used parts. I do not think there is any question at all that the insurance industry, through its purchase of used parts, creates a large share of the market for stolen parts. Obviously, this imposes on us an obligation to police this activity as best we can.

I mentioned earlier that I am optimistic about the auto theft problem because of the greater interest being shown by so many people. We, in the industry, should recognize, however, that even if we are able to overcome the basic cause of auto theft, which now seems to be rooted in the professional, we would still have a theft problem—a fictitious theft problem. Or to put it another way, insurance fraud reported as theft by our insureds.

Perhaps we have not given this part of the theft problem sufficient attention as fraudulent theft claims now seem to be more prevalent than in past years. They have been estimated to comprise as much as 10 to 25 percent of reported thefts. Some areas may be even higher. Whatever the percentage—it is substantial. This part of the theft problem is not going to be corrected until we in the insurance industry, and law enforcement, recognize the problem and together decide to do something about it. I should think that each and every police agency would very strongly resent the reporting to them of a theft which did not occur. Such fraudulent theft reporting unnecessarily taxes a department's resources and makes the theft picture in an area seem much worse than it actually is.

First, we in the insurance industry need to take a look at our claim procedures to be certain we are not a part of the theft problem by paying claims without proper investigation. Our claim people need to be better trained to recognize possible fraudulent situations in their handling of all types of theft claims. Some such situations are very obvious such as when an insured requests a cash settlement rather than agreeing to replacements when accessories or parts of his car have been reported stolen. In my opinion, this type of settlement should be uniformly resisted by the industry. Certainly the legitimate claimant would prefer that stolen items be replaced.

But, most fraudulent situations are not quite this obvious and constant education and re-education of claim personnel is necessary in order to keep pace with changes in methods of operation used in the filing of fraudulent theft claims. The NATB recently compiled a fraudulent theft profile which lists 21 indicators of possible fraud. Insurance personnel must be thoroughly familiar with these

and more. When such indicators are present, the claim should be assigned to an experienced adjuster for thorough investigation. In some of these cases, insureds even go to the extent of preparing fraudulent invoices for work not done or equipment never installed. Remember in each instance, our insured has reported to local police authorities that a theft occurred and even when we break these cases, this part of the record never gets changed.

We have had other claims where the car has been exported prior to being reported stolen, either shipped by the insured himself or sold by the insured to someone else who shipped the car meanwhile requesting our insured wait a period of time until reporting a theft loss. Usually what happens in these instances is that the investigation is carried to the point where we can deny payment of the claim, and I guess I must admit that we feel we have been successful if we are able to do this. It is clear that denial of the claim is not a sufficiently severe penalty, and we recognize we should find a way to carry these claims a step further.

To my way of thinking, local statutes should impose severe penalties on individuals for reporting thefts to the police which did not occur. I am not talking about those instances where an insured might honestly report a car stolen, only to find that it had been impounded for illegal parking or some similar situation. I am referring to those instances where it is clear that our insured knew at the time he reported the theft, that no theft had occurred. When the individual has full knowledge that no theft took place, he should be subjected to some type of penalty for false reporting. I believe I am correct in stating that practically every insurance company requires all theft claims be reported to police authorities, and if it were known that fraudulent reporting of thefts could subject individuals to severe penalties, this in itself would act as a deterrent.

Understandably, the industry is fearful suits might be filed against it for malicious prosecution if we should take it upon ourselves to report these on our own initiative unless, of course, we have a very strong case. It would be very helpful if statutes required insurance companies to report any claims thought to be fraudulent.

I was pleased to see that a New York Senate bill proposes to make the fraudulent reporting of a theft to the authorities a felony. This is a step in the right direction and should prove helpful. It would be even more helpful, however, if it also required us to report to the authorities any instances of fraudulent theft and granted some type of civil immunity for so doing.

I would be remiss if I did not take this opportunity to thank everyone who worked in the planning and conducting of this Workshop. I want to also express appreciation to those of you in law enforcement for what you have done in combating auto theft in the past. We recognize that a lot of effort by a lot of people is made to combat auto theft that does not show up in the current results.

I also wish to express my appreciation for the opportunity to participate in this Workshop.

SENATOR MITCHELL: Thank you very much, Mr. Hanert, for your most helpful contribution to our Workshop series.

Unfortunately, private industry has often been maligned for its alleged inability and unwillingness to cooperate in connection with auto theft prevention. Our Committee felt that this is an ideal opportunity and one that should be grasped by industry to show the other side of the picture, and we are delighted that three people here this morning are going to be able to do that.

Our next speaker is going to make his presentation with the use of some slides. We are going to give you the soon-to-be-elected Vice President of the Motor Vehicle Manufacturers Association, Mr. Jerry Williams.

(The lights were dimmed and the following was a commentary on the slides that were shown on a screen.)

MR. JERRY WILLIAMS: Thank you, Senator. I just hope my total potential meets up with your expectations of me.

If you could turn the slide projector on, we will get the lights down here. There we go.

I am Vehicle Regulations Manager at Ford Motor Company, Dearborn, Michigan, but today I will be speaking on behalf of the Motor Vehicle Manufacturers Association, where I serve as Chairman of the Vehicle Security Committee. MVMA is an association of U.S. automobile manufacturers, whose 11 member companies produce 99 percent of all the domestic cars, trucks and buses in the United States. It is a pleasure and a privilege for me to speak before such a distinguished group of people concerned about auto theft.

The MVMA is also concerned about motor vehicle theft, and this concern is demonstrated by our representation at this conference. We are here to provide input to you and to receive feedback from you. The individual representatives from the motor vehicle manufacturers are also here to share information and to receive information.

The last two days have been devoted to discussions that have emphasized the complexity and the consumer cost of auto theft. Vehicle theft is a high profit, low risk proposition. Earlier speakers have indicated that arrests, prosecutions, convictions and jail sentencing of auto thieves are all very inadequate. The vehicle manufacturers have very little influence on this aspect of vehicle theft, but what can the motor vehicle manufacturers do? According to Senator Pisani yesterday at lunch, the vehicle manufacturers have not done very much. Nonetheless, I believe that the motor vehicle manufacturers have accepted a two-fold responsibility to help reduce auto theft.

The first responsibility is to develop security systems to thwart known ways of vehicle theft.

Second, we must provide information about vehicles that will assist other segments of both the private and public sector in implementing their programs to reduce vehicle theft. In designing vehicle security systems, the dilemma that faces each manufacturer is how to develop a single,

mass-produced security system that will thwart all known methods of vehicle theft.

The security system designed to overcome one particular theft method may facilitate some other theft technique, so at the very beginning the design process is a compromise in an attempt to find a security system or design that will provide the greatest reduction of vehicle theft.

In accomplishing its design task, each manufacturer must work with many constraints. The design selected must provide an effective vehicle security system that denies access or use to the unauthorized person, yet permits the authorized person to use and operate the vehicle with a high level of convenience. This in itself is a significant challenge, but there are other constraints within which the manufacturer must operate:

- in design—will it fit, will it be durable;
- moving constraints—can it be made, are the materials available;
- in assembly—can it be made, are the materials available;
- in assembly—can it be put together in a sub-assembly, can it be put together in the assembly plant;
- servicing—can it be fixed by the service community;
- customer usage—can it be used by a multitude of people with varying physical abilities;
- customer acceptance—will the customer accept some inconvenience for some additional theft protection; and
- cost effective restraints—is the end result worth the customer's money?

What stimulates consideration of design changes to an agreeable security system? Well, it is hard, factual, detailed, field data, and I emphasize the word "detailed." Simply quoting a number of vehicles stolen does not provide the basis for instituting design changes by a manufacturer. What will stimulate those design changes is detailed data that not only identifies the number of stolen vehicles but provides information on the methods of entry and the methods of mobilization of the vehicle. The more detail the better.

The other day you received a green booklet that reports on a survey of vehicle theft that was conducted by the General Motors Corporation. If you look through it you will find a complete list of the informational needs of the vehicle manufacturer. You will also notice in looking through the report that it is loaded with asterisks generally telling you that the sample size composition of the sample will not support national conclusions.

That survey was in the nature of a pilot study. What is really needed to provide a basis for action is a continuing in-depth national study of this type to keep track of not just the changing character of vehicle theft but to provide details on why those changes take place.

The nature of auto theft statistics vary on a state to state and a city to city basis. To illustrate this point, I have three slides of some recent auto theft statistics from California, Illinois and New York. As Commissioner Craig indicated at the dinner the other evening, the theft rate in California is up according to my statistics. Correction, they are not

my statistics. They are from the *FBI Uniform Crime Report* that was dated September 14, 1978.

This crime report is for cities with over a population of 100,000, and California, being the most populous state, many of their cities are obviously over 100,000. Some of the things that concerned me as being involved with manufacturing is the variation in the theft rate across the state. In Los Angeles, for example, the theft rate is up but in San Francisco, it is down. What happened? What took place? Why is that?

In Illinois, it is down 9.4 percent between the same periods, of January to June of 1977 and January to June of 1978. What is happening?

In New York, the rate declined 13.4 percent and because many times the percentages are tricky, I put in the number of vehicles and look at New York City: 6,200 fewer vehicles were reported stolen. What is happening? The detailed examination of these statistics may provide clues as to what factors influence these variations.

Detailed theft information and the methods used on vehicle theft are important because vehicle theft is a constantly moving target. This slide is supposed to represent a constant moving target, but I do not believe that the slide is a good representation.

I do not know whether you get the picture or not. What we ought to have is a guy with a single shot .22 trying to shoot a target on a merry-go-round as he is going by on a train.

Auto theft is a complex issue, but improvement to thwart one type of vehicle theft will lead vehicle thieves to change their methods to overcome the improvement. There have been several proposals to mandate improvements in vehicle security systems.

Manufacturers have generally opposed this type of regulation because it is generally design-restrictive and it stifles innovation. As a result, regulations tend to freeze system design while thieves are free to continue to develop more sophisticated techniques to overcome security system designs.

Let me illustrate with a design structure requirement in NHTSA's proposed revision to Federal Standard 114. It affects interior door lock buttons, and it says in Paragraph 4.7: "Any vertical protrusion designed to move vertically and to operate the door lock within the passenger compartment shall be either of uniform thickness or tapered with the thicker end at the bottom."

This requirement permits two choices for the shape of the door lock buttons when, in fact, there are already other configurations that are equally effective in preventing door lock buttons from being operated outside the vehicle. These three door lock buttons are currently being used by Ford Motor Company. The one in the center, the bullet-shaped one, is used on all our two-door models. We use the mushroom shape on our four-door models up through 1979. We are now currently using a new design in our new 1979 Ford and Mercury four-door.

Why do we not use the bullet-shaped one on our four-door? There is a Federal Standard 206 which states the door lock button shall override the door handle operation on the rear door and the reason for this is, if you as a parent lock the door, and if your child does pull on the handle, it will not open the door and he will not fall out.

Well, you also have got to be able to open the door. You have got to be able to raise the button in order to pull the door handle and open the door, and you have got to have some way of grabbing the door lock button. It is a customer convenience thing. That is the way we feel about it.

Are vehicle security standards that control vehicle security design really necessary? Manufacturers are improving their security systems on a voluntary basis. Ford Motor Company recently announced a completely redesigned ignition column lock and retention system designed to resist all known methods of vehicle theft, and this is a slide of the new ignition lock cylinder.

This is a schematic on how the retention system works, and in our company, the Ford Motor Company, we have a design kind of policy—strategy may be a better word—that with this design you can see the red slotter washer, and the blue is the lock cylinder. When it is in the lock position, the slotter washer is cross-wise to the lock cylinder, and it makes up one of the two retention systems of the lock cylinder. With this design, if the thief tried to extract the lock in a forcible manner, a piece of the lock cylinder breaks off inside the column, so now the thief has to fish out the broken piece of the lock cylinder. We are watching the field performance of this design system to determine its adequacy. So far, it looks pretty good. We have 24.6 percent reduction in the theft of Ford passenger cars between 1975 and 1977 according to NATB statistics. One other point, this slide is not a laboratory slide. This was taken in an auto pound in Chicago earlier this year when I went down to see how the security system was working.

General Motors has announced a new ignition lock and retention system for 1979. It is designed to provide additional resistance to the forcible removal of the ignition lock cylinder from the column, and of course, to prevent mobilization of the vehicle. Chrysler Corporation, too, has improved their ignition lock and retention system, and in 1979 has expanded the steering column lock in their vans and light trucks. Again, these changes have been made by the manufacturers on a voluntary basis.

The second part of the vehicle manufacturer's responsibility is developing and maintaining relationships with other groups working to reduce auto theft. Vehicle manufacturers are participating in anti-car theft campaigns. In Michigan, I am actively working with the Michigan Car Theft Committee and the Lock Key Posters campaign that have been distributed throughout the Ford Motor Company, as well as throughout the State, and by the way, General Motors paid for these posters for the campaign.

I am in the process of distributing some new posters to all Ford and Lincoln-Mercury dealers in Michigan. Other

manufacturers are taking similar action with their dealers. Ford Motor Company has provided cassette tapes for the campaign. On each cassette tape are three messages concerning anti-theft measures, and these tapes have been distributed to 223 radio stations in Michigan.

Ford Motor Company has enacted a loss prevention program for their Ford and Mercury dealers, advising the dealers on how to protect the vehicles that are in their lots. Other manufacturers have similar programs and cooperate with the FBI crime prevention programs. Vehicle manufacturers place tips in the owner's manual regarding what the customer can do to prevent theft of the vehicle.

In 1979, Ford Motor Company is providing security features on its MCO (manufacturer's certificate of origin) to lower the incidence of fraud concerning the use of the MCO.

Manufacturers provide the National Automobile Theft Bureau with magnetic tapes containing information on the vehicles that they produce. MVMA provides information for an auto identification manual which is provided free of charge to law enforcement to assist in the identification of vehicles involved in all sorts of crimes. Each manufacturer also provides assistance to law enforcement agencies on a one-to-one basis in the identification of stolen vehicles.

On the subject of vehicle component parts identification, vehicle manufacturers are investigating methods of identifying major vehicle components. Ford Motor Company is committed to an actual production pilot program to identify major component parts of a vehicle.

Vehicle manufacturers challenge those advocating the universal identification of components to estimate the associate consumer benefit that can be expected from this concept and determine what additional legislation will be necessary to make such a concept effective.

We at Ford do not know if this concept will or will not be effective in reducing the theft of the vehicle component parts, but we are willing to step up to the issue, to give proponents of this concept an opportunity to measure their cost and the associated customer benefits and cost to the consumer.

You know, it is an interesting thing, the legislators and vehicle manufacturers, we have one thing in common and that is an interest in people. The manufacturers are interested in the people as customers and the legislators are interested in the people as voters.

Through programs such as the ones that I have mentioned, I believe that the vehicle manufacturers have demonstrated a continuing good faith commitment to the reduction of vehicle theft, and I can assure you that commitment will continue. Thank you very much.

SENATOR MITCHELL: Thank you very much, Mr. Williams.

Our last speaker is Mr. Noel Chandonnet. He is Assistant Vice President of the Government Employees Insurance

Company. He is Vice Chairman of the New York/New Jersey Anti-Car Theft Committee, and I think you all know that they started the program in New York City just last Sunday. He has been very helpful and contributed a great deal to the cause of theft prevention, and I take great pleasure in presenting to you Mr. Noel Chandonnet.

MR. NOEL CHANDONNET: Thank you, Senator Mitchell. The New York metropolitan area is quickly becoming the auto theft capital of the world. In the last few years, over 100,000 cars per year have been stolen in this area. This represents an economic loss of over 225 million dollars a year to the local motorist. Premiums on comprehensive insurance are rising at a significant rate. Action had to be taken. The insurance industry has joined forces with the National Automobile Theft Bureau and has started the New York/New Jersey Anti-Car Theft Committee.

We have since been joined by representatives of the New York Department of Motor Vehicles, the New York Police Department, the Suffolk Police Department and the staffs of several state legislators.

Our aim is to have a well planned, continuing campaign to educate the public on automobile thefts and a thorough study of existing and needed legislation. Basically, our aims are simple. We would like to take the profit out of the 225 million dollar a year automobile theft business and reduce the number of cars stolen in this area yearly, which totals about 100,000. The public must be made aware of how to give an automobile thief a hard time, how to put the car thief out of business; but more basically, how to avoid becoming one of our automobile theft statistics.

We started some eight months ago, and our sub-committees have been extremely active. The legislative sub-committee has been meeting regularly. It provided an open forum for law enforcement, regulatory agencies and insurance carriers to discuss our mutual problems. The sub-committee has worked very closely with the State Insurance Department, as well as with the staffs of Senators Caemmerer and Pisani, to help develop the Governor's bill and many other anti-car theft bills now pending in Albany. One of these bills sets up a central computer and investigative organization which can be used as a clearing house for total loss cars, insurance fraud, total thefts, located stolen vehicles and vehicle identification numbers for rebuilt vehicles. Other bills still pending clarify the regulations governing repair shops, dismantlers, and scrap processors. Still, other bills call for vehicle identification on all major components and the establishment of a motor vehicle theft bureau within the Department of Motor Vehicles.

The most urgent piece of legislation now pending in Albany is Assembly Bill No. 12502, which provides the authority, for cities with a population of one million or over, to establish a coordinated franchise system for towing, impounding and safeguarding located stolen vehi-

cles. This bill would help stop the cannibalizing of abandoned stolen vehicles which are left on the City streets.

Our sub-committee has gone even further by offering to New York City an interim plan for protecting located stolen vehicles. In this plan, the industry had agreed to temporarily pick up and protect all located stolen vehicles, if New York City would agree to notify the National Automobile Theft Bureau immediately and allow us to pick up these cars off the City streets with a minimum of paper work.

We have started in New York State, but in order to control auto theft, we must have cooperation from the adjoining states, as well as the federal government.

As soon as our legislative sub-committees can, they plan on taking a thorough look at the laws, or absence thereof, in New Jersey pertaining to auto theft. A start will be made with the New Jersey vehicle and traffic laws and motor vehicle agency relationships.

We also have been reviewing the Motor Vehicle Theft Prevention Act of 1978 which has been authored by the Justice Department and co-sponsored by Senators Charles Percy, Joseph Biden and Strom Thurmond. This Act has a number of sound proposals, and the New York/New Jersey Anti-Car Theft Committee will support the following major provisions.

Title II: The National Traffic and Motor Vehicle Safety Act of 1966 would be amended to give the Secretary of Transportation authority to issue regulations which would help prevent the theft of the motor vehicle, its major components, and its contents, taking into consideration several factors.

Title III: Title 18 of the United States Code would be amended to:

1. make it a Federal crime to alter or remove any motor vehicle or vehicle part identification number required by the Secretary of Transportation;
2. make any motor vehicle or vehicle part which has a removed or altered identification number required by the Secretary of Transportation subject to seizure and possible forfeiture;
3. amend the definition of "securities" in the National Stolen Property Act (18 U.S.C. 2311) to cover motor vehicle titles until cancelled by state of issuance;
4. make it a Federal crime to traffic in motor vehicles or motor vehicle parts which have had their Secretary of Transportation required identification number removed or altered; and
5. amend the RICO Statute (Racketeer Influenced and Corrupt Organizations - 18 U.S.C. 1961 *et seq.*) to include as a racketeering activity trafficking in stolen motor vehicles and their parts. This would be done by incorporating the present Dyer Act (18 U.S.C. 2312/2313) and the new trafficking statute described above within the definition of racketeering activity.

The Master Key Act in Title 39, United States Code (39 U.S.C. 3002) would be amended to cover other manipulative devices designed to open, circumvent, or make inoperable any of the locks of two or more motor vehicles. This change would prohibit the mailing of both the device itself and any advertisement of such devices.

Title IV: The Secretary of the Treasury would be given authority to issue regulations concerning the exportation of used motor vehicles.

Title V: The Attorney General would prepare a report on the growing problem of the theft of "off road" motor vehicles (i.e., construction and farm equipment). The Attorney General would also advise Congress in a series of annual reports on the effectiveness of the Act.

While our legislative sub-committee has been working, our other committees have not remained idle. Our Finance Committee has been hard at work raising funds to support our efforts. These funds are coming from insurance companies and related industries.

Our Material and Acquisitions Committee, working in conjunction with the National Automobile Theft Bureau, has developed a pamphlet entitled "Your Car Can Be Stolen This Year." This pamphlet, as well as key chains displaying the campaign logo, will be distributed as part of our public awareness campaign. Copies can be obtained by writing to ACT, P.O. Box 119, Woodbury, New York 11797.

The Speakers Bureau has prepared an excellent presentation which will be made available to fraternal and civic organizations, as well as schools and businesses. We will continue to make this service available to help make the public aware of what they can do to assist in the solution of this complicated problem. To avail themselves of this program, organizations can contact ACT by writing to P.O. Box 119, Woodbury, New York 11797.

Our Publicity Committee has also been extremely active. Many articles on the auto theft problem have been printed in trade journals, and many statements in support of individual legislation and proposals have been re-

leased. We have prepared public service announcements, which will be used in our overall public awareness program.

On Sunday, October 1, 1978, the New York/New Jersey Anti Car Theft Committee officially kicked off its Anti-Car Theft Campaign before the press and a large audience at Columbus Circle here in Manhattan. We were joined by Superintendent of Insurance Albert Lewis, Nassau Police Commissioner Samuel Rozzi, National Automobile Theft Bureau President Paul Gilliland, and other officials.

This is only a beginning, and we look forward to working with all of you from industry, local, state and federal government, and the public at large to help find a solution to this multi-faceted problem, to see what can be done about taking the profit out of automobile theft.

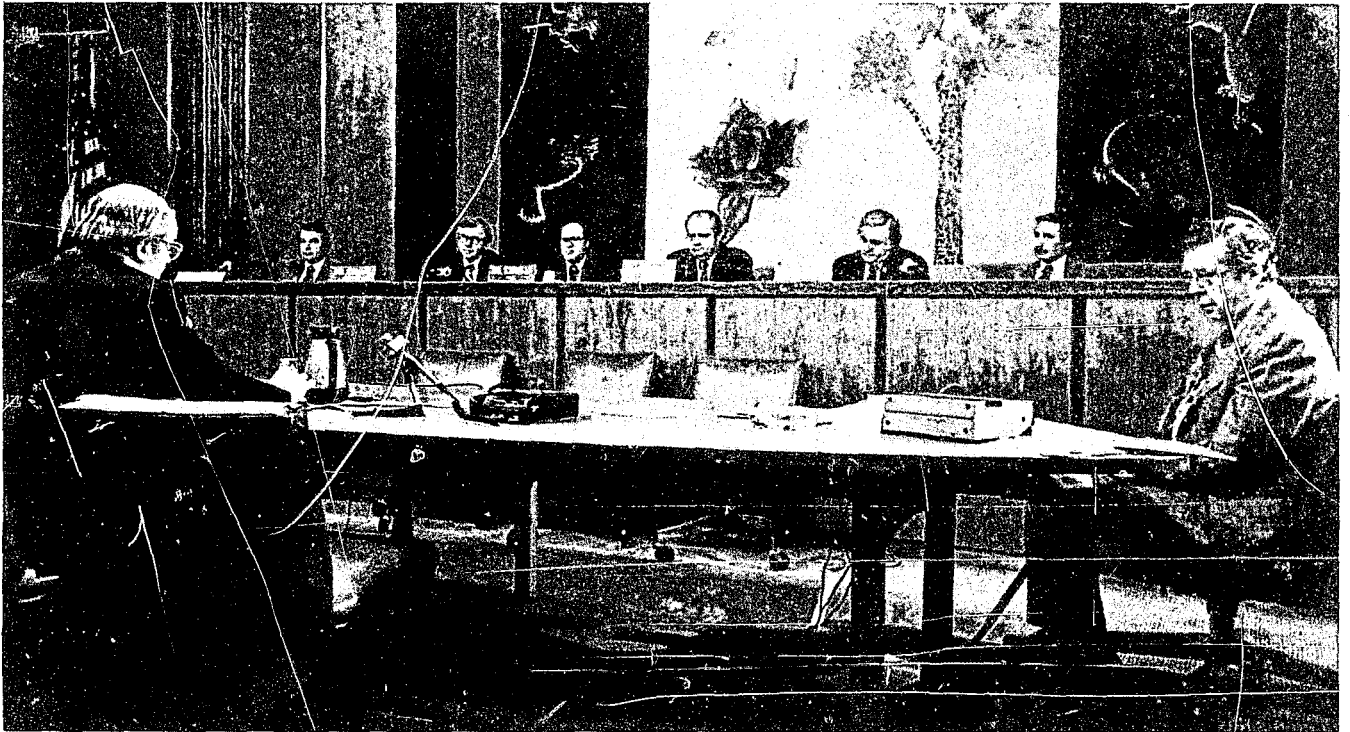
Thank you.

SENATOR MITCHELL: Thank you very much, Mr. Chandonnet, for your pithy and illuminative narration.

I have just a couple of announcements. I would like you to know that we have had a great many requests as to whether the digest of these proceedings will be available to those who are attending. I am authorized to tell you that through the courtesy of the LEAA, there will be a number of thousands of copies of the entire proceedings, not in summarize form, but in full form. It will be sent to every person who registers at this series of workshops. There will also be extra copies available which we will distribute around the various parts of the country. Anyone who writes to our office either in Albany or New York City will have one made available to him without charge.

I do hope that all of you will attend the luncheon at 1 p.m. in the East Ballroom. And please do not forget that 15 minutes after the luncheon is finished, we will have a stimulating and provocative final Plenary Session at which, among other things, resolutions will be voted upon. I understand there will be some rather interesting discussions in connection with these resolutions. The meeting is adjourned.

Reports from Workshop Moderators and The Adoption of Resolutions



The combined January 1978 hearings of the State Senate Transportation and Consumer Protection Committees focused attention on the auto theft crisis in New York State—with related interstate impacts—and highlighted the urgent need for a National Auto Theft Workshop.

*Final Plenary Session
Thursday, October 5, 1978*

REPORTS FROM WORKSHOP MODERATORS AND ADOPTION OF RESOLUTIONS

SENATOR MITCHELL: For the benefit of the administrative assistant to United States Senator Strom Thurmond, I wish to state that during the course of these Workshops on a number of occasions, reference has been made to U.S. Senate Bill 3531.

On some of those occasions, unwittingly, the names of only two of the sponsors have been mentioned with credit having been given to them. We deeply regret this, and I wish now to correct the original transcript of these proceedings so that in all cases where reference has been made to S. 3531, it should be noted that an additional sponsor was Senator Strom Thurmond.

We extend our apologies to the Senator for this inadvertent oversight.

The hour of 2:15 having arrived, this Final Plenary Session of the conference will be in session.

The first order of business is to hear reports from the moderators. We have already requested of them that their remarks be pungent and pithy, and we have a gavel here so that if they are too lengthy, we will try to persuade them otherwise.

I would just like to say we hope all of you—as many as possible—will stay for the dinner tonight because the Honorable Alan J. Dixon, the Secretary of State of Illinois, will be our Banquet guest and Speaker. Many of you may not realize that in his state, the Secretary of State has all jurisdiction over motor vehicles, and he particularly has made some very hard-hitting attempts, many of them successful, to detect, ferret out and punish some of these violators. For the purpose of presenting the moderators and holding them in check, I give you now, Mr. Paul Gilliland.

MR. PAUL GILLILAND: Thank you, Senator. Let me assure you that this will be very brief. We will start with the report of the moderators from Workshop Group III, Mr. Robert L. Barton. Mr. Barton.

MR. ROBERT L. BARTON: I wish tonight that I could stand up here and use some of the words that the Senator uses, but as low as I talk, I am afraid they would not come out as eloquently as his. I feel in Workshop No. III our people worked extremely hard. We had a lot of good ideas. Our number one suggestion, or the number one thing that we agreed on in our workshop, was that the auto theft problem is not the responsibility of any one group, agency or department, or person as far as that goes, and that each industry represented here, each department and each agency must become more active and more responsible to the total auto theft problem within their own element of responsibility.

Number two, we agreed, and we would like to urge more participation and better communications by all indus-

tries, agencies and departments represented at this National Workshop. We agreed and we would like to recommend that any subsequent task forces be set up on a state basis rather than a regional basis.

Number three, we agreed that one of the things that the state task force should do, that is, the state task force that develops from this National Workshop, is attempt in every way to motivate state police and local police agencies to become more involved in the auto theft problem by reevaluating their present priorities. I think other than the resolutions, these were some of the things that we talked about, and that we did agree on. Thank you very much.

MR. GILLILAND: Thank you, Bob.

Representing Senator John Romano, Mr. Joseph McDonald reporting on Workshop No. II.

MR. JOSEPH MCDONALD: Thank you, Paul.

Members of the Workshop, Senator Romano regretted that he was unable to attend this final session and requested that I express his appreciation of being able to be part of the Workshop. He indicated that he felt the most important part of the Workshop was to continue the spirit at the meetings here.

Regarding Workshop No. II, one of the things we found that was the most interesting in our discussions was the idea of a regional task force, possibly funded by federal funds. We would also like to see the creation of a committee within each state or region to study the state or regional problems of auto theft. We also agreed that the courts are not serving the best interests of the public in punishing the guilty. We also agreed that—and this is included in some of the resolutions—that it would be helpful if legislation provided immunity from civil prosecution for complaining witnesses. We also found the discussion on uniform title and salvage practices interesting—we all agreed on that idea. Also the idea of more identification numbers on the component parts of automobiles. Lastly, in regard to Workshop No. II, most of the people there had a genuine interest in the problem of auto theft, and it represented a great cross-section of interested people from all phases of the auto theft industry. I wish to thank the New York Senate Transportation Committee for the opportunity of participating in the Workshop. Thank you.

MR. GILLILAND: The next report, so that we can brighten up our presentation just a bit, I would like to call on Ronnie Rocks of the Greater Cleveland Crime Prevention Bureau to give the report from Workshop No. VII and would a couple of the other moderators please come up and be seated here. Miss Rocks.

MISS RONNIE ROCKS: Thank you. I would first like to say that I thought I would be seventh and I was going to wait until everyone had reiterated so that I would not repeat, but I would like to thank all the participants in my Workshop for their interest and enthusiasm and just briefly describe what it was that we had more or less agreed upon within our group.

First and foremost, I believe the marking of the component parts was unanimously decided to be a very important issue, and one that should be addressed immediately. Along those lines we decided the second issue would be somehow to determine the permanency—what constitutes the permanency of the component parts. Thirdly, we thought that the Anti-Car Theft Campaigns—those in existence—are doing an excellent job, and perhaps more Anti-Car Theft Campaigns should be formed. All the Anti-Car Theft Campaigns should work cooperatively, sharing their ideas in the various areas of auto theft problems.

The next thing we decided was that with regard to the insurance industry and what they would be able to do, that perhaps on the policies or in the insurance premiums, there should be a warning to every policyholder about the possibility of a penalty imposed for insurance fraud, about that penalty and the fact that they will be held more responsible for their actions.

Next, we decided there should be standardization of insurance language nationally, if it were possible. If not, each individual state should somehow have a uniform idea of insurance language in regard to motor vehicle theft. We had general agreement on all of the resolutions which we covered, and we did not want to get into those, so that will be in the report from Workshop No. VII.

MR. GILLILAND: Reporting for Workshop Group No. I, Senator Thomas Carney of Ohio. Senator Carney.

SENATOR THOMAS E. CARNEY: Thank you, Mr. Chairman. I was informed yesterday that I was to report on what we did in our conference and was to speak on the resolutions. I thought our workshop was very interesting in some parts, and I think some parts were a little disappointing.

I came away from our own workshop with my own personal viewpoint that the most important thing we discussed was the fact that very few people are being prosecuted for auto theft violations. The solicitor from Pontiac, Michigan, brought this up yesterday.

Secondly, I came away with the strong personal feeling that I am not going to wait for the federal people. I think that when I get back to Ohio our auto theft bill, which has already been passed by one house of the legislature, will receive the approval of the other house.

My discussion group was a very good group. I recommended that the next time we have such a meeting, however, that we have someone who can give us legal advice. My group discussed every facet of auto theft that we could come up with. We had a cross-section of people in our group—from the insurance industry, from the

manufacturers, from automobile dismantlers and salvage people and from auto repair shops. We also had a number of police. We did not follow the format that we had. The first day we went through it. We went through the whole thing in one day. Then we went back each day and reviewed it, and we were apparently far ahead of the other groups.

We had three men in the group with guns. It is true, so we appointed three Sergeant-at-Arms, and we limited the debate that we had to 30 seconds. Other times you talked for 1/2 hour. We kept going back and forth. I think everybody in our group participated. There was one young girl who come in the first day. We scared her away and she came back today with her father. (Laughter.) But she did return, so all in all our group was very educational and different. I say that but some of the stuff—most of the stuff was repetitious personally, to me, except for the law enforcement section. I think this is a major thing we must work on, that we must find out, that we must change the people's attitude of what auto theft really means to the people. As the prosecutor said yesterday, would you want to go after the murderer or rapist or who would you go after first?

I think if we are interested in combatting auto theft, we must do it as legislators, we must do it as insurance people, we must do it as part of the industry no matter what part you are playing. I think one of your messages should be, "Go back to your respective people and find out how we can make people aware of car theft, what it really means to them." And, I think that means in the pocketbook.

The main thing I came away with personally was that we should proceed on a state basis with the marking of the component parts of cars. I am a strong believer in that, so we had some amendments to the proposed resolutions.

I plan to introduce some proposed amendments to the resolutions from the floor. Thank you.

MR. GILLILAND: Thank you very much. Now reporting from Workshop No. VIII, Mr. James B. Allen.

MR. JAMES B. ALLEN: Thank you, Mr. Gilliland.

Really and truly I believe that Workshop No. VIII was the greatest. We really had some of the best legal minds there. We also had the help of New York's finest and we really, I think, come up with some good ideas. We went down the problems of auto theft first, and we decided that while there was still a joyriding problem or a juvenile joyriding problem, it was not as great now as it had been in the past.

We feel the number one problem is the problem of the theft and dismantling, and the sale of the stripped parts. We feel that perhaps the number two problem is the problem of insurance fraud, of filing fraudulent automobile theft reports and claims. We agreed that the number three problem is probably the theft and resale of the complete vehicle, and then we discussed the export-ing problem.

Plenary Session No. II was on investigative and enforcement problems. The number one problem there seems to be a general apathy by the general public and also our criminal justice system, especially the courts, with respect to putting the guilty away.

Secondly, we agreed that there was a lack of available trained law enforcement personnel in the field to investigate automobile theft and its related crimes.

We feel that there will be a need for more people. I am not saying that the people that we now have are inadequate. They are doing a bang-up job in most of the larger metropolitan areas but they need help desperately.

There is a need for education, we feel, of the courts and prosecuting attorneys with respect to the crime of auto theft and the crime of insurance fraud and related crimes.

It is not easy. It is not an easy case to prosecute. A good suggestion there was that we come up with a training manual, a training manual for the prosecuting attorneys on the problems related to the prosecution of auto theft cases, especially some of these complicated commercial theft cases. In that regard we had a member of the District Attorney's Office in Westchester County, Mr. Art Del-Negro. Art is now elected to an official position with the National District Attorney's Association, and he is going to take this chore on, and I think he has already been in touch with Senator Mitchell in that regard.

We talked about laws and regulations relating to vehicle titling and salvage control. We feel that the first priority here seems to be a suggestion for uniformity in all states. In other words, one state should not go off in one direction and the neighboring state in another direction in this regard. There has to be uniformity.

We felt that the adoption of the Federal Motor Vehicle Theft Prevention Act of 1978 would be a good thing. We also discussed the fact that to enact salvage legislation without setting up the mechanics to put it in operation by having a good inspection team, such as was described by Senator Walgren from the State of Washington, would be useless.

We had one recommendation from Senator Edgar Gillock of the State of Tennessee. Senator Gillock said, "Be sure and keep in mind when you are enacting legislation that it is in full compliance with the Constitution." He said, "It is very disheartening to pass legislation and then have it kicked out just as soon as you make your first arrest."

Adjudication of auto theft violations. We feel that the justice system should attach more importance to the crime of automobile theft. We also came up with the suggestion—and I believe that there has been a resolution introduced now on this—that complainants be given civil immunity in connection with insurance fraud cases relating to automobile theft. Thank you very much.

MR. GILLILAND: Thank you, Mr. Allen.

Reporting for Workshop No. V, Mr. Thomas Miller, Assistant District Attorney from Philadelphia, Pennsylvania. Mr. Miller

MR. THOMAS MILLER: Our group covered a lot of the topics which have been covered here, and I think we came to the same general conclusions, so I won't cover that area again, but what I will point out is that we did play out a couple of things that were different.

First, I think the problem varies from region to region, even from city to city. We are well represented from New York City in terms of policemen and also from Philadelphia. For example, in New York City there is very little joyriding. I don't know of anyone who wants to ride a car in New York, from what I have observed, but there are an awful lot of chop shops, a lot of problems with the dismantlers.

We feel the other thing is that, and I personally got the impression, that the problem is almost at the uncontrollable stage here. It is really a huge problem. I think if the public became more aware of it, the public might just join in the profits. In some ways we can be thankful they are not aware of the various ways they can get points, in terms of insurance fraud especially.

We are in favor of having task forces, preferably at the state level, and it has also been pointed out that at the state level, it might be difficult to organize. We are aware of the fact that there are personnel that are available in various areas, and we might be able to coordinate them without waiting for the possibility of getting federal funds.

Finally, I think there has been some criticism of the judicial system here, but I think that most of the auto thieves that are picked up are the people who pick up cars, they are either joyriders or thrillseekers on a small scale, as far as the people going out and getting cars.

I do not know how many chop shop cases have really been prosecuted, and I think that we really have to wait and see what the attitude of the judges is regarding these particular operations before we know how seriously they would deal with automobile theft.

Finally, I would like to thank my group for making my job very easy as a moderator. Thank you.

MR. GILLILAND: Thank you very much, Mr. Miller. Next, reporting for Work Group No. IV, Mr. H. T. DeArmond.

MR. H.T. DeARMOND: Thank you, Paul.

I, first of all, would like to thank my facilitator, agitator, whatever he was, Lieutenant John Hoover, of the Louisiana State Police. I needed his help, believe me, because our group was rather belligerent on occasion, and actually I found out about the second day one of the reasons why. I realized that—being born and reared in the South, having lived there all my life until recently, and most recently in Georgia, and then John being from Louisiana—we realized near the end of the second day that we needed a translator, and so we were guilty of a little oversight. We might not have had the most productive group, but I can guarantee you that we had one of the most active groups. The key word that we came up with, we think, is uniformity, and it is our opinion that if the

states refuse to proceed on this and continue to drag their feet, that it should be turned over to the federal government. They should proceed with it.

When I mention uniformity I am referring not only to documents but also to procedure. Uniformity is and was the key word in our group.

Now, one thing came out of our group which we found of particular interest. Lieutenant Mel Mooers of the Washington State Patrol brought out the fact that the State of Washington has a statute which requires the physical inspection of every vehicle being brought into that State for titling from out of the State. This has been very, very effective in combating the automobile theft problem in that State, and it also is my understanding that the State guarantees the title when one of the 85 designated inspectors inspects a car and passes it. The State of Washington is then responsible for it. They guarantee the title, so they obviously must do a very good job or they probably would be looking for another one.

Now, we concluded that—and I am sure everyone here would agree with this—there is certainly no single answer to the problem or no single solution to the problem, but among those things that we feel should be implemented are the following:

A continued effort to educate the public and the administrators. When I mention administrators I mean police administrators primarily, and motor vehicle administrators, so on and so forth, and the continued, I say continued, cooperation of the manufacturers and continued specialized training of more personnel, evaluation by departments, and hopefully, they would determine that they need more specialized squads, auto theft squads, which would be highly trained, that more law enforcement agencies form specialized auto theft squads. Another point we highly recommend is that the prosecuting attorneys be better acquainted with the problem, and along this line we had in our group Mr. Gordon Neilson, who is Senior Deputy Attorney General from the State of Idaho, and he suggested that our message and our problem be taken before the National Association of District Attorneys to better acquaint them with the problem. I think that is a very good suggestion, and it is my further understanding from talking to other people that this proposal will be done, to do whatever possible to change the attitudes of our courts because this is a result of their leniency and tendency to give the crime of auto theft a low priority. Better utilization of existing sources and facilities, including cooperation between jurisdictions, and better control on records on salvage disposition is necessary.

Finally, we recommend that when the task forces are formed their efforts—the projects and results thereof—be brought to the attention of the auto theft personnel responsible for actual investigations. In other words, let us not keep all this wisdom in the upper chambers but let it go down to the troops in the trenches, so to speak, and I think should include interstate exchanges as well as intercity, and so on and so forth.

Mr. Chairman, that concludes Group No. 4's report. Thank you.

MR. GILLILAND: Thank you very much, Mr. DeArmond, and last, and certainly by no means least, Mr. C.C. Benson from Dallas, Texas. Mr. Benson.

MR. C. C. BENSON: Thank you, Mr. Chairman. I thought you were going to say, "Last, and yes, also least."

I would like first to be sure that we give proper credit here. My co-pilot, Lieutenant Jim Moore, of California, was certainly a splendid gentleman to work with and did a real fine job in keeping me out of hot water. Though he did not get to talk very much, he did make tremendous contributions.

I would also like to say we had a lively group. That is to say they did not necessarily reach conclusions nor did we get crystallization of opinions in every instance, but I think everybody did express their opinions, and, in fact, when it got down to the last session, people just kind of began to not say anymore. They about got to the end of it.

We did have some legislators with us, and I thought they gave us some good input and some good guidance. Thus I would now like to present mine. It might be absolutely different, and that is, to speak just briefly. Looking at what we said and what we did from the perspective of the different interests that were there, law enforcement officers who were there, most of them probably from the east coast, many of them mid-west maybe, we had the same frustrations and the same problems of trying to do a decent job. I know this through the NATB, and through the National Association of the Chiefs of Police, and other activities.

We want to do a job, we are trying to do a job, but the problems of investigative curtailments and the problems of identification and the problems of prosecution truly give the on-the-street investigators a tremendous frustration, and obviously I think everybody who has been in these workshops and is sympathetic to this problem says he needs relief, he needs training, he needs manpower, he needs better statutes, he needs better prosecution training. That is not to criticize prosecutors—and certainly none of us intend to do that. In fact, it is kind of symptomatic of what is wrong with our whole criminal justice system. Somebody else is going to have to figure that out.

Second, from the standpoint of the insurance representatives that were there—and I had very fine representation from the industry at the executive level—we all got a fresh view of the fact that the industry is often caught in a squeeze between inflation and increased losses and increased cost of repairs. This problem, we know, is a snowballing proposition that is literally eating the dollars away from the profits, the dollars for the premiums that are eating away at the taxpayers. These things were brought up. We talked about the need of the insurance industry to have some immunity given to the representa-

tives of the companies and to the private investigative agents that might be working to try to solve those fraud cases, so that the evidence that is developed can be brought into the criminal action without the potential of civil action coming back, and maybe I should add, too, that we are aware that some states have already acted in this regard.

From the standpoint of the manufacturers, we talked about their concern for cost effectiveness and whether or not things have to be done or forced upon them in terms of everybody having to pay for it and whether or not it really would provide favorable results.

Obviously this is a long-term proposition of bringing the best minds together and developing that which is reasonable and in the middle. Concerning the request for more specific data, I think we ought to emphasize or agree that we have long tried to get some real hard-core data. I think that it can be done in some pilot programs on a limited basis within limited jurisdictions rather than some type of on-going thing for two or three years, a great massive study.

From my own experience, and I am sure no one disagrees with this—I am reporting from the committee—that if we had pilot programs within jurisdictions that were geographically spread around, that a 30-day pilot program in 12 different jurisdictions would give you a cross section of what the problem is and it would not be greatly different if you did it in 100 jurisdictions over a period of a year, though it might have to be repeated once every six months, once a year, and so on. They want to continue to research and to make improvements. The manufacturers have some reservations obviously about how far we can go and how far we should go with some of these innovations.

We had good representation from the federal agencies, from the Justice Department, from Customs. We were pleased at the reports of Customs and we were aware that they are moving very definitely ahead in the problems of both water export and border crossings. We had good representation from NHTSA, from DOT representatives, and our conclusion was that they are moving and we all know it through the federal legislation that is now being introduced.

It would be our observation, based on representation from AAMVA that representatives of AAMVA are moving faster within their circles, getting ready for us to comply with uniformity wherever it is needed and perhaps to be ready to comply with federal regulations, but it may be before those are promulgated.

We had the prosecutors with us and they were very helpful. We appreciated them, and this thought was made very pointedly, that if we are to succeed with federal legislation or state legislation, private interests and industry representatives must come forth in the lobbying because it was pointed out that those who represent government in various capacities, whether they are state, federal or otherwise, are often in a very poor position to do the lobbying job. So the call is to industry and the

private sector to come forth to give evidence of the need for legislation.

We talked about, very briefly, the question of whether we are going to fund something—and it is great that we are talking about funding more programs like this at the state level. But if we are going to fund something in this organized field, should we not be giving consideration to funding a multi-agency task force within critical areas, bringing together and solidifying the knowledge and the ability of people from a number of agencies in a given jurisdiction to try to break the back of a given operation or operations, and with that, Mr. Chairman, thank you very much.

MR. GILLILAND: Thank you, Mr. Benson, for your very fine report.

I would like to thank each and every member of the conference for their dedication and their hard work. I know that you have been personally very enthused about the tremendous exchange of information that has occurred here, and probably more especially enthused about the professional way in which people honestly disagreed. They debated their points, they supported their cause, but they came away friends working together for a common cause.

I would like to thank each of you for the personal courtesies that you have shown to me at the conference, and especially the moderators and facilitators for the tremendous effort that they have put forth. Thank you very much.

SENATOR MITCHELL: Thank you, Mr. Gilliland. I would like to extend our own thanks to Mr. Gilliland of the National Automobile Theft Bureau because he and his organization provided a substantial majority of the moderators and facilitators. It was important that we have knowledgeable individuals, and they served that purpose usefully and faithfully.

A couple of announcements, and while I am making these announcements, I will ask the members of the Resolutions Committee and its counsel to ascend the rostrum so that we can be prepared for the second phase of the proceedings.

There will be three phases, and I hope you will stay for the third phase because it is very important in connection with what has been discussed. I refer to the future of what we believe we can develop out of this particular series of workshops.

I have good news which I can report, namely, the Chairman of our Committee, Senator Caemmerer, is recovering rapidly from his surgery. Everything is positive, and we are delighted to know that he is resting comfortably. He sends his regards to all of you and is certainly sorry that he could not be here.

I would also like to point out again while all of you are assembled that this is a joint project. The New York State Senate Committee on Transportation is the sponsor, but it would have been hopeless to undertake a crusade of

this sort if we had not had the benefit of the strong right arm and financial sinews of the Law Enforcement Assistance Administration in Washington. I think Dr. Epstein is around here somewhere. I would like to give him a hand again. Here he is. (Applause.)

And if you want to be modest enough—and I know you can be—you may convey to your superiors the fact that you sat through all the proceedings. You ought to get several stars for that.

This is the first National Conference on this particular subject, and it has brought together representatives from over 30 states of varying degrees in officialdom, and in private industry. We have representatives from the far West, including California, Idaho, Washington State, and even Alaska, so it has truly been representative. Over 285 individuals have been in attendance during most of the proceedings.

I would like to say that it also represents the first time that I can recall where we had a different and varying format. Usually you have a series of speeches and somebody asks a few questions, that is that. This time we decided that the way to handle it would be to have the particular subjects discussed in the Plenary Session, and then all of you would break for the series of workshops, eight in number, where the detailed procedures and work of the conference would take place. We think it has been very successful. Going down the hall on the 5th Floor, I have heard loud noises, plenty of arguments, but all on a friendly basis, so I want to congratulate all of you for having participated so capably in helping us to develop something of a worthwhile and constructive nature which can serve as a base for future action.

That is why we will talk further in the third phase about the future of this because it is not going to be one of those things where you just leave and say, "Well, that was a nice conference, and where do we go from here?"

Now, somebody mentioned the National District Attorney's Association. I want you to know that Pat Healy of that Association is one of our members on the Advisory Committee, so we are already working very closely with that group.

Now, for the interesting and informative, and I am sure, not routine adoption of resolutions. I would like to mention the various members of the Committee.

On my left here is Tom Carr of the National Association of Motor Vehicle Manufacturers; Counsel to the Committee, Mitchell Pally, Esq.; Chairman of the Committee, John B. Kiernan, Esq., who is also counsel to Senator Caemmerer in Albany. Over here we have retired Commissioner Michael J. Murphy, former Commissioner of Police of the City of New York. We have Donald J. Rouse of the National Association of Automobile Dismantlers and Recyclers; and finally, we have Mr. Michael G. Zipkin of the Aetna Life and Casualty Company in Hartford.

I am sure a lot of you people have seen his advertisements, prepared on behalf of his company emphasizing the need for corrective action against motor car thefts.

We want to commend him particularly, and the other companies which he has been working with, for the publicity they are providing in connection with this very important matter.

I will turn the meeting over now for further proceedings to Chairman John B. Kiernan.

MR. JOHN B. KIERNAN: Thank you, Mac. All of you should have received three reports from the Resolutions Committee listing proposed resolutions 1 through 26, and there are some amended resolutions that the Resolutions Committee reported on favorably.

The procedure as outlined in the rules that were distributed will be as follows: We are going to read the title of the resolutions that are deemed noncontroversial by the Resolutions Committee.

If ten or more people here at this session request so, we will move a noncontroversial resolution onto the controversial section of the calendar. We are trying to do this in the interest of time. If everyone agrees, or practically everyone agrees that it is a good idea, we are going to adopt the noncontroversial resolution without debate, and en masse.

We also would point out that the rules provide for amendments from the floor only by unanimous consent. We had the amendments opened until 2 o'clock. In fact, there was one submitted as late as 1:30, and it was printed and distributed and it is on the table, but in the interest of fairness, we are trying to make sure that everyone has a copy of what they are voting on, so it is kind of difficult to continually reprint these things.

We do have a couple of suggested changes to the uncontroversial resolutions which we will ask unanimous consent for, if the body here feels that the resolution has merit in the first place. So if there are no objections, we are going to proceed with reading the title and the number of the resolutions that were deemed noncontroversial, and to do that I am going to call on the counsel to the Committee, Mr. Pally, who also serves on Senator Caemmerer's staff in Albany.

However, before I introduce Mitch, I would like to thank very much the members of the Resolutions Committee: Tom Carr, Mike Zipkin, Don Rouse and Commissioner Murphy.

We had a lot of working sessions. We met—well, I would say probably a total of 10 or 12 hours, and I would also like to acknowledge the secretarial and clerical help that we got to rewrite these things, get them printed, collated, distributed to you. It was a big job and I thanked the members during luncheon. I would hope that you would join me in thanking them. (Applause.)

Now, for the reading of the noncontroversial part of the calendar, Mitch Pally.

MR. PALLY: You can follow this. All of the resolutions are titled in the three reports, and next to their title they have either a "C" or "NC", depending on whether the Resolu-

tions Committee felt they should be listed as a controversial or a noncontroversial item.

I will read now the noncontroversial items and titles of each one.

Resolution No. 2, Certificate of Title Procedures.

Resolution No. 4, False Stolen Vehicle Reports.

Please substitute Resolution No. 5a, which is in report No. 3, for Resolution No. 5, which was in Report No. 1. That is titled now: Vehicle Identification Number.

No. 6, Prosecution of Car Theft Rings.

No. 7, Meaningful Statistical Data.

No. 9, Citizen Participation and ACT Committees.

No. 10, Manufacturing Techniques.

No. 13, Recovery of Stolen Vehicles From The Republic of Mexico.

Please substitute Resolution No. 14a, which is in report No. 2, for Resolution 14, which was in Report No. 1. That is entitled: Use of Federal Funds.

No. 16, which is now titled: National Intergovernmental Prosecutive Program.

No. 17, Uniform Vehicle Code.

No. 18, Reporting of Salvage Vehicles to NATB.

No. 19, please substitute Resolution No. 19a, which is in Report No. 3, for Resolution 19, which was in Report No. 1, entitled: Vehicle Titlement.

No. 20, Vehicle Identification Numbers.

No. 21, Endorsement of the Motor Vehicle Theft Prevention Act of 1978.

No. 22, State Budget Priorities.

No. 24, Insurance Liability Study.

No. 25, Federal Prosecutive Program and Dyer Act.

No. 26, Communications of Resolutions.

Those are the noncontroversial resolutions as decided by the Resolutions Committee.

MR. KIERNAN: Are there any motions to move any of those resolutions to the controversial part of the calendar?

A VOICE: Yes, my name is Steve Weglian, and I am from the Justice Department, and No. 25 is one that we think should be moved to controversial. We do not have any objections to any other ones.

MR. KIERNAN: Are there any people who wish to join in that motion? You did not hear it?

Mr. Weglian, from the Justice Department, has moved that Resolution No. 25, Federal Prosecutive Program and Dyer Act, be moved to the controversial part of the calendar, and in order for that to be done he needs the support of nine other people. I see five hands.

Perhaps you could stand. I could count them better that way. I count seven. The motion is not accepted. At this time, then, the Chair would entertain a motion from the floor for the adoption of the noncontroversial part of the calendar.

A VOICE: So moved.

MR. KIERNAN: Excuse me?

A VOICE: So moved.

MR. KIERNAN: I just saw one behind you.

A VOICE: I second it.

I have a question in regard to 20. Would that be brought out?

MR. KIERNAN: The gentleman is Mr. Leverenz from the American Association of Motor Vehicle Administrators. I take it you are making a motion to move 20 to the controversial part of the calendar because you have an amendment you would like to move to that.

MR. LEVERENZ: Yes.

MR. KIERNAN: All right, is there anyone who wishes to join in that motion to move No. 20?

A VOICE: Is it 20 or 20a?

MR. KIERNAN: 20a has not yet been introduced, I mean, is not before us at this time.

20a was submitted as an amendment to 20. It is a proposed 20a. It is not 20a. It was not adopted by the Resolutions Committee, so in order to adopt 20a, you are going to have to debate it, and in order to debate it, you have to move it into the controversial part of the calendar, so you need 10 people to do that.

All right, the Chair sees ten people standing so that legislation is moved to the controversial part of the calendar. Is there anyone else who wishes to make a motion with respect to the noncontroversial part of the calendar?

All right, seeing no one, the Chair would entertain a motion from the floor for the adoption of the noncontroversial part of the calendar.

A VOICE: I so move.

MR. KIERNAN: Can I have a second on that?

A VOICE: Seconded.

MR. KIERNAN: All in favor aye. Opposed, nay. Okay, the motion is carried. The noncontroversial part of the calendar is adopted.

The next order of business is Resolution No. 1 on the controversial part of the Calendar in Report No. 1 of the Committee, and we propose to take up at this time Resolution No. 23, which is a substitute resolution for No. 1.

The Chair would also point out that for this Resolution to be adopted it simply needs a 50 percent vote; it does not need a two-thirds margin as in the case of Resolutions that were—or amendments—that were submitted after 6:00 o'clock last night. Is there anyone who wishes to

Speak about Resolution No. 1: Vehicle Identification Numbers, components?

Yes sir, would you state your name for the record, your organization?

A VOICE: My name is Tom Terry, and I am with General Motors. We have basically proposed 23 as an alternate to "a," or to number one. The major concern of the automobile manufacturers regarding the marking of parts is that no one as yet has determined how effective such a program of marking parts is going to be and how many stolen cars are going to be prevented.

I heard some opinions in the last two days from various police officers indicating that it would give them the ability to seize parts which were stolen or have the numbers altered or destroyed, and, therefore, that would be a deterrent, and I agree with them. But I have also heard from the same policemen that they found numbers of engines and transmissions in these same localities, and these parts have had numbers on them for years.

One thing is not clear, at least from the Workshop discussions that I have attended, and I think the other representative from industry will back me on this, we are not sure who is going to create and maintain the records which, in Resolution No. 1, states that "complete set of records for all transactions as the part goes through," or further, quoted in Resolution No. 1, "a complete audit trail to be created."

The police say they are not interested in doing it. They do not need it. The vehicle administrators are busy trying to cope with the new VIN system. Who is going to do it, and who is going to pay for it? I do not know who is going to do it but I know who is going to pay for it. The public. Maybe we do not need the audit trail, maybe the police are right, maybe the marking of parts alone is 75-80 percent effective. I do not know, and I do not think anybody else knows either. Therefore, it seems that before we pass a resolution whose effectiveness is not known, we ought to answer some of these questions.

Senators Biden, Percy and Thurmond must have thought so also when they specifically noted in Section 201 of Title II of their recently introduced legislation, and I quote, "Standards established by the secretary under this section may include standards to reduce the theft of motor vehicle parts by taking into account, one, the cost of implementing the standard and the benefits obtainable as a result of the implementation of the standard."

Basically, what our Resolution is asking for, Resolution No. 23, is that there be an opinion group perhaps funded by the LEAA. Look at the various levels of complexity and the solutions that have been proposed regarding marking of vehicles, obtain the cost estimates, and obtain the associated estimates, and benefits of those programs, call for legislation which regulations do now.

We believe these studies are premature. Thank you.

MR. KIERNAN: Is there anyone who wishes to speak on the Resolution? All right, what we have before us is Reso-

lution No. 1 and Resolution No. 23. You will notice that the two Resolutions differ somewhat, so we are going to have a vote on Resolution No. 1 first, and we are going to have a vote on Resolution No. 23. I propose to do it by a voice vote if we can. If we cannot determine the outcome clearly from that, we will then have a division of the house and we have some Sergeant-at-Arms that will take the count.

Do I have a motion to adopt Resolution No. 1?

A VOICE: You have a motion.

MR. KIERNAN: Do I have a second on that?

A VOICE: Seconded.

MR. KIERNAN: All those in favor of Resolution No. 1, signify by saying aye. Opposed, nay.

The Chair rules that Resolution No. 1 is adopted.

Do I have a motion on the adoption of Resolution No. 23?

A VOICE: So moved.

A VOICE: Seconded.

MR. KIERNAN: All those in favor signify by saying aye. Opposed?

When you say no, you have to yell a little bit louder. We are going to have a show of hands on that.

Would the Sergeant-at Arms please—

A VOICE: Point of order, please.

MR. KIERNAN: Yes, sir.

A VOICE: No. 23 was introduced as a substitute for No. 1. If No. 1 carried, you have no substitute before the House.

MR. KIERNAN: No. 23 was treated—it was not an amendment, it was introduced as a separate Resolution. The Resolutions Committee pointed out to the proponent that an amendment would probably require two-thirds vote if it was introduced after 6:00 o'clock last night. Therefore, they chose to introduce another Resolution, and it really is a situation if you are for No. 1, I agree with you. Number 23 seems to be in an opposite way to 1, but it is a separate Resolution which was reported without recommendation by the Resolutions Committee, so it is properly before the body and is treated as a separate resolution and not an amendment. It was not offered as an amendment to Resolution No. 1 but a separate piece—separate Resolution, so we have to have a vote on No. 23 as well.

A VOICE: Mr. Chairman, point of order. I disagree with you. I do not see anything in Roberts Rules of Order that is relative to Resolution No. 1.

The context of this Resolution is the same thing as Resolution No. 1. If you would pass this—if it happens to pass, you would have two things in effect.

MR. KIERNAN: That is correct.

A VOICE: So I think what I am pointing to is that a part there is relevant to Resolution No. 1.

MR. KIERNAN: But—

A VOICE: You cannot have two things with the same subject matter in it.

MR. KIERNAN: The Chair would point out very respectfully that No. 23 is a separate Resolution, not an amendment to No. 1.

The Senator will recognize, particularly, that there is more than one bill on a particular subject.

SENATOR MITCHELL: Yes, and you cannot make an amendment to a resolution that has already been defeated either.

MR. KIERNAN: Mr. Carr.

MR. THOMAS CARR: We looked at Resolution No. 1 and it requests specific action by one group which is the manufacturers, but Resolution No. 23 does not destroy that action. What it does, it asks that there be a national study of that action alone, along with all the associated actions that are required to make that beneficial, to find out what the costs are and what the problems involved are, so I do not think that the two are in competition. I think No. 23 just asked for a national study of costs and benefits to find out who is going to do what and to whom.

MR. KIERNAN: Is there anyone who wishes to speak?

We are going to have a vote on Resolution No. 23, and it is going to be a—we are going to try the easy way. All those in favor of Resolution No. 23 are going to be asked to stand, and we will see if we can determine visually without an actual hand count how many people we have on each side of the issue, so all those in favor of Resolution No. 23 please rise.

The Chair would rule that Resolution No. 23 is defeated.

The next order of business is Resolution No. 3, Uniform Certificate of Title Form. It is on Report No. 1.

Is there anyone who wishes to speak to this resolution?

Seeing no one rise, I would ask for a motion to adopt this resolution.

A VOICE: I make the motion.

MR. KIERNAN: Do I have a second on that motion?

A VOICE: Seconded.

MR. KIERNAN: All those in favor, signify by saying aye. Opposed?

The motion is adopted.

The next order of business is Resolution No. 8, Coordinating State Law Enforcement Agencies, on Report No. 1. Is there anyone who wishes to speak to this Resolution? Seeing no one, the Chair would ask for a motion to move this resolution.

A VOICE: I make the motion.

MR. KIERNAN: Do I hear it seconded?

A VOICE: I second it.

MR. KIERNAN: All those in favor signify by saying aye. Opposed?

Resolution is adopted.

The next order of business is Resolution No. 11, Insurance Premium Discounts for Anti-theft Devices. Is there anyone who wishes to speak to this Resolution? Seeing no one, the Chair would entertain a motion to move this Resolution.

A VOICE: So moved.

MR. KIERNAN: Seconded?

A VOICE: I second it.

MR. KIERNAN: All those in favor, signify by saying aye. Opposed? Motion is adopted.

The next Resolution is Resolution No. 12, Improve Blocking Systems for Motor Vehicles. Is there anyone who wishes to speak to this Resolution?

Yes, sir, please identify yourself for the record.

A VOICE: Tom Terry from General Motors.

MR. TOM TERRY: I do not have any problem with the second resolve—the first resolve. I am not sure how many people have read Rule 114, and I would urge those who have not participated in the voting to read this.

We believe as manufacturers that one of our greatest weapons against auto theft is the flexibility of parts. Now, to adopt one anti-theft device would not allow each manufacturer to choose his own strategy.

As you saw this morning, Ford's strategy in lock removal is to leave a piece. Our latest strategy is to make it more difficult to get it out. We believe both of these can be effective. The federal legislation that has now been introduced is very design-restrictive in our minds, will not give us the latitude to continue in the flexibility that we now enjoy, and I believe will reduce the effect that we have in introducing innovations or whatever we have to help against thefts. So I would urge until we know what 114 is—we are still being processed, and I think it will take a month—so I would urge its defeat. Thank you.

MR. KIERNAN: Is there anyone else who wishes to speak?

A VOICE: My name is Jerry Williams, Ford Motor Company. I support Mr. Terry's position.

MR. KIERNAN: Is there anyone else who wishes to speak?

Seeing no further requests, the Chair would entertain a motion to move the Resolution.

A VOICE: So moved.

MR. KIERNAN: Do I hear a second on that motion?

A VOICE: Seconded.

MR. KIERNAN: All those in favor, signify by saying aye. Opposed, nay.

Resolution is defeated.

The next Resolution is Resolution No. 15, Physical Inspection by Insurance Company. Is there anyone who wishes to speak to this Resolution? Seeing no one, the Chair would entertain a motion to move the Resolution.

A VOICE: So moved.

MR. KIERNAN: Seconded?

A VOICE: Seconded.

MR. KIERNAN: All those in favor, signify by saying aye. Opposed? The motion is carried.

The next order of business is Resolution No. 20, which was moved from the noncontroversial to the controversial calendar.

It was in the first Report issued by the Resolutions Committee, and amendment was offered to that Resolution in a timely fashion and the amendment was printed, and you should have a copy of it. It is entitled "Resolution No. 20a proposed substitute for Resolution No. 20."

Now, under the rules, for an amended resolution to carry would require a two-thirds vote. Resolution No. 20, because it was reported with recommendations by the Resolutions Committee and distributed to you prior to today's session, simply requires a simple majority of those voting. Is there anyone who at this time would like to speak to the amended 20a?

A VOICE: Mr. Chairman.

MR. KIERNAN: Yes, sir. Would you identify yourself for the record please?

A VOICE: Jack Leverenz, American Association of Motor Vehicle Administrators.

MR. KIERNAN: Would you come forward? The stenographer is having a difficult time hearing you.

MR. LEVERENZ: I have been on the run ever since I have been here. In regard to 20a, the amendment is merely an attachment at the bottom of the original 20, that says that the Vehicle Identification Number as proposed by the Vehicle Equipment Safety Commission.

Now, the reason that I feel that it is very important for you people as auto theft enforcement people is that this is the basic tool of auto theft enforcement. Originally, the VIN was prepared by the Society of Automotive Engineers Committee on Vehicle Identification Numbers with assistance from several other industries, Federal government and the American Association of Motor Vehicle Administrators. The VIN has 15 characters. There were two sections, the descriptor section and the indicator section.

At that time the major change was to the descriptor section, in terms of sequestered numbers. The descriptor section was a variable number that the manufacturer could switch. VESC saw fit to, in the interest of uni-

formity, saw fit to make this a solid number, what we call fixed field characters. It requires one of the major manufacturers to move to 16 characters. Presently that is the way it stands. Now, I should say AAMVA submitted this to VESC, Vehicle Equipment Safety Commission. The VESC carried this through to ISO, International Standards Organization, and in the process of doing this, it was deemed a necessity to move to the 17 characters, still with a variable field, and rather than getting into the intricacies I will just skip over that unless somebody else wants to speak to the subject.

Now, I point out that the American Association of Motor Vehicle Administrators is composed of all the chief administrators of the Motor Vehicle Departments of the highway patrols, state police, that are related to vehicles. This is the first time in their history that they every backed something on a unanimous basis. I mean, every state in the United States and all the Canadian provinces voted unanimously to back this particular vehicle identification number concept because of the fact that it was thrown out to the people in the field, their law enforcement people that work in auto theft chiefly, or their title examiners who approved it and sent it back to them and said, "This is the way we want to go."

The National Highway Traffic Safety Administration at this time has made a rule calling for a 16 character Vehicle Identification Number based on the three concepts. The Vehicle Equipment Safety Commission sent it to the International Standards Organization for what they feel is necessary to make it agreeable to everybody involved, including insurance—I believe they felt that the insurance companies had input into this.

The ISO and the Society of Automotive Engineers—I commend them for the job they did in trying to satisfy everybody—Fred Schwartz, who spoke to you the other day, was the chief writer of that. He did a terrific job. You just cannot satisfy everybody. Consequently, I am bringing it before you as a tool needed by auto theft enforcement officers and auto theft administrators. It is necessary to let the National Highway Traffic Safety Administration know that you are in need of this basic tool. Thank you for your time.

MR. KIERNAN: Is there anyone else who wishes to speak to the amendment, No. 20a?

A VOICE: Yes, sir. My name is Jerry Williams from the Ford Motor Company, and as Jack mentioned there is a final rule issued by NHTSA. It is incumbent upon the manufacturers to respond to that rule by January 1, 1980, for all passenger cars that are produced and sold in this country. On September 1, 1980, for all trucks. NHTSA looked at the International Standards Organization's VIN proposal and the VESC, and came up with a compromise. And what exactly is that compromise? I want to tell you, it is a good compromise although a lot of people are unhappy with it, but it is a rule, and the manufacturers are going to comply with that rule unless there is some other external

force, a court case, or something like that. But what we are talking about as 20a is primarily a standard VIN. You are going to get a standard VIN with the NHTSA proposal. It is going to be 17 characters. The first three characters of that 17 would be the same as that advocated by VESC or NHTSA. The last eight of those 17 characters are going to be the same as though recommended by ISO, NHTSA or NESC. It is only a matter of the question of serials in the middle section of that VIN. It is a rule.

A vote against 20a is not a vote against VESC because you are still getting a standardized VIN. One other point is that the VESC standards cover only passenger cars and recreational vehicles, trailers.

The NHTSA proposal covers passenger cars, motorcycles, buses, trucks, everything that is designed as a vehicle.

Thank you for listening.

MR. KIERNAN: Sergeant Davis.

SERGEANT ROBERT DAVIS: I was originally a supporter of the VESC VIN numbering system. However, I feel it is important that we have a standard system. Let us fact it. We lost that fight. I doubt if this Resolution were passed, it would have any effect whatever in any case, and the only effect it could have if it had any, would be to delay the standardized VIN system. Therefore, I would urge everyone here to vote against this amendment.

MR. KIERNAN: Yes, sir, would you identify yourself for the record?

A VOICE: Yes, my name is James Murphy with the National Association of Independent Insurers in Chicago. We feel very strongly about this because of the problems that we are having in the insurance industry. I think we have got a real problem here, which this group might overlook. We talk here in the enactment section of this Resolution 20 and state that we want a unique standard Vehicle Identification Number.

This group is coming out with and stating that we are against auto theft but this resolution says absolutely nothing. Today we have between manufacturers a unique standardized vehicle identification number. It is here today. Ford has one, General Motors has one. They are all unique and they are all standard, but the problem is, we in the insurance industry have a 40 percent error factor in our files today, a 40 percent VIN error factor. Some of the companies, because of sophistication, have been able to bring this error factor down to as low as 25 percent.

Remember, we are the ultimate and the final pass-through mechanism on the total cost of theft in this country. All right, then, this seemed unique to us and we could justify, try to reduce this error factor somewhat in our own files. We started digging around. We found that the New York Motor Vehicle Department, who issue titles, have a 40 percent error factor in their file. We checked further and it is odd. The numbers almost match. We checked with a North Carolina accident study, a tri-county study on accidents; 40 percent again. We ran into that magic 40 percent figure; 40 percent of their

data has to be junked because of the problems they had with the VIN number as it is used today, so to reconcile this problem, ameliorate it somewhat, we worked with the VESC and the AAMVA and came up with this VESC recommendation.

Again, this idea has been jelling for about ten years. At the last minute the AAMVA came out with a new standard, they did not address the problem area in VINs whatsoever. As a matter of fact, they went against their own research agency that conducted the study on VINs. All of a sudden it came out with a check. Now, we are going to a greater number of digits, more nonuniformity within the numbers. All we are going to do is gain an increased error factor in our VIN system. There will be one advantage because they rotated in a check digit. We will know they are wrong faster, but we will not be able to do a thing about it, so, in other words, we believe that we should have a VIN system, a VIN numbering system that we can use, and rather than a group such as this coming out with a motherhood resolution, we should come out with a resolution that gives some indication of what we are supposed to do.

Now, I think all the state police know the problems that we have in getting a VIN number at the scene of an accident. I think every insurance agent knows the problem. I think every Motor Vehicle Department knows the problem. This group knows the problem that they're having in dealing with VINs. I think this is a good time to address our feelings to NHTSA. Thank you.

MR. KIERNAN: Thank you, sir. Anyone else? Right here in the front.

A VOICE: Scott English, Maryland State Police.

We discussed this thing over in the last three or four years and I could almost speak for the police, for the auto theft investigators and for most of my colleagues. We don't care what the name of the system is as long as everybody has got the same amount of numbers, because whether you have got a motor vehicle, truck or car, if you have a four-digit number you are going to have mistakes somewhere along the line. You can't prevent that because you are dealing with human beings, but all we want is a uniform system for everybody. That is all.

MR. KIERNAN: Yes, sir.

A VOICE: Donald Wolfslayer, Chrysler Corporation.

It is hard to know where to start on a subject of this nature, but I would like to address it this way. I just came from an international meeting in Paris and that is kind of hard to take, where we discussed this subject again for the fifth year. It seems to me that it is just a little bit out of order to really ask a group of this type to vote on a subject that has received ten years of effort by people who are really concerned, including everyone who has stood up here and talked.

We have had people from AAMVA, VESC, FBI, FEVC, NHTSA, to mention a few of these acronyms—you know who I mean—these are the people who have attended

these meetings for many, many years. They came out with what they thought was the best system. Now, the ISO system is, let's say, a motor system that covers the needs of all countries. The NHTSA system has tried very definitely to come up with a system that is a compromise, and we recognize this. I do not think that anybody here is ever going to come up with a system that is going to satisfy all needs, but you have heard a few things today. I want to bring them back to your attention.

One, need: a single one-time change to a uniform system that accommodates all vehicles. The VESC system does not do that. The NHTSA system has that potential, the International Standards Organization that I just came from is discussing this in great detail. We talked about the auto theft problem in this country and I will tell you that there are 500,000 other thefts taking place across borders in other parts of the world.

INTERPOL is extremely anxious for a single uniform system that can be devised.

I think it would be wrong for this group to do anything that is trying to abort the NHTSA system at this time, and if that is going to be done, that should be done through the proper channels and addressing the appropriate procedures to go back to NHTSA (National Highway and Traffic Safety Administration).

We have talked about the need and the need is well expressed. It is simple: a relatively fast change to a single uniform system. I think we should support the original amendment, Resolution.

MR. KIERNAN: Yes, sir.

A VOICE: Michael Christy.

I would like to hear Mr. Gilliland comment on this because he has contact with both the investigative and the insurance industry, and I think he could give us a pretty good overall view, if he is available.

This is the first time this morning here that a Texan has admitted that something outside of the State of Texas was bigger.

A VOICE: C.C. Benson, National Automobile Theft Bureau, Southwestern Division, Dallas, Texas speaking, and this is an impromptu meeting. The NATB does not wish to take a position that would put us into an incompatible position concerning a problem that has been existing for ten years.

I think we could easily say that we would like to see standardization for all vehicles over the world. I think it is important that this thing move and that we get it settled once and for all, and somehow or other live with compromises and not continue to exist in the vacuum that we have been in for so long.

I would like to suggest to the Chair this possible action at this meeting: since NHTSA has already filed it and it is officially accepted and at least three prominent organizations which have worked with it for ten or fifteen years are filing appeals and are contemplating legal

process, does it not appear that it may be better to move here to table both these Resolutions and pass it by, leaving it up to those people who have been working day and night for years and years.

That would be my suggestion.

MR. KIERNAN: A motion to table is always in order. Do I have a second?

A VOICE: I will second it.

MR. C.C. BENSON: I did not move and I think it would be inappropriate if I did. I think I suggested to the Chair that it might consider motions to table.

MR. KIERNAN: Well, if someone makes one I will consider it.

A VOICE: Clarence Woody, Maryland Motor Vehicle Department.

I make a motion that we table these two 20 and 20a, Resolutions.

A VOICE: I second it.

MR. KIERNAN: The motion has been made and seconded that we table both the amended 20a and Resolution No. 20. All those in favor of that motion signify by saying aye. Opposed?

That is that, Resolutions tabled.

Before we get to the final phase of the program, the Chair would ask unanimous consent to make some editorial changes to Resolutions that we adopted on the non-controversial calendar. These changes were brought to our attention. They were not formally submitted out of sympathy to the typist and the Xerox man, but they are as follows: on Resolution No. 2, in the last paragraph, first page, after the word "poor" it was suggested we should insert the word "accuracy" so the Resolution would also indicate that we wanted things checked for accuracy; Resolution No. 2, the last paragraph of the first page, it would read, "further resolved that the National Workshop on Auto Theft Prevention urges the states to develop procedures which require the physical examination of surrendered certificates of title for accuracy and indications of forgery, counterfeiting and alterations."

Are there any objections to that editorial change?

The second change would be on Resolution No. 9, the second paragraph. The change excerpts the word "rings" from the second line of that paragraph, so that the paragraph of the resolution will read, "The public must be brought into any campaign against auto theft. Now, therefore, be it resolved—"

Is there any objection to that?

The next to the last one was mentioned earlier, and that would be on Resolution No. 16, to change the title of that Resolution to insert the word "intergovernmental" so it would read, "national intergovernmental prosecutive program" and the same change would be made in the fourth line of the last paragraph after the word "national" to make it consistent with the title of the Resolution.

Is there any objection to that?

And the final change is a typographical error in Resolution No. 18, the second line of the last paragraph. The second "2" would be struck and "though" would be inserted so it would read, that, "The National Workshop on Auto Theft Prevention urges insurance companies to report the identity of salvage motor vehicles."

Any objection to that?

Hearing none, the Chair would like to thank the participants very much for the discussion this afternoon and thank you for your cooperation in submitting amendments and suggestions on Resolutions to the committee. Thank you. (Applause.)

SENATOR MITCHELL: Thank you very much, member of the Resolutions Committee and counsel.

Thank you, Chairman Kiernan.

We now approach the third and final phase of this Plenary Session and that deals with our ongoing efforts. For that purpose, I am going to make one or two quick remarks and call upon Peter Derrick, one of our program coordinators, to carry the discussion. I think it bears reiteration that this is an ongoing arrangement. We intend to continue our work with the formation of a Liaison Committee and State and Regional Task Forces. We already have been in touch with one or two people, one of whom is here now, who have agreed they would be willing to serve as nucleus for developing a task force in their region, and it is our plan to follow through with this.

We have the financing arranged through next June 30th so it will be under the aegis of our Committee, and for those who will be leaving and will not be at the dinner tonight, please take down our address for future reference. It will be the Senate Transportation Committee, New York State Senate, Albany, New York 12247, and the telephone number is 518-455-3341. I can be reached for advice and information there or at my New York City address, Room 809, 36 West 44th Street, New York, New York 10036. We would be glad to accept suggestions and advice and cooperation from all concerned because once again I want to point out that rather than finishing our work here, it will just be beginning. It is our expectation and keen hope that we will be able to announce within the near future the formation of task forces and to see them actually implement some constructive action rather than just sending our an additional report.

At this state for the final phase I have already given great praise to Peter Derrick, but I would like to reiterate that without his keen help, instinctive sense of what is proper and his intuitive knowledge of how to deal with human nature, we would have been lost during these series of workshops. I give you know for the wrap-up, Peter Derrick.

MR. PETER DERRICK: Thank you very much, Senator. I might also add that without Senator Mitchell's ability to

get people working and to keep them working, I might not have been able to do half of what I was able to do.

I think that all of us on this Committee have spent long hours working on this conference and certainly Senator Mitchell's example has been an inspiration. My purpose here today is to speak for a very short while on the Committee that we hope to create after this conference. I might point out before I make these remarks that there is a Resolution on the creation of a Liaison Committee and I ask your endorsement of that Committee in the Resolutions Report, first report, last two pages.

As most of you by now know, this conference arose out of the concern of the Senate Transportation Committee for the auto theft problem in New York State, specifically in New York City. That was our initial interest.

After studying the problem, however, it became clear that it was not just a New York State problem; it was a national problem. One of the basic reasons that more effective measures have not been taken to combat auto theft is that nobody knew quite what to do. A lot of organizations were working on it but there had not been much dialogue. It became clear that one of the most effective things we could do would be to hold a national conference on this subject. The purpose of that conference would be, number one, to increase public awareness of the nature and seriousness of this problem and, number two, to promote cooperation between the states and between the states and the federal government, and among various other groups involved in this problem, such as NATB, the insurance industry, automobile dismantlers, and others. Accordingly, the Transportation Committee way back in January applied for a grant from the National Institute of Law Enforcement and Criminal Justice Services of the Law Enforcement Assistance Administration to help organize a national conference. The Institute quickly responded, and as a result of that, you have all been here the last three days.

Since July, after we received final notice that we received the grant, the Transportation Committee has been aided in its efforts to organize this Workshop by the distinguished Advisory Committee. The names of the Advisory Committee are all on the back of the printed program. I am not going to read them all here. They are printed on there. They have been a great help to us. Without the Advisory Committee and the outstanding job they did, I do not think that this conference really could have been the success that I think it has been, and I cannot thank them enough. They are responsible for many of the people who are in the audience today. They are responsible for many of the ideas of how the conference should be run. We had a number of meetings. It was a very happy task to work with them.

Now, from the time that the Transportation Committee applied for the grant from the National Institute, it was our intention and the intention of the Institute to make sure that our efforts here in New York City would not go for naught, and to do this, provision was made in the grant for the creation of a Liaison Committee. Actually,

provision was made in the grant to cover some of the expenses of a Liaison Committee, specifically the meetings of the Committee and also to provide some funding for the activities. This Liaison Committee is to help other organizations. I am not clear who those organizations are going to be right now, but to help organizations that are concerned about this problem on the state and regional level, to do what we can to help in the creation of State Task Forces or Regional Task Forces.

We are also going to have published thousands of copies, thanks to the National Institute once again, of the proceedings of this conference. That is one of the reasons we have a stenographer here today. We have a complete stenographic record of all the Plenary Sessions, and those proceedings will be distributed to all of you here today. The Liaison Committee will also aid in the distribution of these proceedings to other people, such as members of the insurance industry, motor vehicle manufacturers, automobile dismantlers, automobile repair shops, so on and so forth.

It is also one of the purposes of the Liaison Committee to decide on future research needs in the auto theft area. That subject has come up a number of times within the small group workshops and also at the Plenary Sessions and also here today, and I think that there has to be some coordination in that effort.

Mr. Benson pointed out that he thought it was a good idea, and the members of his small group thought it was a good idea, if you did pilot studies in small areas in different states, but you have to have uniformity there. You have to make sure everybody is following the same research methods. One of the functions of the Liaison Committee will be in the area of coordination. There are also other ideas that people have brought up. All of these will be considered by the Liaison Committee.

If there is no debate, I am going to end up moving for the passage of that Resolution. Any questions?

I move for adoption of a Resolution that is not numbered but is at the end of the first report of the Resolutions Committee. It is just an endorsement of the format of this Committee. I will let Mr. Kiernan explain a little more about it.

MR. KIERNAN: The Resolution was considered in the regular meetings of the Resolutions Committee and was

reported out with their recommendation. Is there any question on it? Is there anyone who wants to speak? Is there anyone who would like to second the motion?

A VOICE: I second it.

MR. KIERNAN: All those in favor signify by saying aye. Opposed?

The motion is carried and I will turn the meeting back to Senator Mitchell. Thank you.

SENATOR MITCHELL: Let us have a real round of applause for John Kiernan. (Applause.)

Before you leave and since we are about adjourn, I feel it is appropriate for me to say to each and every one of you that we are deeply indebted to you, extend our warm thanks and grateful appreciation for the fact that you helped to make this really successful. We have had compliments from a number of sources and we attribute that to the fact that there has been attendee participation at every level. We thank you from the bottom of our hearts.

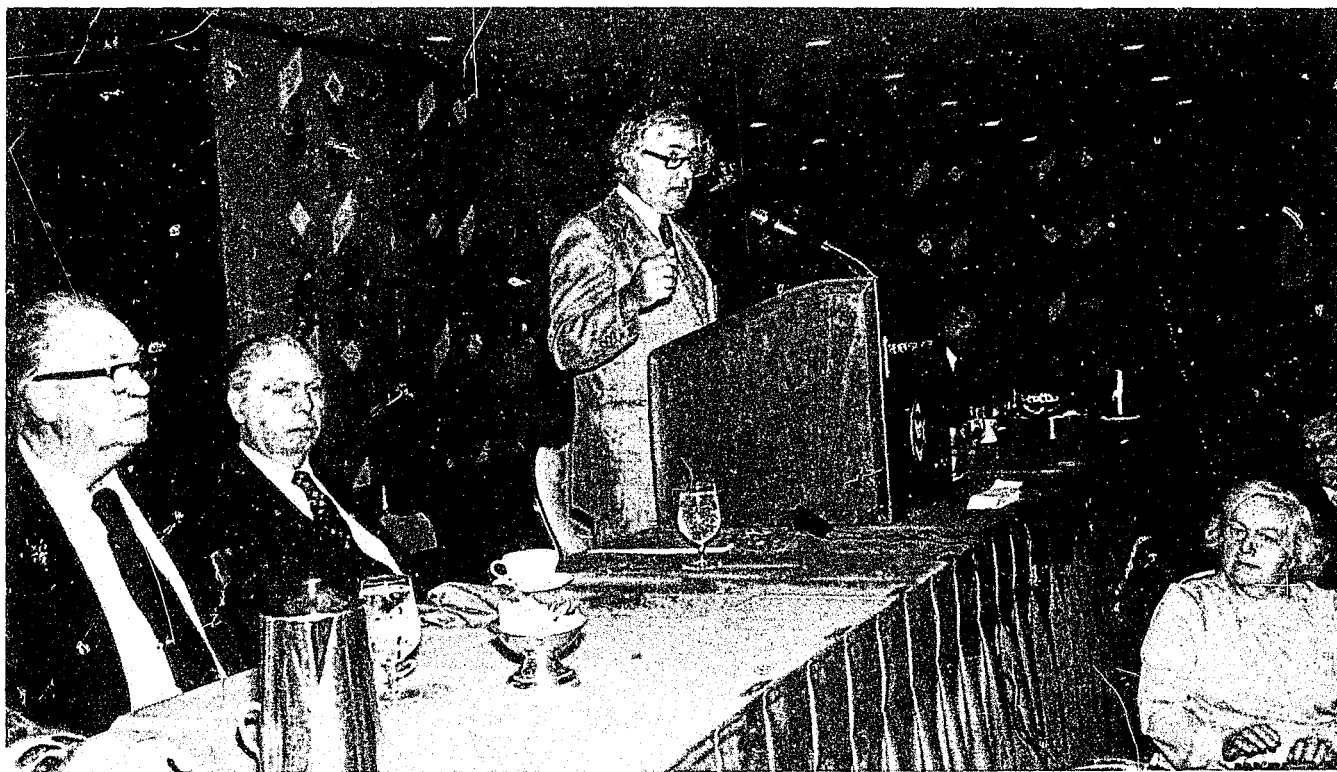
Peter Derrick stole my thunder quite properly, but I had intended to say just a quick word of thanks because we have a dedicated staff of men and women working on our Committee. They have been working not only in connection with these workshops but in every phase of our Committee work—diligently, effectively, and with a spirit of cooperation and friendship. Working with them has been a real treat for me.

I hope all of you or as many of you as possible can attend the banquet tonight and the reception beforehand. I know Secretary of State Dixon will provide a very informative and hard-hitting speech. We looked at it in advance and we know what they are doing out there, so without further ado, is there any further business to come before this session?

A VOICE: Gentlemen, I suggest that the group give Senator Mitchell a resounding applause for his hospitality and friendship and his wonderful meeting that he has worked so hard to produce here today.

SENATOR MITCHELL: Thank you very much, and I would like to say in response that I have been doing what I have been able to do as a result of my admiration and affection for the Chairman of our Committee, Senator Caemmerer. (Applause.)

Summary of the Passage of Resolutions at the National Workshop on Auto Theft Prevention



New York State Senator Joseph R. Pisani, Chairman of the Consumer Protection Committee, delivered one of the keynote presentations at the Workshop based on his efforts and research to help curb auto thefts.

SUMMARY OF THE PASSAGE OF RESOLUTIONS AT THE NATIONAL WORKSHOP ON AUTO THEFT PREVENTION

Resolutions Committee Chairman John B. Kiernan and Mitchell H. Pally, Counsel to the Committee, presided over the proceedings leading to the adoption of the Resolutions. Altogether, 27 Resolutions were proposed, of which only two were defeated.

One of the defeated Resolutions had to do with endorsement of proposed Federal Standard No. 114 dealing with locking devices on motor vehicles. Representatives of motor vehicle manufacturers argued in debate that this Standard would unreasonably restrict the manufacturers' discretion in devising locking devices.

The other proposed Resolution that was debated would have recommended that a study be conducted of the effectiveness of affixing vehicle identification numbers on major component parts. Many participants regarded this proposed Resolution as unnecessary because Resolution No. 1, which was passed, asked manufacturers to intensify their efforts to mark component parts with VIN numbers. One proposed Resolution, together with an amended version of this Resolution, having to do with the adoption of a uniform vehicle identification number system, was tabled after debate as being too technical a question for consideration by the National Workshop.

The 24 Resolutions adopted by the National Workshop are contained in Appendix E. This appendix also contains

a two-page explanation of the rules and procedures used for adopting these Resolutions. Three of the Resolutions (Nos. 2, 4 and 12) were adopted after they had been amended to make them more effective.*

Eighteen of the 24 Resolutions adopted were regarded by the Resolutions Committee and accepted by the Workshop participants as being noncontroversial. They were passed as a single group by voice vote. These are Resolutions Nos. 2, 3, 4, 5, 6, 7, 9, 10, 12, 13, 14, 15, 18, 19, 20, 21, 23 and 24. The other six Resolutions were each approved individually by a voice vote.

Many of the Resolutions that were adopted were self-explanatory, the "Whereas" clauses stating the nature of the problem and the "Resolved" clause or clauses stating the action recommended by the National Workshop. The Resolutions reflect the consensus of opinion that was reached regarding what specific steps should immediately be taken to curb auto theft. For further discussion of the Resolutions, see the "Conclusion" at the end of these proceedings.

* The numbers for the Resolutions used in the *Summary* and the *Conclusion* were assigned after the National Workshop was completed. The numbers used for the Resolutions during the Workshop are in parentheses in the list of Resolutions found on page 138.

Banquet Proceedings

Thursday, October 5, 1978

BANQUET PROCEEDINGS

SENATOR MITCHELL: Ladies and gentleman, will the house be in order please? Before introducing tonight's guest and proceeding with the regular order of business, I want to make one or two announcements.

In the first place, the Governmental Operations Committee of the U.S. Senate, in connection with the bill that has been introduced by Senators Percy, Thurmond and Biden, has asked that we arrange to have all their members briefed on what is proceeding here, and we are, therefore, with your approval, providing them with a list of names so that the members of that Committee can be kept fully apprised as to the developments in this very complex and important field.

Secondly, the other day I had the rare pleasure of introducing one of our two program coordinators, Peter Derrick, and tonight I saved the piece de resistance, the other member of the program coordinatorship, Miss Linda Conrad, who has done such faithful and diligent work in making our arrangements so peaceful and operative. Will you stand up, Miss Linda Conrad? (Applause.)

Thirdly, there are some other unsung heroes in our midst because I know no office can work in Albany and in New York as efficiently as the Senate Transportation Committee without having a stalwart staff of indefatigable, efficient, personable and perpetudinal workers.

In order to prove this point—hold your applause until they all stand up—I am going to single them out in order of seniority, although they are all the same youthful age: Mrs. Eleanor Maio, Mrs. Donna Anderson, Mrs. Patricia Maron, Miss Adrienne Flipse and Mr. Donald Hoyte. (There was a round of applause.)

Now, before introducing today's guests, although you know most of them and you have been charmed by them before, there is one other item of business that I must first relate to you. It concerns an individual who is near and dear to my heart, and I really mean this with all the intensity at my command. For 11 years and ever since the inception of the New York Joint Legislative Committee on Transportation, I have been associated with an individual of rare character, beautiful mind, superb intelligence and dedicated loyalty. I have worked intimately with him on many varied projects throughout this period of time. I have a genuine admiration, affection and respect for his intellect, personality and outstanding character. Everyone here should know that this same individual is the unsung hero who has really performed all the varied and extensive labors, many of them tedious and often out of sight, which have made this conference a tremendous success. My true friend of long standing, Clarence Geiger, Executive Director of our Committee. (Applause.)

(Referring to those seated at the dais) You have met with Ronald Sostkowski of the International Association

of Chiefs of Police; Don Rouse, Automotive Dismantlers and Recyclers of America. You already know Peter Derrick and John Kiernan. Here also is Senator Charlie Chew from Illinois. (Applause.)

Aside from the aplomb with which he greeted my remarks, he also happens to be a very close friend of Muhammad Ali.

In concluding my role for the series of workshops, I would like to introduce a lovely lady, the only one of two women members of the State Senate, who occupies a niche in Rockland County, which is a strong Republican County but where her Democratic friends and Republican partisans support her regularly.

She served two years, two terms in the county legislature. She is about to enter her third term as a state Senator from that county. She is the ranking minority member of the Transportation Committee. She is a close friend and confidant of Senator Caemmerer and has played a leading role in all the transportation developments of the Committee during the time that she has served on it.

I give you, for the introduction of our guest speaker, Senator Linda Winikow.

SENATOR LINDA WINIKOW: Thank you. It is always a pleasure to be here, and I am going to make it official. I may be known as the official mother of the New York State Senate, not the only woman, but I am the only mother.

This is a unique experience for me. As you heard, I am ranking minority member of the Senate Transportation Committee. I am sorry to say I am here because Senator Caemmerer could not be with us, but it is the first time he ever let me get to the microphone, and seriously, for the moment, I just want to say that you will be glad to know that he is getting better and he will be out of the hospital shortly. It has been a privilege these last two years I have served as his ranking minority member on Transportation.

I am sorry that many of you did not get the opportunity to meet him. I think it is probably the best Committee in the New York State Legislature. (Applause.) But it is one in which we each have an opportunity, whether as a woman, or a Democrat, it makes no difference, when it comes to the issues of transportation and a bipartisan way to move ahead. He has done an outstanding job not only in the State but as a leader in this nation, and a big show to follow, but I am going to try to do so in making some of my remarks.

You know, it is interesting. I went around to say hello to a couple of people and I said, "How did you enjoy the Conference?" And they said, "You know, Senator, we

came here to learn. We knew nothing about car theft until we got here." Now they are such experts they cannot wait to get back home to teach others what they learned, how to steal those cars.

I know some of them come from Westchester County, which is portion of my district, so I am going to keep my eyes on you fellows as well.

I also learned something from talking to others. I learned in talking to the illustrious Senator Chew that I must be living in the wrong state. I left my car downstairs. I left it to be watched by a New York City policeman. I do not know whether that was good or not, but in any case, he said to me, "You mean you get tickets in New York City?" It seems in the State of Illinois they have immunity. I do not know whether it comes to the Secretary of State or what.

In any case, this Conference has been unique, and I hope you will let me share some of these comments with you as I make the introduction of the guest speaker. The Workshop is designed differently from most national conferences. Instead of gathering people from only one special interest group, it aims at bringing together men and women—I see that spotting of women—from many fields who would meet to work out a strategy to better combat auto theft. We knew that the success of the Workshop would depend on whether there was mutual interaction among the participants from the various fields represented, and I noticed as we sat here on the dais, there was very good interaction. It now appears the small discussion groups which were at the heart of the Workshop concept were indeed cases where their feelings were greatly expressed, a consensus was reached on what should be done to reduce the incidence of auto theft and that concensus resulted in the Resolutions which were adopted this afternoon.

Because we have a terrific staff out there, I was informed all along the way of what you were doing, that although the speakers at this Workshop have addressed the auto theft problem from differing points of view, there has been general agreement about certain of the the approaches which must be pursued. Our hopes are raised that a constructive plan of action should be completed because of what you have done.

One of the benefits of this national Workshop over and above the passage of Resolutions and the excellent speeches that I know you have heard is that people from different walks of life have come to know each other and have become aware of each other's problems. If the people who have met at the Workshop continue the dialogue established here and work together in the future, we will have taken a major step toward solving the auto theft problem, and that is really why we are here.

I am reassured of that because this National Workshop on Auto Theft Prevention begun in the past few days will not end tonight. The Liaison Committee will soon meet to determine the best way to coordinate the followup activity and perhaps that really is the key to this banquet tonight.

Aided by the New York State Senate Transportation Committee, it will work to establish state and/or regional task forces on auto theft prevention and it will consider specific research needs in the auto theft field.

The Transportation Committee, as part of its commitment under the grant, will edit the proceedings of this Conference into a publication that will be mailed to all participants. With the help of the Liaison Committee, this publication will be widely distributed throughout the country. As the ranking member on that Senate Transportation Committee, I would like to thank the Law Enforcement Assistance Administration for its confidence in our Committee, a confidence which is evidenced by their provision of funds. That is no easy task, not only to accomplish the Workshop, but also to continue our efforts in the field of auto theft prevention.

Next, on behalf of Senator Caemmerer, who could not be here, I hope and I am sure each one of you will return to the many, many workshops we will have. You will then have an opportunity to see him in action and will know that what I am saying is true. We want to thank you for coming to New York and spending so much of your time with us in working at a strategy to make life more difficult for the auto thief.

It is now my pleasure to introduce our banquet speaker that I had an opportunity to meet when I first walked in, the Honorable Alan J. Dixon, Secretary of State of Illinois.

He can claim more public service than any other elected official in Illinois, having served in all three branches of government—executive, legislative and judicial—starting his public career as a police magistrate when he was only 21 years of age. You still look close to that.

MR. DIXON: Oh, bless you. I love you, Senator.

SENATOR WINIKOW: I may consider moving to Illinois. At least I would get my speeding tickets fixed. You ought to tell Senator Caemmerer I just might go.

Mr. Dixon was elected Secretary of State in 1976. Previous to this he served as Illinois State Treasurer.

Secretary Dixon was first elected to the State House of Representatives in 1950 and won reelection until 1962. He then went on to the State Senate. I am a little partial—for the first of the two four-year terms he was elected as Assistant Minority Leader by Senate Democrats.

As Secretary of State, Mr. Dixon is Chief Administrator of the Motor Vehicle Laws and is responsible for the issuance of driver's licenses, Certificates of Title and other documents. Since becoming Secretary of State he has worked tirelessly to reduce auto theft in Illinois. One step that has already been taken is the development of the new alterproof Certificate of Title. Secretary Dixon has also focused on the operation of the illegal dismantlers of Illinois with the aim of cutting down the flow of auto parts taken from stolen vehicles. He is currently working on state legislation designed to give him the necessary tools to cut down on illegal chop shop operations.

CONTINUED

1 OF 2

It really is my distinct pleasure always to introduce a fellow elected official from another state, one who has such a distinguished service, and perhaps more important than anything else, with the title of Secretary, a terrific man. I give you the Honorable Alan J. Dixon.

HONORABLE ALAN J. DIXON: Thank you, Senator, for that very warm introduction, and I, of course, understand your obligations during the reelection campaign. The Senator asked me in advance to understand that she would have to leave after her introductory remarks, and I appreciate those warm and kind words. Thank you, Senator.

I am flattered to have this opportunity to be your speaker at your banquet on the occasion of the culmination of your work at the National Workshop on Auto Theft Prevention, and I am proud and happy to see so many of my colleagues from my own office, from the Illinois General Assembly, from the Illinois State Police, from significant industries in my State, State Farm Insurance, Country Mutual, Allstate, and the other major companies in my State, here participating in this very important Workshop. I think it speaks eloquently for the recognition by all of us of the fact that Illinois had 59,000 automobile thefts last year, one every nine minutes, and the City of Chicago has the unfortunate reputation of being the chop shop center of the world.

I am honored, too, to have our distinguished Chairman of the Transportation Committee of the Senate, the expansive Senator Charlie Chew here representing our Illinois State Senate. I have known and loved Charlie for many years, and he is a legend in his time where I come from.

My friends, as principle administrator of Illinois' motor vehicle laws, I am of course grateful, as I have said before, to the New York State Senate Committee on Transportation for organizing this Workshop. The United States needs a master plan with central direction to coordinate the many agencies, government and private, responsible for controlling motor vehicle theft. Just at the national level, my friends, we have the Interagency Committee on Auto Theft Prevention, the FBI, the American Association of Motor Vehicle Administrators, of which I am a member, the National Automobile Theft Bureau, the Vehicle Theft Committee of the International Association of Chiefs of Police, the Automotive Dismantlers and Recyclers of America, the court system, the prosecutors of the Justice Department, just to name a few.

At the state and local levels, the responsibilities are equally diversified. We do, of course, work with each other, but communications and cooperation unfortunately are not always the best. Many of us nibble at the edges of the problem instead of striking together at the heart. The Workshop is a beginning toward the grand design we all need: a battle plan to unify us against auto theft and keep us moving together.

Since I became Secretary of State in Illinois in January of '77, we have taken three initiatives against auto theft which I think are important. First, we assigned a title verification unit in our Motor Vehicle Services Depart-

ment in Springfield, which examines two and one-half million titles a year for suspicion of alteration. In an eighteen-month period since I have been Secretary, our title verification unit has caught 288 altered and counterfeit Certificates of Title in my State. With this information and other leads, our own auto investigation unit recovered 621 stolen vehicles in the same period.

Our second initiative was creation of an alterproof Certificate of Title. We have been issuing it since June of this year. It cannot be doctored. The Certificate of Title is a valuable protection for car owners.

When Illinois enacted a Certificate of Title Law back in 1933, auto thievery in our State dropped 88 percent. It is easier to steal a car obviously than to come up with a good title for it. Our security title is printed on bank note paper with a border of indelible steel. It has a latent image which appears when it is tipped at a certain angle. A laminated strip covers the vital information. Any attempt to remove it would destroy the printing underneath. There are millions of old titles that were issued before June of 1978 which are not laminated and could be altered by thieves.

As all titles are surrendered over the years and replaced by security titles, organized crime will turn more and more to the chop shops. Our office keeps a history of vehicles registered but not of their parts.

Illinois law requires all recyclers, rebuilders and used parts dealers to keep records of vehicles and parts they handle but it does not require an audit trail of parts back to the vehicle of origin. The law authorizes my office to prescribe rules for the recordkeeping. My office is the licensing agency. Under this authority we took a third initiative against auto theft, and I think the most important.

On August 8th of this year, I issued and promulgated a new rule. It would have required licenses to be kept in a police ledger book, a more thorough identification of people they do business with, and the vehicles and component parts that they handle.

Sellers of the licenses would be identified by name, and the address in the ledger book verified by a driver's license or an equivalent identification.

Every vehicle and part acquired would be inspected by the licensee. Any evidence of tampering with serial numbers would be reported immediately to my office.

For essential components, they would record the vehicle identification number of the vehicle the component was removed from. Unfortunately, my rule was set aside by a Chicago Circuit Judge's Order. I was enjoined from enforcing it. I, of course, respect the Order, and I will obey it, but I am appealing it to the Illinois Supreme Court, and I expect to win there eventually, and may I say, as an aside, that the Illinois Supreme Court in a very unusual step last week entered an order expediting the filing of briefs. We are to file our brief by October 18th, this month, October 18th.

The Manufacturer's Association is to file by November 10th, and we then have until November 20th to file our reply, and I fully expect to have a decision from the Illinois Supreme Court before Christmas, and I expect to win when that matter is brought before the Supreme Court.

Without an audit trail, of course, it is virtually impossible for law enforcement officers to track down stolen parts after a car has been dismantled. Such an audit trail would cut into the stolen parts industry as a Certificate of Title Law cut into auto theft in 1933.

In the State of Washington, as an example, a new law enforcing the same requirements I had hoped to enforce with my rule has been successful. The legitimate auto rebuilding and recycling industry in that State helped to draft the law. Legislation to require identification of vehicle components by trail of the vehicle is favored by all of the experienced people in law enforcement and government administration. We have such legislation in the works in Illinois.

Meanwhile, I am using the statutory powers I have to enforce better recordkeeping. We have been doing something in Illinois that is new to us, and perhaps is unique in the nation. Let me offer it to you as a possible additional tool combating chop shops.

Comments have been made here over the last few days at the Workshop that criminal convictions, if obtained, are not of a sufficient magnitude to act as a deterrent to criminal activity in the auto theft field, and I think we ought to know that. It has also been pointed out repeatedly in our Workshop sessions that we must remove the illegal profit element from chop shop operations, and I think we all know that. This is where the Illinois plan comes in. Our approach deals with both the problem of lack of criminal convictions and the reduction of the profit motive, and here is how it has been working in my State.

The Chicago Police Department and the Secretary of State's investigators have launched a joint effort to initiate civil administrative hearings. This technique avoids the conventional approach of going through the criminal court system. Illinois, as do some other agencies in your state, licenses parts dealers, rebuilders, scrap processors and parts recyclers.

Under the Illinois Vehicle Code I have the authority as Secretary of State to conduct administrative hearings to revoke or suspend the licenses of these operators. This statutory authority has not been previously utilized in my State. The Chicago Police Department has brought to us many cases which were thrown out of the criminal court for a multitude of reasons. We evaluate each case from a civil administrative standpoint. We conduct our own investigation. We collect our own evidence, and when warranted we conduct hearings. I am sure you can readily see the advantages of this procedure.

An administrative hearing is a more effective weapon than the criminal courts because only a preponderance

of the evidence is required at the administrative hearing, whereas proof must be beyond a reasonable doubt at a criminal trial.

Let me give you some examples of how this has worked in my State. Following an investigation and hearing, my office suspended for two months the wrecker's license of a firm in the Chicago area on the grounds that it violated the anti-theft laws in the recordkeeping requirements of the Illinois Vehicle Code. We periodically checked to make sure this licensee stayed shut down during the suspension. In another case we suspended the operation of a licensee in Chicago for inadequate recordkeeping. The licensee had bought 1,867 vehicles in two months from 83 towing firms without applying for titles or keeping any records of all of those transactions.

Because of this flagrant violation we have placed this particular licensee under permanent supervision of our office for a period of one year. Utilizing the same procedure, we presently have four similar cases pending. Investigations are always in progress against others.

What we are doing in Illinois basically is going after those businesses which do not comply with laws already on the books, but we are not doing it through the criminal court system which has, unfortunately, in large measure, failed us in the past. We are doing it through civil administrative hearings. We are utilizing another approach for private operators to comply with the law. We found numerous instances where a business entity is functioning without a license. We are now using cease and desist orders to notify the business that it is required to be licensed by the Secretary of State. We give notice that if a license is not obtained within 15 days, we will seek an injunction in circuit court to prohibit further operation without a license. We follow the cease and desist routine in order not to be in a position to harass the small, innocent businessman who may not be aware of the law. We have set up eight cease and desist orders recently.

Two businesses have quit and two others have obtained licenses. Cases are presently pending against the other four. You know why. If we cannot get at the illicit operator through the criminal courts, we can get at him through administrative procedures. I recommend to you a thorough review of the statutes in your state to see whether you can do the same.

The licensing function can be a powerful weapon in the war against chop shops.

In conclusion, let me say this. In Illinois where more than 75,000 motor vehicles are listed in the law enforcement agencies data system computers as stolen and not yet recovered, the Secretary of State's Office is going to do its part. I thank you for your efforts and for contributing to this Workshop. It is a step toward a unified, centrally directed and successful campaign to cut down on a monster crime. Thank you for having me.

SENATOR MITCHELL: Thank you very much, Secretary Dixon, for coming here in the midst of your busy re-election campaign to give us this pungent and hard-

hitting speech and the constructive items alluded to therein. We will try to follow some of your fine suggestions.

One other notice. For those of you who are taking the inspection trip of Windows on the World Restaurant and the further inspection trip of the New York Harbor, the

first bus will leave the West 53rd Street side at 7:45 a.m. That will go as loaded. The other bus, the last one, will leave at 8:04 a.m.

There being no further business, this National Workshop on Auto Theft Prevention is adjourned *sine die*.

Conclusion



In April of 1978, State Senators John D. Caemmerer, center, and Joseph R. Pisani, left, with the backing of Majority Leader Warren M. Anderson, right, advanced a comprehensive series of legislative proposals attacking the auto-theft problem in New York State. Recognized nationally, their proposals became the center point for Workshop discussion and now form the basic blueprint for actions to be followed by other states.

CONCLUSION

The primary conclusion of the National Workshop on Auto Theft Prevention is that there is no simple solution to the auto theft problem. Motor vehicles are stolen for a variety of reasons and disposed of in a variety of ways and any attack on the problem must be equally complex and variegated. Developing a proper plan of action will thus not be easy. The National Workshop was only a first step in this direction.

An additional difficulty in devising a practical solution arises from the fact that a large number of governmental agencies and private groups have a responsibility for curbing auto theft. These groups must find a way to coordinate and cooperate with each other on a consistent basis if a workable plan is to be implemented. Workshop participants, moreover, were convinced that public apathy toward auto theft must be overcome. Because the public does not seem to care about auto theft, sufficient funds are not allocated for auto theft prevention activities, and the judicial system has placed auto theft on the back burner.

The public image of the auto thief is that of a youth who steals a car for temporary transportation purposes—that is, of the "joyrider." This image needs to be overcome. Nowadays, the typical auto thief is apt to be a professional criminal who is a member of an organized theft ring. Such rings steal automobiles in order to strip the vehicle for its major component parts, to sell the car to unsuspecting buyers after altering the vehicle identification number, or to export the vehicle overseas.

There is a great profit in such activities. If a late model automobile is stolen and stripped, for example, the total value of the major component parts such as fenders, doors, front end assemblies, will be in the thousands of dollars. Such parts are sold to auto repair shops at a lower cost than can be offered by legitimate vehicle dismantlers. This drives an honest man out of business over the long run.

The professional auto thief is a menace not just because his activities result in higher insurance rates but because he helps to kill legitimate businesses. Profits derived from auto theft are used to finance other illicit activities such as the sale of narcotics and the establishment of gambling operations.

In addition to the increasing involvement of professional thieves in the auto theft "business," another reason for high auto theft rates is insurance fraud. Many reported auto thefts, in fact, never actually occurred. The owners of the vehicles made stolen vehicle reports in order to collect the insurance because the book value of their cars was higher than the resale value. In some areas, insurance fraud is estimated to run as high as 25 percent of all reported auto thefts.

It was agreed upon by Workshop participants that activities designed to reduce the incidence of auto theft will be

successful only if they increase the risk of punishment to the thief or to the person who fraudulently reports that his car has been stolen. The major difficulty, however, is that no single step by itself can significantly increase the possibility of arrest and punishment. Each step must be coordinated with other activity. If, for example, as was suggested by many individuals at the National Workshop, the major component parts of automobiles are marked by the manufacturer with vehicle identification numbers, then theoretically it will be more difficult for the auto thief to market stolen parts. But, if police officers never check inventories of used major component parts in salvage yards against the computer listing of stolen vehicles, then the risk to the thief has not been greatly increased.

Furthermore, if, having made a careful survey of stored parts, enough evidence is produced to make an arrest resulting in a conviction, but the judge in the case reduces the penalty for the thief because he does not regard auto theft as a serious problem, then the risk to the thief has not been increased to the point where he will cease his activities. Why should a thief who is making thousands of dollars a week shut down his operation because he has received a small fine, as so often occurs with auto theft cases?

To provide another example, there is general agreement that there should be uniformity of state title certificates and that such certificates must have security features. This will make it more difficult for a vehicle stolen in one state to be registered or titled in another state. Each state must develop procedures which require that its own records be checked whenever a certificate of title is surrendered from another state. It must then return the surrendered certificate back to the state of issuance. If the states do not check information relating to stolen motor vehicles, the risk to the thief will really not have been increased. Once again, the auto theft problem is complex and thieves will use every loophole they can find to get around the law. The only means to solve the problem is through a sophisticated and coordinated approach.

The resolutions adopted by the National Workshop reflect the fact that auto theft is a multifaceted problem. These resolutions cover all aspects of auto theft. Together they represent the consensus of the participants at the Workshop concerning practical steps that must now be taken to curb auto theft. (The complete set of resolutions is to be found in Appendix E.)

According to many of the speakers at the National Workshop, in certain areas of the country the theft of motor vehicles for parts has reached crisis proportions. In order to reduce the theft of automobiles for parts, the Workshop recommended that motor vehicle manufacturers intensify their efforts to mark major component parts with vehicle identification numbers (Resolution 1). The Workshop also endorsed making it a felony to alter VIN numbers on the vehicle or on its major component parts

(Resolution No. 2). In addition, state governments were urged to increase the penalties for illegal dismantling operations and to train sufficient personnel to enforce the laws prohibiting such illegal operations (Resolutions Nos. 7 and 9).

There was universal agreement at the National Workshop that there must be uniformity in vehicle titling and salvage control procedures, including the surrendering of titles by insurance companies for vehicles declared a total loss. (This conclusion is reflected in Resolutions Nos. 10, 11, 12, 13, and 14.) Without such uniformity, the ability of thieves to use the vehicle identification numbers of salvage vehicles to "replate" stolen vehicles of the same make and model (the VIN switch) will not be diminished.

To reduce insurance fraud, the National Workshop recommended that each state legislature make it a felony to falsify a stolen vehicle report to a law enforcement agency or to an insurance company (Resolution No. 15). Clearly, one of the most effective means of reducing such fraud is heavy penalties. Insurance policies could, once such laws are passed, point out the penalties for false reporting. The Workshop also suggested that insurance companies physically inspect each vehicle they insure to reduce the incidence of fraud (Resolution No. 17). Currently, insurance companies sometimes insure "phantom" vehicles that do not actually exist.

One of the major difficulties with auto theft is that there is not enough accurate information about the monetary costs of auto theft, the methods by which vehicles are stolen, the purposes for the theft and the manner of disposition after the theft. Obviously, the need for research in this area is great. Resolution No. 20, therefore, calls for the development of meaningful data on auto theft and urges cooperation between the insurance industry, motor vehicle manufacturers and the law enforcement community to achieve this objective. Moreover, one of the functions of the Liaison Committee endorsed by the Workshop (Resolution No. 22) will be to help coordinate research projects. Indeed, this Committee has already been given the responsibility through the passage of Resolution No. 23, to pursue a study of the problem of civil liability by insurance companies. At the present time, some insurance companies have been fearful of cooperating with law enforcement agencies against their clients because of the possibility of civil liability arising from such cooperation.

There was a clear sense among Workshop participants that the federal government must become more involved with auto theft. Accordingly, Resolution No. 3 endorses the proposed Motor Vehicle Theft Prevention Act of 1978 introduced in the Senate by Senators Percy, Biden and Thurmond and in the House by Congressman Green. This Act allows the federal government to make regulations designed to curb auto theft without having to justify such regulations within the context of a safety nexus. It also extends the jurisdiction of the federal RICO (anti-racketeering) statute to cover the activities of motor vehicle theft rings, which frequently operate on a national scale.

This Act also would introduce strong measures for controlling the importation to and exportation from the United States of stolen vehicles. In the specific area of the exportation of stolen vehicles to Mexico, the Workshop urged the development of coordinated plans, practices and procedures which would limit the opportunity for a stolen vehicle to illegally enter Mexico and would expedite the return of any stolen vehicles located in Mexico (Resolution No. 19).

The National Workshop also asked that the federal government make funds available to the states under the federal Highway Safety Act to be used to implement anti-theft measures in the area of vehicle titling and registration and control over salvage vehicles (Resolution No. 4). In addition, the Workshop urged the Attorney General of the United States, in conjunction with law enforcement personnel on all levels of government, to consider creating a comprehensive national inter-governmental prosecutive program for auto theft offenses which clearly specifies which cases should be, might be and will not be brought in federal court (Resolution No. 6). Local, state and federal prosecutors were asked especially to increase their prosecution of car theft rings and "chop shop" operations and the courts were urged to impose penalties which will take the profit out of these illicit activities (Resolution No. 7).

The several state governments were asked to take action against auto theft by designating one state law enforcement agency to be responsible for statewide coordination of law enforcement efforts and crime prevention measures in regard to motor vehicle theft (Resolution No. 8). The states were also asked to allocate more funds to assist and support law enforcement and motor vehicle agencies in carrying out their anti-theft responsibilities. Specifically, more money should be allocated to effectively carry out the monitoring of records, the inspection of auto recyclers, dismantlers and repair operators and other related activity. Sufficient funds should also be allocated for specialized training of anti-theft personnel (Resolution No. 9).

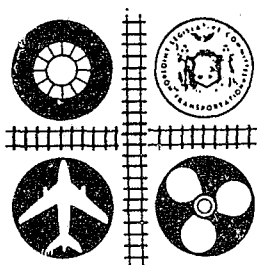
One way of reducing auto theft is by "hardening" the target, that is, by making it more difficult for thieves to enter into a mobilized vehicle. Resolution No. 16 encourages the use of insurance discounts on comprehensive insurance coverage for the installation of anti-theft devices. Resolution No. 18 urges motor vehicle manufacturers to continue their efforts to develop innovative and creative techniques to prevent the unauthorized mobilization of the motor vehicle.

Many speakers at the National Workshop emphasized the fact that it is not enough just to make changes in laws, regulations, procedures and funding priorities. What is also needed is the will to forcefully enforce the rules. This is true not just for police officers. It also applies to motor vehicle administrators, prosecutors, judges and a host of other groups. Most importantly, perhaps, the general public needs to be informed of the seriousness of the auto theft problem and must be encouraged to support practical measures designed to alleviate the problem.

By passing Resolution No. 21, the National Workshop recognized the need for citizen involvement in auto theft prevention. This resolution encourages the creation of Anti-Car Theft (ACT) Committees which bring together law enforcement agencies, private industry and the public. In areas where such committees have been active, auto theft rates have been significantly reduced. The Liaison Committee endorsed by the Workshop will do all that it can to increase public awareness of the nature and seriousness of the auto theft problem. Working together

with other concerned parties, it will help to spark a nationwide attack on this most serious of all property crimes. This Committee is already at work with plans for the creation of several task forces in various parts of the country. In that connection it seeks actively to promote a fully cooperative plan of action in each area in which all segments of government and private enterprise which have a stake in reducing auto theft will pool their resources in a unified effort.

Appendix A



National Workshop On Auto Theft Prevention

Sponsored by

**THE NEW YORK STATE
SENATE COMMITTEE ON TRANSPORTATION**

Senator John D. Caemmerer, *Chairman*

**(with the aid of a Grant from the United States Law Enforcement
Assistance Administration)**

NEW YORK HILTON HOTEL

OCTOBER 3rd - 6th, 1978

PROGRAM OF EVENTS

TUESDAY, OCTOBER 3, 1978

- 10:00 a.m. - 6:00 p.m.
(No Registration Fee) Registration in Beekman Corridor of New York Hilton Hotel, 2nd Floor
- 1:00 p.m. - 2:00 p.m. Meeting of Moderators and Facilitators Room 504
- 2:00 p.m. - 3:30 p.m. PLENARY SESSION ON TOPIC I—The Auto Theft Problem, Beekman Room, 2nd Floor. Introductory remarks by Senator John D. Caemmerer, Chairman, New York State Senate Committee on Transportation.
Speakers: Paul Gilliland, President, National Automobile Theft Bureau; Philip B. Heymann, Assistant Attorney General, Criminal Division, U. S. Department of Justice; Thomas J. Horrigan, Executive Secretary, International Association of Auto Theft Investigators; Gordon Walgren, Majority Leader, Washington State Senate
- 3:45 p.m. - 5:15 p.m. TOPIC I WORKSHOPS. Room assignments will be distributed at Registration
- 6:00 p.m. - 7:00 p.m.
(Cash Bar) SOCIAL HOUR—Beekman Room, 2nd Floor
- 7:15 p.m. KEYNOTE DINNER—Sutton Room North, 2nd Floor. Welcome by Senator John D. Caemmerer and Blair Ewing, Acting Director, National Institute of Law Enforcement and Criminal Justice.
Address by Glendon B. Craig, Commissioner, California Highway Patrol

WEDNESDAY, OCTOBER 4, 1978

- 8:00 a.m. - 10:00 a.m. Registration continues. Sutton Center Corridor, 2nd Floor
- 9:00 a.m. - 10:00 a.m. PLENARY SESSION ON TOPIC II—Investigative and Enforcement Problems. Sutton Room Center, 2nd Floor
Speakers: Emil Peters, Chief of Police, San Antonio, Texas; Colonel Clinton L. Pagan, Superintendent, New Jersey State Police; Richard D. Schwein, Federal Bureau of Investigation; Thomas Davis, U.S. Customs Service
- 10:00 a.m. - 11:30 a.m. TOPIC II WORKSHOPS—Room assignments will be distributed at Registration (Coffee available in Workshop Rooms)
- 11:30 a.m. - 12:45 p.m. LUNCHEON—Sutton Room Center, 2nd Floor. Address by Senator Joseph Pisani, Chairman, Consumer Protection Committee, New York State Senate
- 1:00 p.m. - 2:00 p.m. PLENARY SESSION ON TOPIC III—Laws and Regulations Relating to Vehicle Titling and Salvage Control Procedures. Beekman Room, 2nd Floor.
Speakers: Donald Rouse, Automotive Dismantlers and Recyclers of America; Frederick Schwartz, National Highway Traffic Safety Administration; Jack Leverenz, American Association of Motor Vehicle Administrators; Clarence Woody, Maryland Motor Vehicle Administration
- 2:00 p.m. - 3:30 p.m. TOPIC III WORKSHOPS—Room assignments will be distributed at Registration

- 4:00 p.m. - 5:30 p.m. PLENARY SESSION ON TOPIC IV—Problems in the Adjudication of Auto Theft Violations—West Ballroom, 3rd Floor.
Speakers: L. Brooks Patterson, Oakland County Prosecutor, Pontiac, Michigan; Steffan W. Graae, Blackstone Institute; Senator Ronald L. Nabakowski, Ohio Senate; Barry Moskowitz, Assistant U.S. Attorney, District of New Jersey. (Panel Discussion to follow)
 EVENING FREE

THURSDAY, OCTOBER 5, 1978

- 9:00 a.m. - 9:45 a.m. Slide presentation on "Chop-Shop" Operations—Mercury Ballroom, 3rd Floor. Presentation and Remarks by Sergeant Robert Pope, Cincinnati Police Department
- 10:00 a.m. - 11:00 a.m. PLENARY SESSION ON TOPIC V—The Role of Private Industry in Helping to Curb Auto Theft, Mercury Ballroom, 3rd Floor.
Speakers: Noel A. Chandonnet, New York/New Jersey Anti-Car Theft Committee; Jerry Williams, Motor Vehicle Manufacturers Association; Charles W. Hannert, Motors Insurance Corporation
- 11:00 a.m. - 12:45 p.m. TOPIC V WORKSHOPS—Room assignments will be distributed at Registration (Coffee available in Workshop rooms)
- 1:00 p.m. - 2:15 p.m. LUNCHEON. East Ballroom, 3rd Floor
- 2:30 p.m. - 4:45 p.m. PLENARY SESSION—East Ballroom, 3rd Floor
 Reports from Workshop Moderators.
 Adoption of Resolutions.
 Plans for development of State or Regional Task Forces to serve on a continuing basis.
- 6:15 p.m. - 7:15 p.m. RECEPTION—East Promenade, 3rd Floor
- 7:30 p.m. BANQUET—Mercury Ballroom, 3rd Floor
 Address by Honorable Alan J. Dixon, Secretary of State, Illinois

FRIDAY, OCTOBER 6, 1978

- 8:00 a.m.
 (Limited to 150 people.
 Advance Registration
 Fee of \$25) Charter Buses depart from 53rd Street side of Hilton Hotel for World Trade Center
- 8:30 a.m. - 10:00 a.m. Breakfast at Windows on the World Restaurant on 102nd Floor, World Trade Center
- 10:15 a.m. Buses depart World Trade Center for embarkation at Battery on 120 foot Pilot Boat
- 10:30 a.m. - 1:30 p.m. Inspection trip of New York Harbor (Light repast will be served)
- 1:30 p.m. Buses transport passengers back to Hilton Hotel (arrangements have been made for luggage of those taking this tour to be safely stored at Hotel until 2:30 p.m.)

NATIONAL WORKSHOP ON AUTO THEFT PREVENTION

New York Hilton Hotel

OCTOBER 3rd - 6th, 1978

Sponsored by

NEW YORK STATE SENATE COMMITTEE ON TRANSPORTATION

John D. Caemmerer, *Chairman*

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Edwyn E. Mason

Sheldon Farber

Linda Winikow

Anthony V. Gazzara

Vander L. Beatty

Thomas Bartosiewicz

Martin Connor

*Workshop Partially Funded by a Grant
from Law Enforcement Assistance Administration*

WORKSHOP PROJECT DIRECTOR: Honorable MacNeil Mitchell

PROGRAM COORDINATORS: Peter Derrick

Linda Conrad

SENATE COMMITTEE STAFF:

Clarence Geiger, *Executive Director*

MacNeil Mitchell, *Special Counsel*

Adrienne Flipse, *Associate Counsel*

Joseph F. Zimmerman, *Research Director*

Eleanor Maio, *Executive Secretary*

Donna V. Anderson, *Administrative Assistant*

Pat Maron, *Committee Clerk*

John B. Kiernan, *Counsel*

Mitchell Pally, *Associate Counsel*

Bert J. Cunningham, *Public Affairs Director*

Donald Hoyte, *Senate Fellow*

ADVISORY COMMITTEE FOR NATIONAL WORKSHOP ON AUTO THEFT PREVENTION:

Paul Gilliland, President, National Automobile Theft Bureau

Donald J. Rouse, Automotive Dismantlers and Recyclers of America

Thomas J. Horrigan, Executive Secretary, International Association of Auto Theft Investigators

Stephen Weglian, Esq., U. S. Department of Justice

Jack Leverenz, American Association of Motor Vehicle Administrators

Ronald Sostkowski, International Association of Chiefs of Police

Charles McGuire, U. S. Department of Transportation

Thomas Carr, Motor Vehicle Manufacturers Association

Patrick F. Healy, Executive Director, National District Attorneys Association

Carl M. Bornstein, Office of Special State Prosecutor, New York

Leonard M. Cutler, Liaison for Committee with Justice Department

RESOLUTIONS COMMITTEE

John B. Kiernan, *Chairman*; Michael J. Murphy, Police Commissioner,
New York City (Ret.); Michael G. Zipkin, Aetna Life & Casualty Company;
Thomas Carr; Donald J. Rouse.

Appendix B

Biographical Sketches

JOHN D. CAEMMERER

State Senator John D. Caemmerer, from the seventh senatorial district (part of Nassau County), has served continuously in the New York State Senate since first elected in 1965. As Chairman of the Joint Legislative Committee on Transportation and since 1970 as the Chairman of the Senate Standing Committee on Transportation, Senator Caemmerer has long been a champion of highway safety and is recognized by his colleagues as the Senate expert on transportation problems. Laws sponsored by Senator Caemmerer have helped New York become a forerunner in reducing highway disasters and injuries caused by drinking and driving as well as in stemming the rising tide of auto thefts through the Automobile Title Law and the Automobile Repair Shop Registration Act.

Outside the field of transportation, Senator Caemmerer has served as Vice Chairman of the Judiciary Committee, Chairman of the Sub-committee on the Right of Privacy, Chairman of the Committee on Villages and as Secretary of the Republican Conference of the Senate. Experience in these areas coupled with an abiding concern for the problems of citizens both within his district and throughout the State has led to Senator Caemmerer's sponsorship of laws dealing with the individual's "right of privacy" on matters of credit data use, environmental protection, tax relief for senior citizens, education, labor relations and mass transportation. Before his election to the New York State Senate, Mr. Caemmerer served as Deputy Attorney for both Nassau County and the Town of North Hempstead as well as Village Attorney for the Village of Williston Park. Born in Brooklyn and raised in Williston Park, the future Senator graduated from the University of Notre Dame and received his law degree from St. John's University.

MAC NEIL MITCHELL

MacNeil Mitchell was born in Lime Rock, Connecticut, in 1904. He graduated from Yale College in 1926, attended Columbia Law School and received his LL.B. from the University of California Law School at Berkeley in 1929. Admitted to the New York State Bar in 1931, he is now engaged in the practice of law with offices at 36 West 44th Street, New York City.

Mr. Mitchell is a member of the Association of the Bar of the City of New York, the American Bar Association and the Fraternity of Phi Gamma Delta. He is a member of the Board of Directors of the Bank of Commerce; of the Board and Executive Committee of the Carnegie Hall Corporation; and President of Columbia University Club Foundation, Inc. He is Fleet Captain of Devon Yacht Club in East Hampton, New York.

Mr. Mitchell has had extensive political experience, having served as Republican Assemblyman from New York County from 1937 through 1946 and as State Senator thereafter through 1964. He has served as Chairman of the Senate Judiciary Committee and for 22 years was Chairman of the Joint Legislative Committee on Housing.

From 1966 to 1976, he was Counsel to the New York Joint Legislative Committee on Transportation.

Since 1952, he has been a member of the Defense Orientation Conference Association. He was elected its President at the 1972 Annual Meeting and its Chairman of the Board in 1974.

NOEL A. CHANDONNET

Noel A. Chandonnet, as Assistant Vice President of the Region II Claims Department of the Government Employees Insurance Company, is vitally concerned with the problems posed by auto theft. This deep concern is further evidenced by his participation, as Vice Chairman, in the New York/New Jersey Anti-Car Theft Committee, as well as by his membership in the Eastern Advisory Council of the National Automobile Theft Bureau. Mr. Chandonnet also serves as chairman of the National Advisory Council of the National Association of Independent Insurance Adjusters, and as a member of both the New York State Insurance Department Superintendent's Committee on Optional Arbitration and the New York State Senate Advisory Panel on Products Liability. A graduate of Georgetown University, Mr. Chandonnet received his law degree from the University of Baltimore.

GLEN CRAIG

Glen Craig was appointed Commissioner of the California Highway Patrol in April, 1975, culminating a CHP career which began in 1956. He received his education at the College of Sequoias in Visalia, the California Lutheran College and California State Universities in Sacramento and Los Angeles. A member of various professional organizations, Commissioner Craig is currently serving as a member of the National Highway Safety Advisory Committee, is President of the American Association of Motor Vehicle Administrators and is a member of the International Association of Chiefs of Police. He has received the National Highway Traffic Safety Administration Award for public service for his extraordinary contribution to the cause of highway and motor vehicle safety.

RALPH CULVER

Ralph K. Culver was born and raised in Houston, Texas. He is a graduate of the South Texas College of Law. He served for twenty-two years as a Marine Judge Advocate, including eight years as a prosecutor, four years as a trial judge and two years as an appellate court judge. For the past eight years, he has been a trial attorney in the Criminal Division of the U.S. Department of Justice in Washington, D.C. At present, he is the Chief of the Private Property Crime Unit.

THOMAS DAVIS

Thomas Davis has served with the U.S. Customs Service for the past fourteen years. For two of these years, he was advisor on Customs affairs to the U.S. military forces in Europe. He is currently Senior Operations Officer for the Inspection and Control Division of the Customs Service.

ALAN J. DIXON

Alan J. Dixon is Secretary of State of Illinois. A graduate of the University of Illinois and the Washington University Law School, he was first elected to the Illinois House of Representatives in 1950 and won reelection until 1962. He then went on to the Illinois Senate for the first of two four-year terms during which he was elected assistant minority leader by Senate Democrats. The Secretary of State in Illinois is principal administrator of the motor vehicle laws. Since being elected to this office in 1976, Secretary Dixon has taken forceful action to curb auto theft in Illinois.

BLAIR EWING

Blair Ewing is presently the Deputy Director of the National Institute of Law Enforcement and Criminal Justice of the Law Enforcement Assistance Administration. Prior to this appointment to this position, Mr. Ewing was the Director of the Division of Planning and Evaluation of the Office of Planning and Management of LEAA, Director of Public Safety in Metropolitan Washington and Director of the Office of Criminal Justice Plans and Analysis under the Office of the Mayor of Washington, D.C. A native of Kansas City, Missouri, Mr. Ewing holds an A.B. in Political Science from the University of Missouri as well as an A.M. in Political Science from the University of Chicago.

PAUL GILLILAND

Paul Gilliland is President of the National Automobile Theft Bureau. The NATB is a nonprofit service organization supported by associated insurance companies for the purpose of actively assisting law enforcement in suppressing motor vehicle theft. Mr. Gilliland has twenty-five years experience in law enforcement and is a member of the auto theft committee of the International Association of Chiefs of Police and of the International Association of Auto Theft Investigators. Before joining the NATB he served ten years with the Ohio State Police.

ROY GOODMAN

Senator Goodman, who represents the 26th District (East Side of Manhattan), is chairman of the New York State Senate Committee on Taxation and Government Operations. He was first elected to the Senate in 1968. In 1972, Governor Nelson Rockefeller named Senator Goodman Chairman of the New York State Charter Revision Commission for New York City. The recommendations of the twelve-man commission for a significantly revised government structure were adopted by New York City voters in a referendum in November, 1975. Senator Goodman was graduated from Harvard College, in 1951, A.B., cum laude, and from Harvard Graduate School of Business Administration, M.B.A., with distinction.

STEFFAN W. GRAAE

Mr. Graae is an attorney who has been in private practice in Washington D.C. since 1974, specializing in criminal law. He received a B.A. degree from Yale University, a J.D.

from Georgetown University and a Master's degree from Oxford University. Mr. Graae is the author of a number of books including *Defense Strategy in Disorderly Conduct Cases* and has written a volume annotating the federal rules of evidence to District of Columbia law. He is the principal author of the Blackstone Institute study of the disposition of Dyer Act violations.

CHARLES W. HANNERT

Charles W. Hannert is presently Vice President and Director of the Claims Department of Motors Insurance Corporation, a position he has held since 1975. As Director and Treasurer of the National Automobile Theft Bureau and Finance Chairman of the Michigan Anti-Car Theft Committee, Mr. Hannert is clearly an expert in the field of auto theft problems and prevention. Born in Detroit, Mr. Hannert received a Bachelor of Science degree from Michigan State.

THOMAS HORRIGAN

Thomas Horrigan is Executive Secretary of the International Association of Auto Theft Investigators. He is also Assistant Security Advisor for Government Employees Insurance Company (GEICO) in Washington, D.C. Mr. Horrigan is a graduate of the Southern Police Institute, University of Louisville. He retired from the Metropolitan Police Department in Washington, D.C., after twenty-five years of service.

JOHN B. KIERNAN

Mr. Kiernan received his B.S. and J.D. degrees from Fordham University. He was admitted to the New York State Bar in 1973.

He served as Legislative Assistant to the Joint Legislative Committee on Transportation for two years, and has served as counsel to the Senate Standing Committee on Transportation for the past five legislative sessions.

Mr. Kiernan has developed expertise in the statutory and regulatory requirements of the vehicle and traffic law, especially in the areas of registering and titling of vehicles, interstate compacts and agreements, and the operation of the Department of Motor Vehicles.

JACK H. LEVERENZ

Mr. Leverenz is Director of Vehicle Services for the American Association of Motor Vehicle Administrators. For the past few years, his efforts at AAMVA have been addressed to the development of a universal vehicle identification number; development of a vehicle identification record; development of a model system for registration and certificate of title; and a model motorist data base. While studying at the University of Iowa toward a degree in criminology, Mr. Leverenz served five years as a Justice of the Peace. In 1959 he was elected Sheriff of Cedar County in Iowa. From 1963 to 1969, when he joined the staff of AAMVA, he was Deputy Commissioner in the Iowa Department of Public Safety.

BARRY MOSKOWITZ

Mr. Moskowitz has been an Assistant U.S. Attorney in Newark, New Jersey for the past two years. He is the supervisor of a section that handles, among other activities, the interstate transportation of stolen motor vehicles. Mr. Moskowitz is a graduate of Rutgers College and Rutgers Law School. He clerked for Judge Leonard I. Garth of the U.S. Court of Appeals, Third Circuit.

RONALD NABAKOWSKI

Senator Nabakowski represents the 13th District (Lorain, parts of Erie and Huron counties) in the Ohio Senate. He was appointed to the Senate in January, 1977, to fill the vacant seat of then Senator, now Congressman, Don Pease. Previous to his appointment to the Senate, he served two terms as City Auditor of Lorain. Senator Nabakowski is a full-time legislator.

CLINTON L. PAGANO

Colonel Clinton L. Pagano is Superintendent of the New Jersey Division of State Police. He joined the State Police in 1952 and was active for many years as a field investigator working on auto theft. In 1968 he was promoted to the rank of Lieutenant and assigned as Administrative Officer in the Criminal Investigation Section. He was elevated to the rank of Captain in 1972 and placed in command of the Narcotics Bureau. The following year, he was advanced to the position of Assistant Supervisor of the Criminal Investigation Section. He was appointed Superintendent of the State Police in 1975.

L. BROOKS PATTERSON

L. Brooks Patterson has been the Prosecutor of Oakland County, Michigan, since his election in November of 1972. He is a graduate of the University of Detroit Law School, where he was editor of the Law Review. As prosecutor in Oakland County, which is the second largest county in Michigan, he is in charge of a staff of 48 lawyers. Since taking office as prosecutor, Mr. Patterson has nearly tripled the output of criminal jury trials. He is dedicated to the concept that the victims in society must be aggressively represented as the defendant normally is, and as such has reduced "plea bargaining" in all criminal cases.

EMIL E. PETERS

Emil Peters is Chief of Police of San Antonio, Texas. A graduate of the FBI National Academy, the Texas Police Academy and the U.S. Justice Department's National Executive Institute, Chief Peters has been with the San Antonio Police since 1941. He is the recipient of numerous awards, including the "Directors Highest Award" presented by the U.S. Secret Service. Chief Peters is also Chairman of the Vehicle Theft Committee of the International Association of Chiefs of Police.

JOSEPH R. PISANI

State Senator Joseph R. Pisani has served in both houses of the New York State Legislature for the past thirteen years. He served seven years in the Assembly and six in the Senate. Currently, he is the Chairman of both the Senate Consumer Protection Committee and the New York State Temporary Commission on Child Welfare. His legislative record encompasses a wide range of issues, including social services, education, criminal justice, and problems of economic development in New York State. From 1971 to 1974 he served as Chairman and Vice Chairman, respectively, of legislative committees on the State's economy. Senator Pisani has combined a career as a legislative leader with the profession of a lawyer. He is experienced in municipal as well as state government, having served as a City Prosecutor, and as a member of the City Council, in New Rochelle, New York. He has been a co-sponsor, along with State Senator John Caemmerer, of a number of legislative proposals dealing with automobile theft.

ROBERT POPE

Sergeant Robert Pope has recently been appointed the coordinator of the Auto Theft Unit of the Cincinnati Police Department. Attainment of this position caps a long history of involvement in law enforcement. As well as his involvement with the International Association of Auto Theft Investigators, Sergeant Pope is a life-long native of Cincinnati and attended the University of Cincinnati.

DONALD J. ROUSE

Donald J. Rouse is Director of Field Services for the Automotive Dismantlers and Recyclers of America. ADRA is the national association of the salvage industry. He is also Executive Director of the Automotive Recyclers of Michigan. He has been associated with the used parts industry since 1958.

FREDERIC SCHWARTZ, JR.

Frederic Schwartz, Jr., is an attorney with the National Highway Traffic Safety Administration, an agency of the U.S. Department of Transportation. Among his responsibilities are vehicle theft prevention and vehicle titling procedures. Since graduating from Boston University School of Law in 1968, Mr. Schwartz has served in a number of capacities at the Department of Transportation including Legislative Counsel, Special Assistant to the Assistant Secretary of Transportation and Staff Assistant to the Secretary of Transportation.

RICHARD D. SCHWEIN

Richard D. Schwein is currently the Program Manager for the Interstate Transportation of Stolen Vehicles section of the Criminal Investigation Division of the Federal Bureau of Investigation. Prior to his appointment to this position, Special Agent Schwein has held various posts in the FBI since 1957, including nine years as a Field

Supervisor in Philadelphia and as an Investigator in Birmingham, Alabama. A native of Cincinnati, Ohio, Mr. Schwein received a Bachelor of Science degree in Political Science from the University of Cincinnati.

GORDON L. WALGREN

Senator Gordon L. Walgren is Majority Leader of the Washington State Senate. He is a member of the Senate Standing Committees on Rules, Ways and Means and Financial Institutions and Insurance. Following law school, he was a clerk in the Supreme Court of the State of Washington. In 1958, at the age of 24, he was elected Kitsap County Prosecuting Attorney, where he served until 1962. In 1966, he was elected as a State Representative and in 1968, he moved on to the State Senate. Senator Walgren, in addition to his numerous duties on various Senate committees, also serves as a member of the National Conference of State Legislators Task Force on Financial Institutions, as a member of the Washington Municipal Research Council and on the Executive Committee of the Western Conference of the Council of State Governments.

JERRY WILLIAMS

Jerry Williams is Vehicle Regulations Manager for Ford Motor Company. He is also chairman of the Vehicle Security Committee of the Motor Vehicle Manufacturers

Association. He graduated from Lawrence Institute of Technology with a B.S. in Mechanical Engineering and received an M.B.A. from Wayne State University. Mr. Williams, who is a Registered Professional Engineer in the State of Michigan, has worked for Ford Motor Company for sixteen years in various capacities.

LINDA WINIKOW

Senator Winikow represents the 38th District (Rockland County and the Town of Greenbush, Westchester County) in the New York State Senate. She is ranking minority member of the Senate Transportation Committee. Mrs. Winikow graduated from Hofstra College, cum laude, with a B.A. in History—Political Science in 1962. She received a Master of Science Degree in Social Studies Education from Queens College in 1966. After an extremely active career in local government, Senator Winikow was elected to the Senate in 1974. She serves her district as a full-time year-round legislator.

CLARENCE WOODY

After retiring from the U.S. Army, where he worked in Military Intelligence, in 1961, Clarence Woody joined the staff of the Maryland Motor Vehicle Administration. Since, 1961, he has held various posts and is currently a member of the Commissioner's staff for Systems Planning and Implementation. He is one of the authors of the Maryland Model Salvage Vehicle Procedure.

Appendix C

*National Workshop Moderators
and Facilitators*

NATIONAL WORKSHOP ON AUTO THEFT PREVENTION

Moderators:

James B. Allen
National Automobile Theft Bureau, New York, NY
Robert L. Barton
National Automobile Theft Bureau, Chicago, IL
C. C. Benson
National Automobile Theft Bureau, Dallas, TX
Thomas E. Carney
State Senator, Girard, OH
H. T. DeArmond
National Automobile Theft Bureau, Daly City, CA
Thomas Miller
Assistant District Attorney, Philadelphia, PA
Veronica M. Rocks
Greater Cleveland Crime Prevention Bureau, Cleveland, OH
John A. Romano
State Senator, East Greenwich, RI

Facilitators:

George J. Acker
New York State Police, Albany, NY
Royce L. Calvert
National Automobile Theft Bureau, Atlanta, GA
Scott V. B. English
Maryland State Police, Pikesville, MD
David A. Frisco
National Automobile Theft Bureau, Chicago, IL
John Hoover
Louisiana State Police, Baton Rouge, LA
Joseph F. McDonald
National Automobile Theft Bureau, New York, NY
James Moore
California Highway Patrol, Sacramento, CA

Appendix D

List of Attendees

ATTENDEES AT THE NATIONAL WORKSHOP ON AUTO THEFT PREVENTION

Representative Joseph Accardo, Jr.
LaPlace, Louisiana 70068

Mr. George J. Acker, Senior Investigator
State Police, State Campus
Albany, New York 12226

Mr. Jerry Aiello, U.S. Accounting Office
Federal Building, 477 Michigan Avenue
Detroit, Michigan 48226

Dante J. Alberi, Esq.
100 Stevens Avenue
Mount Vernon, New York 10550

Mr. Joseph L. Altagen, Auto Dismantlers Assoc.
4311 Wilshire Boulevard
Los Angeles, California 90010

Mr. Henry Ashline, Div. of Vehicle Safety
Dept. of Motor Vehicles, Empire State Plaza
Albany, New York 12228

Mr. H. Bruce Allfree, American Bank Note Co.
70 Broad Street
New York, New York 10004

Mr. James B. Allen, National Auto Theft Bureau
390 North Broadway
Jericho, New York 11753

Mr. Milton Ahlerich, Special Agent
FBI, 201 East 69th Street
New York, New York 10021

Representative William A. Babin, Jr.
Dep. Majority Leader, 50 Biltmore Avenue
Providence, Rhode Island 02908

Mr. Stuart Baker, Leasemobile, Inc.
61-20 Fresh Pond Road
Middle Village, New York 11379

Mr. Walter Baran, Royal Globe Ins. Co.
150 William Street
New York, New York

Robert C. Barber, Asst. District Attorney
155 Leonard Street
New York, New York 10013

Mr. Robert L. Barber, Liberty Mutual Ins. Co.
175 Berkeley Street
Boston, Massachusetts 02117

Mr. C. Thomas Barletta, New York State Assembly
Room 547, Capitol Building
Albany, New York 12248

Mr. Douglas W. Barnert, Alliance, American Ins.
One World Trade Center
New York, New York 10048

Mr. Robert L. Barton, National Auto Theft Bureau
9730 South Western Avenue
Chicago, Illinois 60642

Senator Del Bausch
c/o Eugene Baxstrom, 235 House Office Bldg.
Olympia, Washington 98504

Mr. Eugene Baxstrom
235 House Office Building
Olympia, Washington 98504

Mr. J. Lyle Beauchamp
U.S. Fidelity and Guaranty Co.
Baltimore, Maryland 21203

Mr. Alvin Bender, Scrap Auto Wreckers Assn.
12 Sunset Drive
Yonkers, New York

Mr. C. C. Benson, National Auto Theft Bureau
1341 W. Mockingbird Lane
Dallas, Texas 75247

Arnold Berlinger, Asst. Attorney General
County Court House
Staten Island, New York 10301

Mr. Noel Bleich, Department of Transportation
National Hgh. Safety Adm., 400 7th Street, S.W.
Washington, D. C. 20509

Delegate Charles S. Blumenthal
519 Barrymore Drive
Oxon Hill, Maryland 20021

Mr. Ronald Bill, Motor Vehicle Department
60 State Street
Wethersfield, Connecticut 06109

Mr. Leo Boland, Municipal Police
Stuyvesant Plaza
Albany, New York 11203

Mr. C. M. Boldin, State Police
P.O. Box 27472
Richmond, Virginia 23261

Senator William F. Bowen
Ohio State Senate
Columbus, Ohio 43215

Mr. Clarence Brickev
Maryland State Police
Pikesville, Maryland 21208

Mr. Alban S. Brown
One Police Plaza
New York, New York 10038

Mr. Howard L. Brown, Police Chief
1109 Skyline Drive
Blue Springs, Missouri 64015

Mr. Stephen G. Brown, Asst. Solicitor
1311 Marion Street
Columbia, South Carolina 29201

Mr. R. H. Brushwood
Hartford Insurance Group
Hartford, Connecticut 06115

Mr. Kenneth R. Bundz
Wayne Police Dept., 475 Valley Road
Wayne, New Jersey 07470

Mr. George H. Burke
Commercial Union Assurance Co.
Hempstead, New York 11550

Senator Charles Butts
State House
Columbus, Ohio 43215

Mr. Magne Bysheim
One Police Plaza
New York, New York 10038

Mr. Royce L. Calvert, National Auto Theft Bureau
P.O. Box 95008
Atlanta, Georgia 30347

Miss Alice Cantwell, Ford Motor Company
120 Washington Avenue
Albany, New York 12210

Senator Thomas E. Carney
935 N. Ward Avenue
Girard, Ohio 44420

Mr. Thomas J. Carr, Motor Vehicle Mfts. Assn.
320 New Center Building
Detroit, Michigan 48202

Mr. Sam Cenzipa, National Car Rental
95-10 Ditmars Boulevard
East Elmhurst, New York 11369

Mr. Clifton R. Chatham
FBI, 201 East 69th Street
New York, New York 10021

Senator Charles Chew, Jr.
37 West 78th Street
Chicago, Illinois 60620

Mr. Noel A. Chandonnet, GEICO
750 Woodbury Road
Woodbury, New York 11797

Mr. Earl O. Christianson, J.I. Case Company
700 State Street
Racine, Wisconsin 53404

Mr. Michael Christie
Suffolk County Police Department
Yaphank, New York 11980

Mr. Charles A. Clynick, General Motors Corp.
99 Washington Avenue
Albany, New York 12210

Mr. Richard P. Coburn, Registry, Motor Vehicles
150 Causeway Street
Boston, Massachusetts 01801

Mr. Julian C. Cohan
Senate Committee on Insurance
Albany, New York 12247

Michael Collins, Esq.
One Police Plaza
New York, New York 10038

Senator Edward T. Conroy
12432 Shawmont Lane
Bowie, Maryland 20715

Mr. William Collum
State Farm Insurance
1750 Route 23
Wayne, New Jersey 07470

Mr. Jack E. Cook, 3M Company
209-15 3M Center
St. Paul, Minnesota 55101

Mr. Robert Cornell
New Jersey State Police
West Trenton, New Jersey 08628

Mr. James Coyle
Ohio Auto & Truck Recyclers Assn.
4041 North High Street
Columbus, Ohio 43214

Commissioner Glendon B. Craig
California State Highway Patrol
2555 1st Avenue
Sacramento, California 95804

Mr. Ralph K. Culver
U.S. Department of Justice
Washington, D.C. 20530

Mr. Robert Davis
1 Police Plaza
New York, New York 10038

Mr. Thomas P. Davis
U.S. Customs Service
1301 Constitution Avenue, N.W.
Washington, D. C.

Mr. H. T. DeArmond
National Auto Theft Bureau
333 Serramonte Plaza
Daly City, California 94015

Arthur L. Del Negro, Jr., Esq.
National District Attorneys Assn.
666 Lake Shore Drive
Chicago, Illinois 60611

Mr. Robert E. Demarest
District Attorney's Office
County Court House
Staten Island, New York 10301

Mr. Edward Dempsey, U.S. Customs Service
6 World Trade Center
New York, New York 10048

Mr. Fernando J. DiMaggio, NYS Assembly
Room 547, Capitol Building
Albany, New York 12248

Honorable Alan J. Dixon
Secretary of State
Springfield, Illinois 62756

John F. DiBella, Esq.
District Attorney's Office
Brooklyn, New York 11201

Mr. Dean L. Dollison, Registrar
Bureau of Motor Vehicles
4300 Kimberly Parkway
Columbus, Ohio 43227

Jeremiah F. Donovan, Asst. U.S. Attorney
270 Orange Street
New Haven, Connecticut

Mr. James V. Downey, FBI
P.O. Box 17
Rego Park, New York 11374

Mr. Henry P. Draughon, Motor Vehicle Div.
P.O. Box 1331
Montgomery, Alabama 36102

Mr. Robert Dublirer
Parason Security Systems, Inc.
P.O. Box 255344
Sacramento, California 95825

Mr. Michael P. Duncan, Allstate Ins. Co.
Allstate Plaza
Northbrook, Illinois 60062

Mr. Russell L. Dwyer
One Civic Centre Plaza
Middletown, Ohio 45042

Senator Thomas Easterly
State Capitol
Springfield, Illinois 62706

Mr. Scott V. B. English
Maryland State Police
Pikesville, Maryland 21208

Mr. Richard J. Epstein
428 Douglas County Courthouse
Omaha, Nebraska 68102

Dr. Sidney Epstein
Law Enforcement Assistance Adm.
633 Indiana Avenue, N.W.
Washington, D. C. 20531

Mr. Nelson F. Erickson
12932 Circle Drive
Rockville, Maryland 20850

Mr. Charles Evans
National Auto Theft Bureau
1341 W. Mockingbird Lane
Dallas, Texas 75247

Honorable Blair Ewing
Law Enforcement Assistance Adm.
U.S. Department of Justice
Washington, D. C. 20531

Mr. Harold H. Falk, Jr.
Honolulu Police Department
1455 S. Beretania Street
Honolulu, Hawaii 96814

Mr. Morton M. Fass
Department of Motor Vehicles
665 Alwick Avenue
West Islip, New York 11795

Mr. Douglas Fenning
Broadway
Rocky Point, New York 11778

Mr. Peter F. Finnerty
Department of Motor Vehicles
1500 Privado Road
Westbury, New York 11590

Mr. Philip Freije
U.S. Department of Commerce
Washington, D. C. 20230

Mr. David A. Frisco
National Auto Theft Bureau
9730 South Western Avenue
Chicago, Illinois 60642

Representative Stanley F. Fudro
State Office Building
St. Paul, Minnesota 55155

John T. Gandolfo, Jr. Esq.
Department of Justice
Wilmington, Delaware 19801

Mr. Robert Gately
Suffolk County Police Department
Yaphank, New York 11980

Mr. Dennis Giadrosich
Maryland Casualty Company
Baltimore, Maryland 21203

Mr. Paul W. Gilliland
National Auto Theft Bureau
390 North Broadway
Jericho, New York 11753

Senator Edgar H. Gillock
310 Legislative Office Building
Nashville, Tennessee 37219

Steffen W. Graae, Esq.
Blackstone Institute
2309 Calvert Street, N.W.
Washington, D.C. 20008

Mr. N. Barry Greenhouse, NYS Ins. Dept.
2 World Trade Center
New York, New York 10047

Mr. Roger Gross
U.S. Park Police, Bldg. 275
Floyd Bennett Field
Brooklyn, New York 11234

Mr. Thomas Guidice, National Car Rental
95-10 Ditmars Boulevard
East Elmhurst, New York 11369

Mr. William E. Guthrie
Utica National Insurance Group
Utica, New York 13503

Mr. Peter V. Hallock
New Jersey State Police
West Trenton, New Jersey 08628

Mr. Thomas J. Hankamp
Hankamp Auto Parts
Pleasant Valley, New York 12569

Mr. Hugh Hadden
Russell SOB 209
Washington, D. C. 20510

Mr. C. W. Hannert, Motors Ins. Corp.
Room 9-262, GM Building
Detroit, Michigan 48202

Mr. John Harper, State Farm Ins.
1 State Farm Plaza
Bloomington, Illinois 61701

Mr. John F. Harrison
American Association of Motor
Vehicle Administrators—Box 274A
Altamont, New York 12009

Mr. Alan J. Herbert
National Auto Theft Bureau
390 N. Broadway
Jericho, New York 11753

Mr. Gebhard Hespeler
Mercedes-Benz Corp. of NA
Montvale, New Jersey 07645

Mr. Seymore G. Heyison
Pennsylvania Dept. of Transportation
Harrisburg, Pennsylvania 17120

Mr. Glenn R. Hill
Pennsylvania State Police
Harrisburg, Pennsylvania 17120

Mr. Larry Hinrichs
New York City Police Department
1086 Simpson Street
Bronx, New York 10459

Senator Nate Holden
4401 Crenshaw Boulevard
Los Angeles, California 90043

Miss Martha M. Holstein
52 Chambers Street
New York, New York 10007

Mr. John L. Hoover
Louisiana State Police
Baton Rouge, Louisiana 70896

Mr. Thomas J. Horrigan
International Association of Auto
Theft Investigations
Wheaton, Maryland 20906

Mr. Frank J. Hubert
New York City Police Department
Flushing Meadow Park
Corona, New York 11368

Mr. Richard L. Ingegneri
American Insurance Association
85 John Street
New York, New York 10038

Mr. August F. Jehle
NYC Dept. of Consumer Affairs
80 Lafayette Street
New York, New York 10013

Mr. George Johansen
New York State Police
Hawthorne, New York 10532

Mr. Andrew Kermen
John Jay College of Criminal Justice
445 West 59th Street
New York, New York 10019

Mr. William N. Kettering
Office of Special Prosecutor
2 World Trade Center
New York, New York 10048

Michael Kinard, Esq.
13th Judicial District—Box 727
Magnolia, Arkansas 71753

Miss Sally Ann Kirkpatrick
American Insurance Association
1025 Connecticut Avenue
Washington, D.C. 20036

Glenn B. Kritzer, Esq., Asst. U.S. Attorney
225 Cadman Plaza East
Brooklyn, New York 11201

Mr. Robert T. Lambert
Ohio Auto & Truck Recyclers Assn.
4041 North High Street
Columbus, Ohio 43214

Mr. Terry D. Lane
Motor Vehicle & License Division
Montgomery, Alabama 36130

Mr. Robert J. Langling
Department of Motor Vehicles
Albany, New York 12228

Mr. Patrick Lavin
One Police Plaza
New York, New York 10038

Mr. John W. Laymon, Asst. U.S. Attorney
1107 John W. McCormack Building
Boston, Massachusetts 02109

Mr. James L. Lettner
Virginia State Police
Richmond, Virginia 23261

Mr. Richard B. Levenfeld
Allstate Insurance Company
Northbrook, Illinois 60062

Mr. Jack H. Leverenz
American Assn. of Motor Vehicle Adm.
1201 Connecticut Avenue, N.W.
Washington, D.C. 20036

Miss Jayne Levey
Budget Rent A Car
124-20 South Conduit Avenue
South Ozone Park, New York 11420

Mr. Brian Lewis
New Jersey State Police
West Trenton, New Jersey 08628

Mr. Herbert Lieberman
Auto Dismantlers Association
4311 Wilshire Boulevard
Los Angeles, California 90010

Mr. Edward G. Lloyd
Illinois State Police
Springfield, Illinois 62704

Mr. John M. Lombardi
Carmel Police
Mahopac, New York 10541

Mr. Thomas J. Long, Avis Security
48-05 Grand Avenue
Maspeth, New York 11378

Mr. Neil Lorenz
New York City Police Dept.
1086 Simpson Street
Bronx, New York 10459

Mr. Craig Lovitt
Assistant to Secretary of State
Springfield, Illinois 62706

Mr. Gary Luks
Deputy Attorney General
13 Roszel Road
Princeton, New Jersey 08540

Mr. Burt MacLeod
L. L. & G. Engineering
20 Howes Brook Road
Marshfield, Massachusetts 02050

Mr. Herb Mandardt
Commercial Union Insurance Co.
One Beacon Street
Boston, Massachusetts 02108

Mr. Robert Mann, GEICO
750 Woodbury Road
Woodbury, New York 11797

Mr. Peter Manni
Metropolitan Property & Liability
Insurance Co.
Warwick, Rhode Island 02886

Mr. Rick Marchitelli
NYS Federation of Small Business
Farmingdale, New York 11735

Mr. Howard S. Marks
Sen. Subcommittee on Investigations
Washington, D. C. 20510

Mr. Frank Martin
New York City Police
Flushing Meadow Park
Corona, New York 11368

Miss Catherine Mayo
c/o Eugene Baxstrom
235 House Office Building
Olympia, Washington 98504

Mr. Robert B. McCain
Motor Vehicle & License Division
Montgomery, Alabama 36130

Mr. Peter A. McCarthy
Maine State Police
36 Hospital Street
Augusta, Maine 04330

Mr. Joseph F. McDonald
National Auto Theft Bureau
17 John Street
New York, New York 10038

Mr. Christopher McEntee
66 Walbridge Avenue
Bayshore, New York 11706

Mr. Bernard McGinn
County Attorney's Office
Lincoln, Nebraska 68508

Mr. James J. McGowan, AAA
28 East 78th Street
New York, New York 10021

Miss Joyce M. McGowan
Insurance Services Office
160 Water Street
New York, New York

Mr. Charles W. McGuire
U.S. Dept. of Transportation
Washington, D. C. 20590

Mr. Richard McGuire
Nassau County Police Dept.
1490 Franklin Avenue
Mineola, New York 11501

Mr. Russell F. McKinnon
Automotive Dismantlers &
Recyclers of America
1000 Vermont Avenue, N.W.
Washington, D. C. 20005

Representative Matthew McNeely
State Capitol
Lansing, Michigan 48913

Mr. William J. Meagher
Aetna Casualty & Surety Co.
151 William Street
New York, New York 10038

Mr. Henry Meyer, General Motors
37379 Catherine Marie Street
Sterling Heights, Michigan 48077

Mr. Richard P. Mika, FBI
P. O. Box 17
Rego Park, New York 11374

Mr. Leslie H. Mikalson
New York State Senate
Albany, New York 12247

Thomas B. Miller, Esq.
Assistant District Attorney
2400 Centre Square West
Philadelphia, Pennsylvania 19102

Mr. Grant E. Milliron
Ohio Auto & Truck Recyclers Assn.
4041 North High Street
Columbus, Ohio 43214

Mr. James M. Moore
California State Highway Patrol
2555 First Avenue
Sacramento, California 95818

Mr. J. R. Moore, Allstate Ins. Co.
Allstate Plaza
Northbrook, Illinois 60062

Mr. Mel Mooers
Washington State Patrol
Olympia, Washington 98504

Barry T. Moskowitz, Asst. U.S. Attorney
970 Broad Street
Newark, New Jersey 09701

Mr. Raymond J. Moylan, Jr.
Travelers Insurance Company
Hartford, Connecticut 06115

Mr. James C. Murphy
National Assn. of Independent Insurers
2600 River Road
Des Plaines, Illinois 60018

Honorable Michael J. Murphy
12 Branch Drive
Smithtown, New York 11787

Senator Ronald L. Nabakowski
State House
Columbus, Ohio 43215

Mr. Thomas R. Neilen
New York State Police
Poughkeepsie, New York 12603

Gordon S. Nielson, Dep. Attorney General
State House
Boise, Idaho 83720

Mr. James S. Nocco
Philadelphia Police Department
319 Race Street
Philadelphia, Pennsylvania 19106

Mr. Walter L. November
State Farm Mutual
1133 Midland Avenue
Bronxville, New York 10708

Mr. James Nugent
Philadelphia Police Department
319 Race Street
Philadelphia, Pennsylvania 19106

Mr. Francis X. O'Brien
Alliance of American Insurers
One World Trade Center
New York, New York 10048

Mr. Robert O'Connor
Office of District Attorney
County Court House
Staten Island, New York 10301

Miss Nancy Ostreicher
c/o Senator Joseph R. Pisani
Albany, New York 12247

Mr. Lamar Owens
Nationwide Insurance Co.
Columbus, Ohio 43216

Colonel Clinton L. Pagano
State Police Headquarters
West Trenton, New Jersey 08628

Mr. John Pastore, U.S. Customs
6 World Trade Center
New York, New York 10048

L. Brooks Patterson, Esq.
Oakland County Prosecutor
1200 N. Telegraph Road
Pontiac, Michigan 48053

Mr. Gregory Peck
Identicar International
217 West Central Street
Natick, Massachusetts 01760

Mr. Emil Peters, Chief
San Antonio Police Department
214 West Nueva
San Antonio, Texas 78207

Mr. James A. Phillips
Columbus Police Department
Columbus, Ohio 43215

Leon A. Picou, Jr.
District Attorney
St. Francisville, Louisiana 70775

Senator Joseph R. Pisani
The Capitol
Albany, New York 12247

Mr. Andrew H. Placito, Jr.
Municipal Police, Stuyvesant Plaza
Executive Park Towers
Albany, New York 11203

Mr. William Plant, Wayne Police Dept.
475 Valley Road
Wayne, New Jersey 07470

Mr. Robert A. Pope
Cincinnati Police Department
4150 Reading Road
Cincinnati, Ohio 45229

Mr. Allen Postemski, Motor Vehicle Dept.
60 State Street
Wethersfield, Connecticut 06109

Mr. Larry A. Potts, FBI
JEH Bldg., 9th & Pennsylvania Ave., N.W.
Washington, D. C. 20535

Mr. Charles A. Preuss
Volkswagon of America, Inc.
711 East 11 Mile Road
Warren, Michigan 48090

Senator Rocco A. Quattrocchi
15 Messina Street
Providence, Rhode Island 02908

Mr. Donald Raab
Westchester District Attorneys Office
111 Grove Street
White Plains, New York 10601

Mr. James A. Raymer, Medeco Locks
67 Birch Street
Lakewood, New Jersey 08701

David Reichert, Esq.
Institute of Scrap Iron & Steel, Inc.
2613 Carew Tower
Cincinnati, Ohio 45202

Kenneth Reiss, Esq.
Scrap Auto Wreckers & Parts Assn.
43 Westchester Square
Bronx, New York 10461

Representative Jerome J. Reppa
7017 Indianapolis Boulevard
Hammond, Indiana 46324

Mr. Thomas J. Reppenhagen
Department of Motor Vehicles
Empire State Plaza
Albany, New York 12228

Mr. Donald W. Robertson
Division of Motor Vehicles
2220 W. Broad Street
Richmond, Virginia 23220

Mr. Frank Robinson, Equifax Services
P.O. Box 427
New York, New York 10017

Mr. Thomas E. Rocchio, GEICO
750 Woodbury Road
Woodbury, New York 11797

Miss Veronica M. Rocks
Greater Cleveland Crime Prevention Committee
1835 Williamson Building
Cleveland, Ohio 44114

Mr. William R. Roeder
13 Grace Park Drive
Commack, New York 11725

Senator John A. Romano
41 Division Street
East Greenwich, Rhode Island 02818

Mr. Stanley Ross
Department of Consumer Affairs
80 Lafayette Street
New York, New York 10013

Mr. F. Walton Roper
207 Elm Street
Albany, New York 12202

Mr. Lewis Roth, Roth Steel Corp.
800 W. Hiawatha Boulevard
Syracuse, New York 13201

Mr. Donald J. Rouse
Automotive Dismantlers &
Recyclers of America
P.O. Box 236
Jenison, Michigan 49428

Mr. Raymond Rush
Alaska State Police
Anchorage, Alaska 99502

Representative Thomas B. Sawyer
Northwestern Building
Greensboro, North Carolina 27402

Mr. John J. Scarisbrick, Jr.
Avis Rent A Car
900 Old Country Road
Garden City, New York 11530

Mr. Harold Schram
Schram Auto Parts
2549 Dixie Highway
Pontiac, Michigan 48055

Mr. James Schuenger
Commercial Union Insurance Co.
14 Front Street
Hempstead, New York 11550

Mr. Frederic Schwartz, Jr.
U.S. Department of Transportation
Washington, D. C. 20590

Mr. Richard D. Schwein, FBI
10th and Pennsylvania Avenue, N.W.
Washington, D. C. 20535

Mr. James Schweitzer
U.S. Attorneys Office
219 South Dearborn
Chicago, Illinois 60604

Mr. Frank Seaboldt, Equifax Services
P.O. Box 427
New York, New York 10017

Mr. Al Senger
International Harvester Corp.
401 N. Michigan Avenue
Chicago, Illinois 60611

Mr. Richard Shapiro
Sen. Subcommittee on Investigations
Washington, D. C. 20510

Mr. Henry Siegel
NYS Federation of Small Business
3 Andrew Road
Farmingdale, New York 11735

Brian C. Silverman, County Attorney
Court House
Gering, Nebraska 69341

Miss Mary H. Smith
Special Prosecutors Office
2 World Trade Center
New York, New York 10048

Mr. Ronald Sostkowski
International Assn. of Chiefs of Police
11 First Field Road
Gaithersburg, Maryland 20760

Mr. James Sprague
Washington State Patrol
Olympia, Washington 98504

Mr. John Staudt
Nassau County Police Department
1490 Franklin Avenue
Mineola, New York 11501

Mr. George O. Stevens
Michigan Department of State
7064 Crouner Drive
Lansing, Michigan 48918

Mr. Charles F. Strecker, GEICO
750 Woodbury Road
Woodbury, New York 11797

Mr. George Studenroth
Pennsylvania State Police
Harrisburg, Pennsylvania 17120

Mr. C. Thomas Terry, General Motors
Technical Center
Warren, Michigan 48085

Representative Ike Thompson
899 East 128th Street
Cleveland, Ohio 44108

Mr. Richard L. Thompson
Ohio State Highway Patrol
Columbus, Ohio 43205

Representative W. H. Thompson
11 River Road
Marked Tree, Arkansas 72365

Mr. John E. Timmerman
Commercial Union Insurance Co.
One Beacon Street
Boston, Massachusetts 02108

Mr. Ronald Tishkevich
U.S. Park Police
Floyd Bennett Field
Brooklyn, New York 11234

Mr. Loyld F. Towers
Division of Motor Vehicles
2220 W. Broad Street
Richmond, Virginia 23220

Mr. Hal E. Trimble
Country Mutual Insurance Co.
Bloomington, Illinois 61701

Mr. Robert W. Upton
1 Police Plaza
New York, New York 10038

Mr. Sal Urso, Home Insurance Co.
59 Maiden Lane
New York, New York 10038

Mr. Paul Usavage
State Farm Mutual Automobile Co.
75-35 31st Avenue
Jackson Heights, New York 11370

Mr. Ronald C. Van Raalte
International Assn. of Auto Theft
Investigators
Arlington Heights, Illinois 60006

Mr. M. F. Von Leer
1044 E. Fosket
Palatine, Illinois 60067

Mr. Eugene G. Wagner
Motor Vehicle Mfrs. Assn. of the U.S. Inc.
366 Madison Avenue
New York, New York 10017

Senator Gordon L. Walgren
510 Washington Avenue
Bremerton, Washington 98310

Mr. Frank W. Webber, Jr.
Automotive Dismantlers &
Recyclers of America
9108 Harmad Drive
Richmond, Virginia

Mr. Charles H. Webster, Police Dept.
3600 Shrover Road
Kettering, Ohio 45429

Stephen M. Weglian, Esq.
U.S. Department of Justice
Washington, D. C. 20530

Mr. Norman M. Weltmann
320 West Hiawatha Boulevard
Syracuse, New York 13208

Mr. Jeffrey Warner, Academy Auto Parts
11111 W. Okeechobee Road
Hialeah, Florida 33010

Mr. Robert Whitebloom
Office of Secretary of State
188 West Randolph
Chicago, Illinois 60601

Mr. G. R. Williams, Ford Motor Co.
World Headquarters
Dearborn, Michigan 48121

Mr. John E. Williams
66-36 Yellowstone Boulevard
Forest Hills, New York 11375

Mr. Michael Wilson
Market Street—Gateway 1
Newark, New Jersey 07101

Mr. Donald Wolfslayer
Chrysler Corporation
Detroit, Michigan 48288

Mr. Clarence W. Woody
Motor Vehicle Administration
6601 Ritchie Highway, N.E.
Glen Burnie, Maryland 21062

Mrs. Mardy Yonikas
Department of Law Enforcement
103 Armory Building
Springfield, Illinois 62706

Mr. John D. Yonkers
Utica National Insurance Group
P.O. Box 530
Utica, New York 13503

Miss Jo Ann York
County Attorney's Office
1210 Golden Gate Drive
Papillion, Nebraska 68046

Mr. B. L. Youngman
Insurance Information Institute
110 William Street
New York, New York 10038

Mr. Ziggy Zablocki
Broward County Sheriffs Office
Fort Lauderdale, Florida 33311

Mr. Michael G. Zipkin
Aetna Life & Casualty
151 Farmington Avenue
Hartford, Connecticut 06156

Appendix E

RULES AND PROCEDURE FOR ADOPTING RESOLUTIONS AT THE NATIONAL WORKSHOP ON AUTO THEFT PREVENTION

1) Resolutions and amendments thereto may be submitted by any participant at the Workshop. All resolutions and amendments must be submitted to the Resolutions Committee for consideration.

2) Resolutions and amendments must be in writing and substantially conform to the format prescribed by the Resolutions Committee (sample attached). NOTE: Clerical and legal staff will be available to aid in preparation of resolutions.

3) For a resolution to be considered in the normal course of business and to be subject to a simple majority vote, it must be submitted to the Resolutions Committee no later than 6:00 p.m. on Wednesday, October 4. A resolution submitted after 6:00 p.m. Wednesday and prior to the start of the final general plenary session on Thursday, cannot be adopted unless it is approved by a two-thirds vote of the participants. The two-thirds rule is applicable to these resolutions because the workshop participants will not have as much time to review these resolutions as they have to review the resolutions submitted in a more timely fashion.

4) The Resolutions Committee shall have the power to approve, recommend, amend, modify, merge or disapprove any resolution submitted to it for consideration. Unless a resolution is reported by the Resolutions Committee, it will not be considered for adoption. However, any such resolution not reported can be resubmitted prior to the start of the general session, but will be subject to the two-thirds rule.

5) The Resolutions Committee will prepare a report containing a calendar of resolutions to be considered at the

final general plenary session. This calendar will be divided into three sections:

Noncontroversial Resolutions

Controversial Resolutions—recommended by the Resolutions Committee

Controversial Resolutions—not recommended by the Resolutions Committee

6) Resolutions on the noncontroversial section of the calendar will not be debated. However, at the request of ten or more Workshop participants, a resolution will be transferred to the controversial calendar.

7) No resolutions or amendments which have not been presented before the beginning of the final general session will be considered without the unanimous consent of the assembled participants.

8) To the extent possible, copies of proposed resolutions and amendments will be distributed to Workshop participants. Copies of the resolutions contained in the report of the Resolutions Committee will be distributed to the Workshop participants before 2:00 p.m. Thursday, October 5.

9) Resolutions may be submitted by a participant on behalf of a group or association.

10) Wherever the rules refer to a number, percentage or fraction of those participants necessary to enact, adopt or approve a resolution or action, it shall mean those Workshop participants present and voting at the final general session.

11) The rules may be amended or suspended at any time by a unanimous vote.

**RESOLUTIONS ADOPTED
BY THE
NATIONAL WORKSHOP ON AUTO THEFT PREVENTION
NEW YORK HILTON HOTEL
OCTOBER 5, 1978**

Resolutions Committee Members

John B. Kiernan, Chairman
Honorable Michael J. Murphy
Michael G. Zipkin
Thomas Carr
Donald J. Rouse
Mitchell H. Pally, Counsel to the Committee

RESOLUTIONS ADOPTED BY THE NATIONAL WORKSHOP ON AUTO THEFT PREVENTION OCTOBER 5, 1978

<i>Number of Resolution (Workshop Calendar Number in Parenthesis)</i>	<i>Title</i>
1 (1)	Vehicle Identification Number— Components
2 (5A)	Vehicle Identification Number
3 (21)	Endorsement of Motor Vehicle Theft Prevention Act of 1978
4 (14A)	Use of Federal Funds
5 (25)	Federal Prosecutive and Dyer Act Guidelines
6 (16)	National Inter-governmental Pro- secutive Program
7 (6)	Prosecution of Car Theft Rings
8 (8)	Coordinating State Law Enforce- ment Agency
9 (22)	State Budget Priorities
10 (2)	Certificate of Title Procedures
11 (3)	Uniform Certificate of Title Form
12 (19A)	Vehicle Titling
13 (17)	Uniform Vehicle Code
14 (18)	Reporting of Salvage Vehicles to National Automobile Theft Bureau
15 (4)	False Stolen Vehicle Reports
16 (11)	Insurance Premium Discounts for Anti-Theft Devices
17 (15)	Physical Inspection by Insurance Companies
18 (10)	Manufacturing Techniques
19 (13)	Recovery of Stolen Vehicles from the Republic of Mexico
20 (7)	Meaningful Statistical Data
21 (9)	Citizen Participation and ACT Committees
22	Liaison Committee
23 (24)	Insurance Liability Study by Liaison Committee
24 (26)	Communication of Workshop Resolutions

Resolution #1

VEHICLE IDENTIFICATION NUMBERS—COMPONENTS

WHEREAS, A major reason for 55 percent of the unrecovered automobile thefts is the market for their parts; and

WHEREAS, An illicit dismantler derives an enormous profit from dismantling the automobile and selling the component parts separately; and

WHEREAS, In addition to being an extremely lucrative form of crime, auto theft for parts is also very safe, a major factor being the absence of any identification of the most popular component parts which would enable law enforcement to track the stolen parts back to a particular theft and to the particular vehicle from which they came; and

WHEREAS, The proposed identification of all major component parts will enable police and motor vehicle inspectors to maintain a complete set of records for all the transactions an automobile or major component part goes through, from the time it comes off the assembly line to the time it is reduced to scrap by the scrap processor; and

WHEREAS, An audit trail of this kind will enable law enforcement officials to monitor the flow of component parts through the repair and salvage industries and thus eliminate the illegal market for those component parts, now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention encourages the motor vehicle manufacturers to intensify their efforts to mark the major component parts of the motor vehicle with the vehicle identification number or a derivative of such number in order to better control the "chop shop" activity and to help prevent retitling of stolen motor vehicles; and be it

FURTHER RESOLVED, The National Workshop on Auto Theft Prevention urges the various legislatures of the states but preferably the Congress of the United States to enact legislation mandating component identification if the manufacturers do not do so voluntarily.

Resolution #2

VEHICLE IDENTIFICATION NUMBER

WHEREAS, It has been found that the vehicle identification number is one of the best ways to identify a particular motor vehicle; and

WHEREAS, The ability to identify individual motor vehicles can make it much easier to track down stolen automobiles; now therefore, be it

RESOLVED, That the National Workshop on Auto Theft Prevention urges the states to require that the vehicle identification number required by Federal Standard 115 remain with the vehicle until the vehicle is reduced to its raw materials; and be it

FURTHER RESOLVED, That the National Workshop on Auto Theft Prevention endorses the concept that states should enact suitable criminal laws which make it a

felony to remove or alter any identification number applied by the manufacturer to the motor vehicle or its component parts and permit the seizure by law enforcement, and possible forfeiture thereof, of any motor vehicle or component part with altered or removed identification numbers.

Resolution #3

ENDORSEMENT OF MOTOR VEHICLE THEFT PREVENTION ACT OF 1978

WHEREAS, "The Motor Vehicle Theft Prevention Act of 1978," also known as Senate Bill 3531,* meets the problems outlined in resolution #1 concerning VIN numbers, and has the preferred status of federal legislation which would relieve manufacturers of the problem of meeting different requirements for different states, and

WHEREAS, U.S. Senate Bill 3531 introduces strong penalties for violating the VIN number requirements, so that effective federal enforcement will be possible and

WHEREAS, Senate Bill 3531 extends the jurisdiction of the federal RICO (anti-racketeering) statute to cover the activities of motor vehicle theft rings, which frequently operate on a national scale, and

WHEREAS, S. 3531 introduces strong measures for controlling the importation to and exportation from the United States of stolen vehicles, now therefore, be it

RESOLVED, that the National Workshop on Auto Theft Prevention endorses the Federal Motor Vehicle Theft Prevention Act of 1978, and encourages the participants in this Workshop to urge their colleagues and members of local and state government to support the passage of this bill.

Resolution #4

USE OF FEDERAL FUNDS

WHEREAS, The National Workshop on Auto Theft Prevention recognizes the severity of the economic losses to society resulting from stolen and reported stolen motor vehicles; and

WHEREAS, Such losses impinge upon all sectors of society, both public and private; and

WHEREAS, There exists, nationwide, a multitude of ideas and conceptual approaches to combat the problems associated with stolen motor vehicles; and

WHEREAS, The Federal and State governments must become partners in the fight against auto theft; and

WHEREAS, Large amounts of funds are needed to carry-out new rules and procedures by the states; now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention endorses the concept of making federal funds

* On October 5, 1978, this bill was introduced in the House of Representatives by Congressman William Green of New York. It is H.R. 14252.

available to the states under the Federal Highway Safety Act to be used to implement "anti-theft" measures in the areas of vehicle titling and registration and control over salvage vehicles; and be it

FURTHER RESOLVED, That these funds can be used for the evaluation of cost/benefits of innovative and demonstration programs toward the goal of determining those elements which may prove suitably beneficial for adoption nationwide.

Resolution #5

FEDERAL PROSECUTIVE AND DYER ACT GUIDELINES

WHEREAS, motor vehicle theft has increased an average of 8 percent per year over the last several years and is a very serious problem; and,

WHEREAS, Many such thefts of motor vehicles have been in violation of the National Motor Vehicle Theft Act; and,

WHEREAS, The U.S. Attorney General is responsible for prosecuting alleged violations of the National Motor Vehicle Theft Act, also known as the Dyer Act; and,

WHEREAS, For the past several years the U.S. Attorney General has severely diminished his level of effort and involvement in prosecuting Dyer Act cases; and,

WHEREAS, This reduction of activity by the U. S. Attorney General has resulted in an increased workload and expense to state and local agencies; and,

WHEREAS, This general absence of prosecuting authority has often resulted in the necessary release of apprehended suspects charged with violations of the Dyer Act; now, therefore, be it

RESOLVED, That the National Workshop on Auto Theft Prevention hereby requests that the U.S. Attorney General fulfill his responsibilities for prosecuting complaints alleging interstate transportation of stolen vehicles; and, be it

FURTHER RESOLVED, That copies of this resolution be forwarded to the U.S. Attorney General and the Director of the Federal Bureau of Investigation.

Resolution #6

NATIONAL INTER-GOVERNMENTAL PROSECUTIVE PROGRAM

WHEREAS, The auto theft problem has reached epidemic proportions in this country; and

WHEREAS, Only through cooperation between all levels of government will success be made in the battle against auto theft; and,

WHEREAS, Many times the jurisdictional disputes which occur between the federal and state governments over the prosecution of certain cases has taken precedence over the prosecution itself, and,

WHEREAS, In many instances both the state and federal governments have jurisdiction in certain cases because

of the fact that the stolen motor vehicle was transported over state lines; and,

WHEREAS, Only through a comprehensive program between all levels of government will the resources of law enforcement be utilized in the most efficient manner; now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention urges the Attorney General of the United States, in conjunction with law enforcement personnel on all levels of government, to commence a dialogue looking toward a comprehensive national inter-governmental prosecutive program for auto theft offenses which clearly specifies which cases should be, might be, and will not be brought in federal court consistent with the overall federal prosecutive priorities and resources. The understandings reached through such dialogue should be further refined through the various Federal-State Law Enforcement Committees for each state. To the extent that the federal government is unable to prosecute interstate stolen car offenses, it should implement procedures which facilitate prosecution by local authorities.

Resolution #7

PROSECUTION OF CAR THEFT RINGS

WHEREAS, Auto theft has become a big business both in terms of the numbers of vehicles stolen and the billions of dollars which are borne by the consumer and society; and,

WHEREAS, Illegal dismantling operations, known as "chop shops" dismantle the stolen vehicles for their parts, which is a major reason why over 55 percent of the vehicles stolen in New York City were stolen; and,

WHEREAS, Car theft rings have become prevalent in our major cities; now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention urges local, state, and federal prosecutors to especially increase their prosecution of car theft "rings" and "chop shop" operators and further urges the courts to impose penalties which will take the profit out of this illicit activity.

Resolution #8

COORDINATING STATE LAW ENFORCEMENT AGENCY

WHEREAS, The incidence of motor vehicle theft in the United States is rising rapidly and that the monetary loss resulting from motor vehicle theft to the law-abiding citizens of the country has been increasing annually; and

WHEREAS, Because of the high rate of motor vehicle theft; premiums for comprehensive motor vehicle insurance have risen at astronomical figures; and,

WHEREAS, It has also been found that there is an abnormally high incidence of accidents resulting in property damage and bodily injury involving stolen automobiles; and,

WHEREAS, Taken together all of these considerations accentuate the imperative need for a concentrated effort

on the part of a single law enforcement agency in each state so as to better utilize the resources at the controls of government; now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention urges those states which have not already done so, to designate one state law enforcement agency to be responsible for the Statewide coordination of law enforcement efforts and crime prevention measures in regard to the motor vehicle theft problem for that state.

Resolution #9

STATE BUDGET PRIORITIES

WHEREAS, The findings and recommendations of this Workshop may require the implementation, acquisition and appointment of additional personnel, equipment, and facilities by state and local governments to combat the auto theft problem; and,

WHEREAS, In order to effectively carry out the monitoring of records, the inspection of auto recycling, dismantling and repair operations and other related activities, specialized training for anti-theft personnel may be necessary; now, therefore, be it

RESOLVED, That the National Workshop on Auto Theft Prevention urges each state government in its budget process to give high priority to the allocation of sufficient funds to assist and support law enforcement and motor vehicle agencies in carrying out these anti-theft responsibilities and properly training their personnel to do so.

Resolution #10

CERTIFICATE OF TITLE PROCEDURES

WHEREAS, The need for uniform certificate of title procedures in the various states is substantial and would help reduce interstate vehicle theft; and,

WHEREAS, Certificate of title laws have proven effective in combating the auto theft problem; and,

WHEREAS, Not all states have certificate of title laws and procedures and the certificate of title laws and procedures of some states are very weak and nearly as unreliable as those of states not having any title laws whatsoever; and,

WHEREAS, Because of this, it is possible for a vehicle stolen in a state to be registered or titled in another state and sold or retitled in yet another state, or even in the original state; and,

WHEREAS, All states have not voluntarily developed legislation to assure the integrity of certificates of title to motor vehicles; and,

WHEREAS, The elimination of the major governmental weakness in vehicle theft prevention would thereby deter interstate traffic in stolen vehicles; now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention urges each State to adopt a certificate of title for its motor vehicles which has security features; and be it

FURTHER RESOLVED, The National Workshop on Auto Theft Prevention urges the states to develop procedures which require the physical examination of surrendered certificates of title for accuracy and indications of forgery, counterfeiting and alteration; and be it

FURTHER RESOLVED, The National Workshop on Auto Theft Prevention urges the states to develop procedures which require that its own records be checked, including available records relating to stolen motor vehicles, whenever a certificate of title is surrendered; and be it

FURTHER RESOLVED, The National Workshop on Auto Theft Prevention endorses the concept that when a state receives a surrendered motor vehicle title which is issued by another state that such certificate be sent to such issuing state in order that it can both verify its authenticity and validity and update its own record systems; and be it

FURTHER RESOLVED, The National Workshop on Auto Theft Prevention endorses the concept that whenever a vehicle presently registered or titled in another state is presented for titling that, among other factors, the vehicle identification number and derivatives be examined for both exactness with that stated on the title application papers and for signs of tampering, alteration or removal.

Resolution #11

UNIFORM CERTIFICATE OF TITLE FORM

WHEREAS, The AAMVA, through the American National Standards Institute (ANSI), D-19 Committee, is developing uniform vehicle registration and title procedures; and,

WHEREAS, The ANSI D-19.4 Subcommittee, through diligent and monumental efforts, has now completed a recommended uniform title form; and,

WHEREAS, The immediate necessity for development of a *uniform title form* for administrative efficiency and enforcement was determined to be a priority by members of the 1977 AAMVA Registration and Title Workshop; now, therefore, be it

RESOLVED, That the *uniform title form* designed by the ANSI D-19.4 Subcommittee represents the best product available in motor vehicle administration at any given point in time; and, be it

FURTHER RESOLVED, That National Workshop on Auto Theft Prevention endorses the efforts of the D-19.4 Subcommittee and urges all jurisdictions to adopt the *uniform title form* for the needs of such jurisdictions at any given point in time with due recognition that such *uniform title form* reflects changing needs and requirements and will change accordingly.

Resolution #12

VEHICLE TITLING

WHEREAS, Automobile theft, perhaps the fastest growing crime in the United States, continues to be one of the most complex, costly and widespread problems ever to confront law enforcement and the American public; and,

WHEREAS, There is almost universal agreement among persons involved with motor vehicle theft prevention that one of the major difficulties in dealing with this problem is that existing law and regulations are not being adequately enforced; and,

WHEREAS, Strong and effective title laws which continue for the life of the vehicle have the best chance of allowing some control over the auto theft problem; now, therefore, be it

RESOLVED, That the National Workshop on Auto Theft Prevention urges each state to review and enforce its current laws, regulations and practices in the areas of vehicle titling and registration and control over salvage vehicles with the view toward enacting and implementing those changes which will have a practical effect on preventing the theft of automobiles and their disposition in whole or in part; and be it

FURTHER RESOLVED, That the National Workshop on Auto Theft Prevention urges each State to adopt procedures which will adequately control the flow of the salvage motor vehicle from the time it loses its roadworthiness up to the time it is reduced to scrap metal; and be it

FURTHER RESOLVED, That the National Workshop on Auto Theft Prevention urges the Department of Motor Vehicles of each state to enact procedures to recover the certificate of title of each vehicle which is no longer economically roadworthy, that salvage certificates for the hulk of each vehicle should then be issued, that at the very least such salvage certificates should be issued for late model vehicles, or if the issuance of a new certificate is impractical, the department should return the original with the appropriate mark on it to indicate salvage; and be it

FURTHER RESOLVED, That the National Workshop on Auto Theft Prevention urges the states to enact procedures for the re-titling of reconstructed vehicles which would include inspection by a qualified inspector to verify the original VIN number, proof of purchase and source of the repair parts used in reconstruction; and therefore be it

FURTHER RESOLVED, That the National Workshop on Auto Theft Prevention urges the states to develop comprehensive plans over the control of salvage vehicles to include in such efforts adequate measures relating to tow trucks and mobile crushers; and be it

FURTHER RESOLVED, That the National Workshop on Auto Theft Prevention commends the efforts of Maryland Motor Vehicle Administration in regard to the development of its "Model Salvage Vehicle Procedures" and urges all of the states to give serious consideration to the implementation of the recommendations contained therein.

Resolution #13
UNIFORM VEHICLE CODE

WHEREAS, Legislation by the states must be made comprehensive and up to date so as to counter the increasing multitude of auto theft problems; and,

WHEREAS, The National Workshop on Auto Theft Prevention understands that the National Committee on Uniform Traffic Laws and Ordinances is considering an extensive revision of the chapters of the Uniform Vehicle Code (UVC) relating to Certificates of Title and Registration of Vehicles, Anti-Theft Laws, and Dealers, Wreckers and Rebuilders; now, therefore, be it

RESOLVED, That the National Workshop on Auto Theft Prevention urges that this revision be accomplished in the near future and that the results of such efforts be made available to the states for their careful consideration.

Resolution #14
**REPORTING OF SALVAGE VEHICLES TO NATIONAL
AUTOMOBILE THEFT BUREAU**

WHEREAS, The inter-relationship of salvage vehicles and auto theft is most complex and comprehensive; and,

WHEREAS, The identification of salvage vehicles would go a long way toward combating the auto theft problem; and,

WHEREAS, National reporting of these numbers must be maintained so as to combat the interstate transfer of salvage vehicles; and,

WHEREAS, There is an organization currently equipped to use these numbers in the identification process; now, therefore, be it

RESOLVED, That the National Workshop on Auto Theft Prevention urges insurance companies to report the identity of salvage motor vehicles, especially late model vehicles, to the computer system of the National Automobile Theft Bureau.

Resolution #15
FALSE STOLEN VEHICLE REPORTS

WHEREAS, The false reporting of auto thefts has led to an epidemic of owners reporting that their vehicles were stolen so as to receive the insurance proceeds; and,

WHEREAS, Many insurance companies require that the owners have filed a report with the local law enforcement agency before they can collect; and,

WHEREAS, These false claims tie up valuable time and manpower of the law enforcement agency; now, therefore, be it

RESOLVED, That the National Workshop on Auto Theft Prevention urges each state legislature to make it a felony to make a false stolen vehicle report to a law enforcement agency or to an insurance company.

Resolution #16
**INSURANCE PREMIUM DISCOUNTS FOR ANTI-THEFT
DEVICES**

WHEREAS, As a result of high auto theft rates, many areas of the country pay significantly higher insurance premiums for comprehensive coverage; and,

WHEREAS, One of the ways to reduce the incidence of automobile theft is to have automobile owners install anti-theft devices on their vehicles; and,

WHEREAS, Appropriate reductions in motor vehicle insurance premiums will encourage the installation of anti-theft devices; now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention encourages the legislators and insurance commissioners of those states which have a high auto theft rate to consider adopting a procedure similar to that instituted by the State of Massachusetts whereby certain discounts on the comprehensive insurance coverage are given for those motor vehicles which have been retrofitted with various anti-theft devices which meet the necessary criteria for such a program.

Resolution #17

PHYSICAL INSPECTION BY INSURANCE COMPANIES

WHEREAS, The increasing incidence of fraudulent auto theft claims has led to gigantic rip-offs of insurance companies; and,

WHEREAS, Many times insurance coverage will be taken out on automobiles which never existed or no longer exist so as to be able to obtain the insurance proceeds upon such nonexistent automobiles; and,

WHEREAS, The inclusion of expensive equipment never installed in claims for insurance has had the effect of increasing claims payments, hence increasing insurance rates; and,

WHEREAS, Such fraudulent claims burden law enforcement facilities and inflate auto theft statistics; now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention urges insurance companies to adequately inspect the identity, physical condition and equipment of newly insured vehicles before issuing an insurance policy on them; and, be it

FURTHER RESOLVED, That if such inspections are impractical for all areas, they should be conducted for "profile" situations especially in those states having a high auto theft rate.

Resolution #18

MANUFACTURING TECHNIQUES

WHEREAS, Much can be done by the individual car manufacturer to make the motor vehicle that much harder to steal through new techniques; and,

WHEREAS, Technological breakthroughs are happening everyday, in many different aspects of the motor vehicle field; now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention recognizes the need for the motor vehicle manufacturer to continue to develop innovative and creative techniques to prevent the unauthorized mobilization of

the motor vehicle which are consistent with product safety and low cost to the consumer.

Resolution #19

RECOVERY OF STOLEN VEHICLES FROM THE REPUBLIC OF MEXICO

WHEREAS, Each year a significant number of United States owned motor vehicles are stolen and illegally driven into the Republic of Mexico; and,

WHEREAS, The Attorney General of the United States, the Attorneys General for the States of Texas, New Mexico, Arizona and California, and the Attorney General for the Republic of Mexico have commenced a dialogue between themselves and other interested law enforcement and industry representatives to deal with this problem; now, therefore, be it

RESOLVED, That the National Workshop on Auto Theft Prevention urges all law enforcement components in the United States along the Mexican border to work with their counterparts in the Republic of Mexico to devise coordinated plans, practices and procedures which would limit the opportunity for a stolen motor vehicle to illegally enter Mexico and to discover and return it to its owner, in a more expeditious fashion, any such stolen vehicle located in Mexico.

Resolution #20

MEANINGFUL STATISTICAL DATA

WHEREAS, To be able to fight the auto theft problem, the involved governmental and private groups and agencies must share information concerning the problem so that priorities can be set; and,

WHEREAS, No single comprehensive statistical framework has yet been developed so as to accurately reflect the auto theft problem in the country, and,

WHEREAS, The National Workshop on Auto Theft Prevention recognizes the need for more meaningful information about the monetary costs of auto theft, methods by which motor vehicles are stolen, the purposes for their theft, and their manner of disposition after their theft in order that more workable and relevant preventive measures can be adopted by motor vehicle manufacturers and state department of motor vehicles; now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention urges the insurance industry, motor vehicle manufacturers and the law enforcement community to work together to develop such more meaningful statistics.

Resolution #21

CITIZEN PARTICIPATION AND ACT COMMITTEES

WHEREAS, Numerous examples can be shown throughout the country that where various campaigns and ACT committees have brought together law enforcement

agencies, private industry, and the public, auto theft rates have been significantly reduced; and,

WHEREAS, The public must be brought into any campaign against auto theft; now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention recognizes the need for citizen involvement in the auto theft problem and commends those jurisdictions which have initiated community wide anti-car theft campaigns.

Resolution #22

LIAISON COMMITTEE

WHEREAS, The National Workshop on Auto Theft Prevention was conceived as the start of an ongoing program to coordinate and intensify efforts to combat the auto theft problem; and,

WHEREAS, The Advisory Committee for the National Workshop on Auto Theft Prevention has agreed that it is essential to expand and to continue the interest and support generated by the deliberations at the Workshop; and,

WHEREAS, The Law Enforcement Assistance Administration and the host Committee—the New York State Senate Committee on Transportation—have agreed that this work must be continued by a Liaison Committee which will promote and help institute a nationwide coordinated effort to combat the problem of auto theft; and,

WHEREAS, The success of such a nationwide effort is dependent on the establishment of state and/or regional task forces to attack the auto theft problem; and,

WHEREAS, In order to be effective in the region such task forces must be aware of and consider the legislative proposals, the recommendations from law enforcement personnel and motor vehicle administrators and the suggestions of the insurance, motor vehicle salvage, motor vehicle manufacturing, motor vehicle repair industries and other interested groups which may result from this Workshop; and,

WHEREAS, The members of this Liaison Committee should be familiar with the recommendations, philosophy and attitudes developed at this Workshop; and,

WHEREAS, It is essential that this Liaison Committee begin its work as soon as possible so that the momentum and enthusiasm generated at the National Workshop be continued; now, therefore, be it

RESOLVED, That the participants at the National Workshop on Auto Theft Prevention endorse and recommend the formation of a Liaison Committee to work in cooperation with and under the aegis of the host committee and its staff, and in cooperation with the Law Enforcement Assistance Administration and other appropriate groups to develop and implement the formation of state and/or regional task forces to concentrate on reducing and preventing auto thefts and fostering research on the auto theft problem; and, be it

FURTHER RESOLVED, That this Liaison Committee help develop and encourage the passage of uniform and complimentary legislation by the several states and the Congress to fight auto thefts; and, be it

FURTHER RESOLVED, That the Workshop Project Director, in consultation with the Advisory Committee, the host committee and the appropriate officials from the Law Enforcement Assistance Administration and the Justice Department, be empowered to immediately form this Committee and seek members for it from all representative fields of interest in the auto theft problem.

Resolution #23

INSURANCE LIABILITY STUDY BY LIAISON COMMITTEE

WHEREAS, A high level of cooperation between law enforcement agencies and insurance companies is necessary to more efficiently combat the auto theft problem; and,

WHEREAS, The prosecution of auto theft cases can be made more productive by insurance companies providing evidence and information to law enforcement agencies; and,

WHEREAS, Some insurance companies have been fearful of cooperating with law enforcement agencies against their clients because of the possibility of civil liability arising out of such cooperation; and,

WHEREAS, This same possibility of civil liability in cases concerning arson has led to the enactment of legislation granting civil immunity to insurance companies for such cooperation, now, therefore, be it

RESOLVED, The National Workshop on Auto Theft Prevention urges the Liaison Committee formed by this Workshop to pursue a study of the problem of civil liability by insurance companies so as to determine its impact on the auto theft problem.

Resolution #24

COMMUNICATION OF WORKSHOP RESOLUTIONS

WHEREAS, During the past three days over 200 individuals from 30 different states have thoroughly and extensively discussed the auto theft problem; and,

WHEREAS, During these discussions all interested groups were represented and all facets of the problem were dealt with; and,

WHEREAS, the deliberations of this Workshop have resulted in the adoption of many resolutions which affect many governmental and private groups and agencies and that these bodies should be aware of these resolutions, now, therefore, be it

RESOLVED, That the National Workshop on Auto Theft Prevention communicate the results of its resolutions directly to the State Legislatures, the Congress, federal departments and agencies and other non-governmental organizations and groups mentioned in the body of the resolutions adopted at the Workshop.

Appendix F

*Proposed Federal Motor Vehicle
Theft Prevention Act of 1978*

OUTLINE OF THE PROPOSED MOTOR VEHICLE THEFT PREVENTION ACT OF 1978

Title I A series of findings and purposes are set forth.

Title II The National Traffic and Motor Vehicle Safety Act of 1966 would be amended to give the Secretary of Transportation authority to issue regulations which would help prevent the theft of the motor vehicle, its major components, and its contents taking into consideration several factors.

Title III Title 18 of the United States Code would be amended to:

- 1) Make it a federal crime to alter or remove any motor vehicle or vehicle part identification number required by the Secretary of Transportation;
- 2) Make any motor vehicle or vehicle part which has a removed or altered identification number required by the Secretary of Transportation subject to seizure and possible forfeiture;
- 3) Amend the definition of "securities" in the National Stolen Property Act (18 USC 2311) to cover motor vehicle titles until cancelled by state of issuance;
- 4) Make it a federal crime to traffic in motor vehicles or motor vehicle parts which have

had their identification numbers required by the Secretary of Transportation removed or altered; and

- 5) Amend the RICO statute (Racketeer Influenced and Corrupt Organizations—18 U.S.C. 1961 et seq.) to include as a racketeering activity trafficking in stolen motor vehicles and their parts. This would be done by incorporating the present Dyer Act (18 U.S.C. 2312/2313) and the new trafficking statute described above within the definition of racketeering activity.

The Master Key Act in Title 39, United States Code, (39 U.S.C. 3002) would be amended to cover other manipulative devices designed to open, circumvent, or make inoperable any of the locks of two or more motor vehicles. This change would prohibit the mailing of both the device itself and any advertisement of such devices.

Title IV The Secretary of the Treasury would be given authority to issue regulations concerning the exportation of used motor vehicles.

Title V The Attorney General would prepare a report on the growing problem of the theft of "off road" motor vehicles (i.e. construction and farm equipment). The Attorney General would also advise Congress in a series of annual reports on the effectiveness of the Act.

SECTION BY SECTION ANALYSIS OF THE MOTOR VEHICLE THEFT PREVENTION ACT OF 1978

Title I—Findings and Purposes

Section 101 makes a series of findings by the Congress.

Section 102 states the primary purposes of the legislation.

Title II—Improved Security for Motor Vehicles and Their Parts

Section 201 amends section 103 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1392) by adding a new subsection which would give the Secretary of Transportation authority to issue standards whose purpose would be to deter motor vehicle related thefts. Currently, the National Highway Traffic Safety Administration (NHTSA), the agency which implements this Act, is limited to issuing standards with a clear safety benefit. The new authority would permit issuing anti-theft standards. Such new standards could require improving the locking devices for the ignition, doors, trunk, and hood of motor vehicles as well as identification numbering systems for certain key components of the motor vehicle in addition to the motor vehicle identification number itself. The former would "harden" the motor vehicle and its parts against thefts primarily by the amateurs. The latter, when coupled with the exercise of the additional authority being sought by a separate proposed amendment to section 402 of Title 23 of the United States Code (Highway Safety Act of 1966), would make it more difficult for the professional thieves to dispose of the stolen motor vehicle or its parts. The separately proposed amendment to the Highway Safety Act of 1966 was introduced in the second session of the 95th Congress as S. 2541 and H.R. 10656. This separate proposal would authorize the Secretary of Transportation to issue standards for the 50 states relating, among other things, to the theft prevention of motor vehicles by incorporating various measures in the national standards concerning the titling, registration, and inspection of motor vehicles and the licensing of salvage motor vehicle dealers by the respective states. Pursuant to section 103(d) of the National Traffic and Motor Vehicle Safety Act (15 U.S.C. §1392 (d)) any federal standard issued in regard to component identification would preempt any such state legislation when the federal regulation became effective.

Title III—Anti-Fencing Measures

Section 301 creates a new federal offense in section 510 of Title 18, United States Code, relating to the alteration and removal of motor vehicle identification numbers required by the Secretary of Transportation. New section 511 of Title 18, United States Code, would allow forfeiture to the United States of any vehicle or part which has its identification number altered, removed, obliterated, or tampered with. Section 511 is patterned after section 492 of Title 18, United States Code, relating to counterfeiting

paraphernalia. At present the Department of Transportation has issued regulations relating to only a vehicle identification number (VIN). Under Title II of this proposed legislation, it will be given regulatory authority to require identification numbers for key parts of the vehicle also. Consequently, after the enactment of section 510 it would be a federal crime to remove or alter the VIN on any existing or future motor vehicle since such identification number is already required by Department of Transportation regulations. One the other hand, the removal or alteration of the identification number for certain components would only become a federal crime when such occurred after the effective date of a Department of Transportation regulation requiring an identification number for such component. Neither section 510 nor 511 are intended in any fashion or manner to restrict or preclude the states from passing their own criminal law relating to the removal or alteration of identification numbers affixed by the manufacturer to the motor vehicle and its components. The definition of "motor vehicle" for sections 510 and 511 is found in section 102 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. §1391(3)).

Section 302 is self-explanatory.

Section 303 amends the definition of "Securities" in section 2311 of Title 18, United States Code, to specifically include motor vehicles titles. At present a fully executed motor vehicle title would qualify as a "security under the provision document evidencing ownership of goods, wares, and merchandise" in the definition of "securities" in section 2311 of Title 18, United States Code. (See *United States v. Dickson*, 462 F. 2d 184 and *United States v. Canton*, 470 F. 2d 861.) However, a blank certificate, like a blank check, would not be a "security." Furthermore, to avoid the problem of when a motor vehicle title ceases to be a "security" it is felt necessary to expressly state when such character terminates. (See *United States v. Teresa*, 420 F. 2d 13.) In view of the fact that the regulatory scheme for vehicle retitling recommended by the Department of Transportation envisages the sending of old titles back to the state of original issuance, at the time of retitling, it is felt, for purposes of a possible prosecution under 18 U.S.C. 2314 involving a counterfeit title, that it should be clear that the title remains a title until it is canceled by the state of issuance. There is ample justification for federal prosecution in these situations. First, there is an interstate crime which by its nature normally causes problems if left solely to state prosecution. Secondly, the victim, i.e. the true owner of the vehicle, is in another state and the state which received the counterfeit title could be less disposed to use its criminal resources to protect the property of a citizen of a different state. And finally, the situation involving counterfeit titles will almost always involve ring and organized criminal activity. The federal jurisdiction will be gener-

ated by the defendant presenting a counterfeit out-of-state title and asking for a new title. The defendant by his actions causes the interstate transportation of the counterfeit title when it is sent back to the state of original issuance.

Section 304 creates a new section 2319 to deal with traffickers in stolen motor vehicles or their parts which have had their identification numbers removed, obliterated, tampered with, or altered. The statute, consistent with the thrust of the present Dyer Act policy of the Department, requires that the illegal possession of such a vehicle or part include an intention on the part of the possessor to dispose of the vehicle or part. The language of the statute is patterned after that contained in proposed section 1732 of the new Federal Criminal Code (S.1437) which relates to trafficking in stolen property. As such, it is aimed at the dealers and peddlers of such stolen items. The statute is not designed to reach an individual who possesses such a vehicle or part for his own personal use even where the individual knows that the vehicle or part's identification number has been removed, obliterated, tampered with, or altered. It is felt that those singular offenses, although certainly condemnable, should not inundate the federal courts, which should concentrate on organized ring activity. The singular matter would be better handled by prosecution under appropriate state and local laws. The definition of "motor vehicle" for section 2319 is contained in section 2311 of Title 18, United States Code.

Section 305 is self-explanatory.

Section 306 amends section 1961 of Title 18, United States Code, commonly known as the RICO statute (Racketeer Influenced and Corrupt Organizations), to allow prosecution under this statute of those individuals and businesses which traffic in stolen vehicles and their parts. The presence of this coverage and a few prosecutions under it should have a significant deterrent impact upon those businesses engaging in the receipt and disposition of stolen vehicles and their parts.

Section 307 amends the Master Key Act (39 U.S.C. 3002) to prohibit the mailing of manipulative devices which are designed to open or make inoperable any of the locks on two or more motor vehicles. The provision also prohibits the mailing of any advertisement for such a device and authorizes the United States Postal Service to issue a mail stop order in an appropriate case. Violations of this section would be within the investigative jurisdiction of the United States Postal Service.

Sections 308-310 are self-explanatory.

Title IV—Importation and Exportation Measures

Section 401 creates a new federal offense in section 552 of Title 18, United States Code, within the investigative jurisdiction of the United States Customs Service relating to the importation or exportation of stolen motor vehi-

cles, vessels, aircraft and the parts thereof and the importation or exportation of motor vehicles and motor vehicle parts which have had their identification number removed, obliterated, altered or tampered with. The section also defines "motor vehicle," "vessel," and "aircraft." The section would obviously not be applicable to the importation or exportation of the conveyance or part by the lawful owner or his agent.

Section 402 is self-explanatory.

Section 403 creates two new sections in the Tariff Act of 1930. Section 626(a) subjects any individual who imports, exports, or attempts to import or export any stolen motor vehicle, vessel, aircraft, or part thereof or any motor vehicle or motor vehicle part having its identification number removed, obliterated, tampered with or altered, to a civil penalty of \$5,000 per instance. Section 626(b) makes any of the above described motor vehicles, vessels, aircraft or parts subject to seizure and forfeiture if they are imported or exported. This section would likewise not be applicable to the importation or exportation of the conveyance or part by the lawful owner or his agent. Section 627(a) authorizes the Secretary of Treasury to issue regulations concerning the exportation of used motor vehicles. Section 627(b) defines "motor vehicle," "aircraft" and "used" motor vehicle.

Section 404 creates a new section in the Tariff Act of 1930 giving Customs officers the same powers of arrest as presently possessed by other federal law enforcement officials. Under current law a Customs officer has authority to make an arrest without warrant only for violations of the narcotic drug and marijuana laws under section 7607 of the Internal Revenue Code (26 U.S.C. 7607) and for violations of the customs or navigation laws or any law respecting the revenue under section 581 of the Tariff Act of 1930, as amended (19 U.S.C. 1581), where the violation is committed in his presence or where he has reason to believe that the person to be arrested has committed or is committing such violation. The Customs officer because of his strategic physical location is often able to detect fugitive felons entering the United States and violators of other federal criminal laws such as the statutes prohibiting theft from interstate and foreign shipments (18 U.S.C. 659) and the interstate and foreign transportation of stolen property (18 U.S.C. 2312 and 2314). He can not, however, under present law make an arrest in such situations. He must seek the assistance of another law enforcement official who has the proper arrest authority. This can be difficult depending upon the time of day and his geographical location. The present limited arrest authority for a Customs officer is inconsistent with the arrest authority provided other federal law enforcement officials and hampers effective enforcement of federal criminal laws. Section 404 of the bill corrects this deficiency and is in accord with section 3013 of S. 1437, the "Criminal Code Reform Act of 1977," which would likewise grant a Customs officer the same arrest authority possessed by other federal law enforcement officials.

Section 405 repeals the provision of the Internal Revenue Code of 1954, as amended, giving Customs officers statutory arrest authority only for narcotic offenses.

Section 406 and 407 are self-explanatory.

Title V—Various Reports

Section 501 requires the Attorney General to file a report with Congress 18 months after the passage of the Act dealing with the growing problem of the theft of "off-road" motor vehicles in the agricultural and construction

industries. The report will be prepared in consultation with the Secretaries of the Departments of Agriculture, Commerce, Transportation and Treasury. The section specifies those areas on which the Attorney General should report developments.

Section 502 requires the Attorney General to file with Congress a series of annual reports concerning the implementation and effectiveness of Titles II, III, and IV of the Act. The reports are to be prepared in consultation with the Secretary of Transportation, Secretary of Treasury, and the Postmaster General.

IN THE SENATE OF THE UNITED STATES

Mr. _____

introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To improve the physical security features of the motor vehicle and its parts, increase the criminal penalties of persons trafficking in stolen motor vehicles and parts, and to curtail the (insert title of bill here) exportation of stolen motor vehicles and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,* That this Act may be cited as the "Motor Vehicle Theft Prevention Act of 1978".

Title I - Findings and Purposes

Sec. 101. The Congress finds:

(a) the annual number of reported motor vehicle thefts is approaching 1,000,000 vehicles; that the recovery rate of stolen vehicles has significantly decreased over the past decade; and that approximately 50% of all larcenies reported to law enforcement in the United States are directed against the motor vehicle, its accessories, or its contents;

(b) the theft and disposition of stolen motor vehicles and their parts is becoming more professional in nature and seriously affects interstate and foreign commerce; moreover, it has brought increased and unnecessary burdens to the automobile consumer and the taxpayer as the national financial cost of motor vehicle related theft offenses now exceeds \$2 billion annually;

1 (c) the cooperative efforts of the Attorney
2 General, Secretary of Transportation, Secretary of the Treasury,
3 Secretary of State, and Secretary of Commerce in the formation
4 of the Intergovernmental Agency on Auto Theft Prevention are to
5 be commended and these officials are urged to continue and
6 expand upon their prior fruitful efforts;

7 (d) some national and international uniformity
8 on certain standards is required in order to facilitate com-
9 merce and prevent criminal abuse;

10 (e) a cooperative partnership between the
11 various states and the Federal Government is required to devise
12 appropriate interrelated systems in the area of motor vehicle
13 titling and registration in order to help curb motor vehicle
14 theft;

15 (f) the theft of motor vehicles and their parts
16 and the unlawful disposition thereof can be significantly cur-
17 tailed through the effective use of the facilities of the
18 National Crime Information Center (NCIC) by both law enforce-
19 ment and the state motor vehicle registrars working in concert;

20 (g) the cooperation and assistance of the auto-
21 mobile insurance industry is needed to develop insurance poli-
22 cies and automobile anti-theft campaigns at the local level
23 which will help prevent motor vehicle theft by increasing
24 citizen involvement and enhancing motor vehicle security
25 systems;

26 (h) an increased vigilance by used motor vehi-
27 cle dealers, motor vehicle dismantlers, recyclers and salvage
28 dealers and motor vehicle repair and body shops is crucial to
29 curtail their important industries from being used to facili-
30 tate crime through the disposition of stolen motor vehicles in
31 whole or in part;

32

1 (i) the shippers and the operators of the
2 nation's vessels, railroads, and aircraft must cooperate with
3 the governmental regulations aimed at hindering the exporta-
4 tion of stolen motor vehicles; and

5 (j) the assistance and cooperation of our
6 sovereign neighbors Canada and the Republic of Mexico are key
7 ingredients necessary to aid us in our efforts to protect our
8 citizens' property by limiting the opportunity for stolen
9 motor vehicles to successfully enter their respective countries
10 from the United States.

11 Sec. 102. The purposes of this Act are to:

12 (a) improve the locking devices for motor vehi-
13 cles;

14 (b) improve the identification numbering systems
15 for motor vehicles and their major components;

16 (c) increase the federal criminal penalties for
17 those persons trafficking in stolen motor vehicles and their
18 parts; and

19 (d) establish regulatory procedures to reduce
20 the opportunity for the criminal to export stolen motor vehi-
21 cles.

22
23 Title II - Improved Security for
24 Motor Vehicles and their Parts

25 Sec. 201. Section 103 of the National Traffic and Motor
26 Vehicle Safety Act of 1966, as amended (15 U.S.C. 1392), is
27 amended by adding at the end the following new subsection:

28 "(j) Standards established by the Secretary
29 under this section may include standards to reduce the theft
30 of the motor vehicle and its parts by taking into account:

1 "(1) the cost of implementing the standard
2 and the benefits attainable as a result of the implementation
3 of the standard;

4 "(2) the effect of implementation of the
5 standard on the cost of automobile insurance;

6 "(3) savings in terms of time and incon-
7 venience; and

8 "(4) considerations of safety."
9

10 Title III - Anti-Fencing Measures

11 Sec. 301. Chapter 25 of title 18 of the United States
12 Code is amended by adding after section 509 the following new
13 sections:

14 "§510. Altering or removing motor vehicle
15 identification numbers.

16 "Whoever knowingly removes, obliterates, tampers with,
17 or alters any identification number for any motor vehicle or
18 part thereof required under regulations issued by the United
19 States Department of Transportation shall be fined not more
20 than \$5,000 or imprisoned not more than five years or both.

21 "§511. Forfeiture of motor vehicles and
22 their parts which have altered or
23 removed identification numbers.

24 "(a) Any motor vehicle or motor vehicle part
25 required to have an identification number pursuant to regula-
26 tions issued by the United States Department of Transportation
27 which has had such number removed, obliterated, tampered with
28 or altered shall be forfeited to the United States.

29 "(b) Whenever any person interested in any
30 motor vehicle or motor vehicle part seized under subsection (a)
31 files, before the disposition thereof, with the head of the
32 department which made the seizure a petition for the remission

1 or mitigation of such forfeiture, the head of such department,
2 or his delegate, if he finds that the violation that resulted
3 in the forfeiture occurred without any recklessness on the part
4 of the petitioner or without any intention on the part of the
5 petitioner to violate the law or finds the existence of such
6 mitigating circumstances as to justify remission or the miti-
7 gation of such forfeiture, may remit or mitigate the same upon
8 such terms and conditions as he deems reasonable and just."

9 Sec. 302. The chapter analysis of chapter 25 of title
10 18 of the United States Code is amended by adding at the end
11 thereof the following:

12 "510. Altering or removing motor
13 vehicle identification numbers.

14 "511. Forfeiture of motor vehicles and
15 the parts which have altered or
16 removed identification numbers."

17 Sec. 303. Section 2311 of chapter 113 of title 18,
18 United States Code, is amended by inserting in the definition
19 of "Securities" immediately after the words "voting trust cer-
20 tificate;" the words "motor vehicle title until it is canceled
21 by the state indicated thereon or blank motor vehicle title;"

22 Sec. 304. Chapter 113 of title 18 of the United States
23 Code is amended by adding after section 2318 the following new
24 section:

25 "§2319. Trafficking in motor
26 vehicles or their parts
27 which have altered or
28 removed identification
29 numbers.

30 "Whoever buys, receives, possesses, or obtains control
31 of, with intent to sell, transfer, distribute, dispense or
32

1 otherwise dispose of, any motor vehicle or part thereof knowing
2 that an identification number required pursuant to regulations
3 issued by the United States Department of Transportation has
4 been removed, obliterated, tampered with, or altered shall be
5 fined not more than \$25,000 or imprisoned not more than 10
6 years or both."

7 Sec. 305. The chapter analysis of chapter 113 of title
8 18 of the United States Code is amended by adding at the end
9 thereof the following:

10 "2319. Trafficking in motor vehicles
11 or their parts which have
12 altered or removed identification
13 numbers."

14 Sec. 306. Section 1961(1) of chapter 96 of title 18,
15 United States Code, is amended by:

16 (a) inserting immediately after the words
17 "section 1955 (relating to the prohibition of illegal gambling
18 business)," the words "sections 2312 and 2313 (relating to the
19 interstate transportation of stolen motor vehicles)," and

20 (b) inserting immediately after the words
21 "sections 2314 and 2315 (relating to the interstate transpor-
22 tation of stolen property)," the words "section 2319 (relating
23 to the trafficking in motor vehicles or their parts which have
24 altered or removed identification numbers),".

25 Sec. 307. Section 3002 of chapter 30 of title 39 of
26 the United States Code, is amended by:

27 (a) adding to the heading of section 3002
28 after the word "keys" the words "and manipulative devices";

29 (b) deleting the letter "(b)" following the word
30 "subsection" as found in subsection (a) and inserting in its
31 place the letter "(c)";

32

1 (c) redesignating subsections (b) and (c) to
2 read as subsections (c) and (d), respectively;

3 (d) inserting immediately after "subsection
4 (a)" as found in the redesignated subsection (c), the words
5 "and subsection (b)";

6 (e) inserting a new subsection (b) to read as
7 follows:

8 "(b) Except as provided in subsection (c) of
9 this section any manipulative type device
10 which is designed or adapted to operate,
11 circumvent, remove, or render inoperable
12 the ignition switch, ignition lock, door
13 lock or trunk lock of two or more motor
14 vehicles or any advertisement for the sale
15 of any such manipulative type device is
16 nonmailable ~~matter~~ and shall not be
17 carried or delivered by mail."; and

18 (f) adding a new subsection (e) to read as
19 follows:

20 "(e) Upon evidence satisfactory to the Postal
21 Service that any person is engaged in a
22 scheme or device for obtaining money or
23 property through the mail by advertising
24 or offering for sale any motor vehicle
25 master key or manipulative device made
26 nonmailable by this section, the Postal
27 Service may issue an order of the same
28 kind and with the same incidents as that
29 authorized by section 3005 of this title."

30 Sec. 308. The chapter analysis of chapter 30 of title
31 39 of the United States Code is amended by adding after the
32 word "keys" in the heading of section 3002 the words "and mani-
pulative devices".

1 Sec. 309. Section 1716A of chapter 83 of title 18 of
2 the United States Code is amended by adding after the word "keys"
3 in the heading of section 1716A the words "and manipulative
4 devices".

5 Sec. 310. The chapter analysis of chapter 83 of title
6 18 of the United States Code is amended by adding after the
7 word "keys" in the heading of section 1716A the words "and mani-
8 pulative devices".

9 Title IV - Importation and Exportation Measures

10 Sec. 401. Chapter 27 of title 18 of the United
11 States Code is amended by adding after section 552 the follow-
12 ing new section:

13 "§553. Unlawful importation or exportation of
14 stolen motor vehicles, vessels, or air-
15 craft.

16 "(a) Whoever imports, exports, or attempts to
17 import or export (1) any motor vehicle, vessel, aircraft or part
18 of a motor vehicle; vessel or aircraft knowing the same to have
19 be stolen or (2) any motor vehicle or part of a motor vehicle
20 with the knowledge that its identification number has been
21 removed, obliterated, tampered with or altered shall be fined
22 not more than \$10,000 or imprisoned not more than five years or
23 both.

24 "(b) For purposes of this section, the term -

25 "(1) 'motor vehicle' includes any automobile,
26 truck, tractor, bus, motorcycle, motor home, self-propelled
27 agricultural machinery, self-propelled construction equipment,
28 self-propelled special use equipment, and any other self-pro-
29 pelled vehicle used or designed for running on land but not on
30 rail;

31 "(2) 'vessel' has the meaning given to it in
32 section 401 of the Tariff Act of 1930, as amended (19 U.S.C.
1401); and

1 "(3) 'aircraft' has the meaning given to it in
2 section 101(5) of the Federal Aviation Act of 1958, as amended
3 (49 U.S.C. 1301(5)).".

4 Sec. 402. The chapter analysis of chapter 27 of title
5 18 of the United States Code is amended by adding at the end
6 thereof the following:

7 "553. Unlawful importation or exportation of
8 stolen motor vehicles, vessels, or air-
9 craft.".

10 Sec. 403. The Tariff Act of 1930, as amended, is
11 amended by adding after section 624 (19 U.S.C. 1624) the follow-
12 ing new sections:

13 "Sec. 626. Unlawful Importation Or Exportation
14 Of Stolen Motor Vehicles, Vessels, Or
15 Aircraft -- Civil Penalty

16 "(a) Whoever imports, exports, or attempts to
17 import or export (1) any stolen motor vehicle, vessel, aircraft
18 or part of a motor vehicle, vessel, or aircraft or (2) any
19 motor vehicle or part of a motor vehicle on which the identifi-
20 cation number has been removed, obliterated, tampered with or
21 altered shall be subject to a civil penalty, in an amount deter-
22 mined by the Secretary, which shall not exceed \$5,000 for each
23 violation.

24 "(b) Any violation of this section shall make
25 such motor vehicle, vessel, aircraft or part thereof subject to
26 seizure and forfeiture under this Act."

27 "Sec. 627. Inspection Of Used Motor Vehicles
28 To Be Exported -- Definitions

29 "(a) A person who exports or attempts to export
30 a used motor vehicle must present, pursuant to regulations pre-
31 scribed by the Secretary, to the appropriate customs officer
32 both the vehicle and a document describing that vehicle which
includes the vehicle identification number, either before

1 lading if the vehicle is to be transported by vessel or aircraft
2 or prior to export if the vehicle is to be transported by rail,
3 highway, or under its own power. Failure to comply with the
4 regulations of the Secretary shall subject the exporter to a
5 penalty of not more than \$500 for each violation.

6 " (b) For purposes of section 626 and this sec-
7 tion, the term -

8 "(1) 'motor vehicle' includes any automobile,
9 truck, tractor, bus, motorcycle, motor home, self-propelled
10 agricultural machinery, self-propelled construction equipment,
11 self-propelled special use equipment, and any other self-pro-
12 pelled vehicle used or designed for running on land but not on
13 rail;

14 "(2) 'aircraft' has the meaning given to it in
15 section 101(5) of the Federal Aviation Act of 1958, amended
16 (49 U.S.C. 1301(5)); and

17 "(3) 'used' refers to any motor vehicle other
18 than a new motor vehicle being exported by the original manu-
19 facturer or by such manufacturer's authorized agent."

20 Sec. 404. The Tariff Act of 1930, as amended,
21 is amended by adding after sections 588 (19 U.S.C. 1588) a new
22 section 589 to read:

23 "Sec. 589. Additional Authority For

24 United States Customs Service

25 "A customs officer, as defined in section 401(i)
26 of this Act, as amended, may (1) carry firearms, execute and
27 serve search warrants and arrest warrants, and serve subpoenas
28 and summonses issued under the authority of the United States
29 and (2) make arrests without warrant for any offense against
30 the United States committed in his presence or for any felony
31 cognizable under the laws of the United States if he has
32 reasonable grounds to believe that the person to be arrested
has committed, or is committing, such a felony."

1 Sec. 405. Section 7607 of Subchapter A of chapter 78
2 of the Internal Revenue Code of 1954, as amended (26 U.S.C.
3 7607), is repealed.

4 Sec. 406. (a) Prosecutions for any violation of law
5 occurring prior to the effective date of section 405 shall not
6 be affected by the repeal made by such section or abated by
7 reason thereof.

8 (b) Civil seizures or forfeitures and injunc-
9 tive proceedings commenced prior to the effective date of sec-
10 tion 405 shall not be affected by the repeal made by such sec-
11 tion or abated by reason thereof.

12 Sec. 407. The table of sections for Subchapter A of
13 chapter 78 of the Internal Revenue Code of 1954, as amended,
14 is amended by striking out the words "Sec. 7607. Additional
15 authority for Bureau of Customs." and inserting in lieu thereof
16 the words "Sec. 7607. Repealed."

17
18 Title V - Reporting Requirements

19 Sec. 501. (a) Within eighteen months after the date of
20 the enactment of this Act the Attorney General, after consulta-
21 tion with the Secretaries of Agriculture, Commerce, Transpor-
22 tation and the Treasury, shall submit to the Congress a report
23 on the developments in the area of vehicle identification of
24 off-road motor vehicles. Included in the report shall be:

- 25 1. the progress being made by the various manufacturers
26 of off-road motor vehicles to develop identification
27 numbering systems effective in identifying such
28 vehicles;
- 29 2. the effectiveness of the location and manner by
30 which such identification numbers are affixed to
31 the off-road motor vehicle by the manufacturer
32 including the affixing of such number in a confi-
 dential location;

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3. the degree to which the various manufacturers are reporting the characteristics of their numbering identification systems for off-road motor vehicles to the National Crime Information Center (NCIC) so that appropriate edit controls over entries and inquires can be established by NCIC;
4. the establishment within the off-road motor vehicle industry of an industry wide unique identification numbering system;
5. the degree to which manufacturers of off-road motor vehicles have affixed unique identification numbers to the major components of the vehicle;
6. the degree to which manufacturers of off-road motor vehicles have established record systems which permit a cross-referencing between the identification numbers of the vehicle and those of the major components;
7. changes to the format and procedures of the National Crime Information Center to better deal with the theft of off-road motor vehicles and their major components;
8. the degree of cooperation of the various manufacturers of such off-road motor vehicles with the nation's law enforcement community to reduce the theft problem in this area;
9. the efforts being made by the owners of existing off-road motor vehicles to affix to such vehicles and the major components thereof an owner applied number (OAN);
10. the passage of any state laws relating to the titling or deeding of off-road motor vehicles;

11. the passage of any state laws which make it a state crime to remove, obliterate, tamper with or alter the identification number affixed by the manufacturers to any off-road motor vehicle or major component of such vehicle;
12. the passage of any state laws permitting the seizure by law enforcement for investigative purposes and possible forfeiture of any off-road motor vehicle or major component thereof which has had its manufacturer's affixed identification number removed, obliterated, tampered with or altered.

(b) For purposes of this section, the term "off-road motor vehicle" means any self-propelled vehicle used or designed to run on land but not on rails which is used in the agricultural and construction industries. The term "major component" of an off-road motor vehicle also includes for purposes of this required report any attachment to such vehicle having an original retail value of \$1,000 or more.

Sec. 502. On or before the first June 30 which occurs at least fifteen months after the enactment of this legislation and on or before each June 30 thereafter for the following four successive years, the Attorney General, in consultation with the Secretary of Transportation, the Secretary of the Treasury and the Postmaster General, shall submit to the Congress a report on the implementation and development of Titles II, III, and IV of this Act and the effectiveness of said actions in helping to prevent and reduce motor vehicle related theft.

Appendix G

*Annotated Bibliography of the
Conference Packet*

LISTING OF MATERIAL GIVEN TO ALL PARTICIPANTS AT THE NATIONAL WORKSHOP ON AUTO THEFT PREVENTION

1. Automotive Dismantlers and Recyclers of America, *Recommendations on Auto Theft* (1978).
2. Blackstone Institute, *Surveys of Dyer Act Referrals: State and Local Prosecution of Interstate Auto Theft Cases*, by Steffan W. Graae, Richardson White, Jr., and Francis X. O'Leary, Jr. (August, 1978), Excerpts.
3. Charles W. Hannert, Jr., *Motor Vehicle Theft* (1978) (Mr. Hannert is Vice President—Claims, for Motors Insurance Corporation.)
4. International Association of Auto Theft Investigators, *Newsletter* (January—February, 1978).
5. General Motors Corporation, Environmental Activities Staff, *Summary of the Automotive Theft Survey* (March 1, 1978).
6. Maryland Motor Vehicle Administration, *Model Salvage Vehicle Procedure*, by Charles F. Pfaff and Clarence W. Woody (1978).
7. James S. McKinnon, "Cooperation—Key to Florida Auto Theft Intelligence Unit's Success," reprinted from the *FBI Law Enforcement Bulletin* for August, 1978.
8. National Automobile Theft Bureau, *1977 Annual Report*.
9. National Automobile Theft Bureau, *Your Car Could Be Stolen This Year* (Brochure, 1977).
10. New York State, Senate, Committee on Transportation, *Auto Thefts: A Low Risk High Profit Crisis in New York State* (January 16, 1978).
11. United States, Department of Justice, Criminal Division, *Motor Vehicle Theft Prevention Act of 1978*.

This bill was introduced in the Senate by Senators Percy, Biden and Thurmond (S. 3531) and in the House by Congressman Green (H.R. 14252). The handout included the bill, an outline of the proposed act and a section by section analysis of the act.

12. United States, Department of Justice, Criminal Division, *Handbook for Federal—State Law Enforcement Committees*.
13. United States, Department of Justice, Criminal Division, *Memorandum on Determining Costs of Motor Vehicle Related Theft* (March, 1978).
14. United States, Department of Justice, Criminal Division, *Relevant National Statistical Data Relating to the Auto Theft Problem as Extracted from the Uniform Crime Reports for 1960—1976* (January, 1978).
15. United States, Department of Transportation, National Highway Traffic Safety Administration, *Guidelines Manual: Vehicle Theft Countermeasures in the Issuance of Certificates of Vehicle Title, Final Report* (August, 1977).

This report was prepared for the Department of Transportation by Arthur Young and Company and is generally referred to as the Arthur Young study.

16. United States, Department of Transportation, National Highway Traffic Safety Administration, (proposed) *Highway Safety Program Standard No. 19: Motor Vehicle Theft and Titling; Standard Identification Numbers*. These standards were reprinted from the *Federal Register*.

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