

# **AUTO THEFT FORUM 2001.....ISSUES**

## **1. AUTO THEFT AWARENESS**

- Judges and Law Enforcement officials still assign a low priority to property crimes. Most hold the opinion that auto theft is an insurance company problem. We need to enhance their understanding of how auto thefts affect the entire community. An updated Prosecutor's Auto Theft Manual will be provided to the judges.

## **2. EVOLUTION OF AUTO THEFT**

- Chop shop arrests have become rare. Thieves have learned that the chop shop law requires at least two vehicles to be on the site where stripping occurs before that offense can be charged. In addition, the Legislature has enacted tough forfeiture rules for those convicted of operating a chop shop. As a logical response, thieves are only doing one vehicle at a time in one location.
- A growing percentage of theft investigations involve insurance fraud or credit fraud. Vehicle manufacturers have made it more difficult to steal vehicles, and many thieves have traded their tools for ink pens and are using false identities to buy or lease new vehicles. Vehicle manufacturers are offering low lease payments with low mileage limits that frequently creates a penalty payment for leasee's at the end of the lease period. These types of leases have encouraged some to file a false theft claim on their vehicles to avoid the penalty.
- Dealers are experiencing many instances where a person test drives a new vehicle and never returns it, or keys are stolen from the dealership and vehicles are taken at night.
- Rental companies are trying to recover vehicles that people obtained with false identification and credit cards.
- "Paper" cars and false police reports waste law enforcement officer time.
- Loan companies make questionable loans to vehicle purchasers with the knowledge that insurance companies will pay off the loan if the vehicle disappears.

## **3. TRAINING**

- We need to increase the quantity and quality of training provided to road patrol officers and ATPA funded units. The Michigan Association of Vehicle Theft Investigators (MAVTI) has been doing an excellent job of providing low cost training opportunities. The ATPA innovative training grant has built a good network of auto theft experts around the state, and that program should be expanded to SE Michigan to provide an additional resource to ATPA funded units. This would give unit officers a quality "train-the-trainer" system.

## **4. LEGISLATION**

- Having dollar value thresholds for various auto theft crimes make the theft of low value vehicles a misdemeanor. "Decriminalizes auto theft" was one comment. Currently, there is an amendment being considered by the Legislature to make any receiving and concealing of a stolen vehicle a felony. On the other hand, doubling the normal sentence for vehicles worth over \$20,000 is a good thing.

- The false police report statute should be amended so that a person's admission that they lied when they reported their vehicle stolen can be accepted as evidence of guilt, which is not the case in all jurisdictions.
- Insurers should be required to physically inspect and photograph a vehicle prior to issuing a policy.
- Vehicle titles are issued too easily and quickly. The process should be more like a real estate transaction where all the principal interests are in one place certifying the paperwork. We need to educate the public on why a short delay is in their long-term best interest.
- A national titling law should be implemented to stop the "washing" of titles between states. By having a national database, we could quickly stop the "cloning" of vehicles.
- A police agency should be able to tow abandoned vehicles to the shredders and send the title to the Secretary of State's dead title file. These vehicles simply feed the retaggers and other insurance fraud scenarios.
- We should make false statements in the application for a driver's license a felony. That is where most identity fraud cases start. Anyone guilty of that felony should be ineligible to purchase a vehicle license plate for at least five years.
- We need to amend ATPA legislation to increase the funds available to support units that combat auto theft. All motor vehicles should pay a non-refundable statutory assessment.
- The fee for salvage vehicle inspection should be increased to \$250 so that process is credible and can be conducted according to Secretary of State guidelines.
- An Anti-Insurance Fraud Bureau should be considered, possible in the Attorney General's office.

## **5. INSURERS**

- We need more enforcement of existing laws regarding seriously damaged vehicles being sold at salvage pools without any "brand" on the title. Too many vehicles are being sold with a clean title that only makes it easier for retaggers, unscrupulous dealers, and those who insure "paper" vehicles.
- Insurers enjoy the cooperation of law enforcement, and any request by an insurer for the Chapter 45 form to be completed by law enforcement prior to the release of information should not be construed as a reluctance to share information. The insurers simply need to comply with privacy laws and avoid possible civil suits.
- Many times just after the insurer settles a theft claim with a policyholder the vehicle is recovered without any damage: an obvious fraud flag. Insurers need increased law enforcement assistance on those types of cases.
- Law enforcement and insurers need more networking opportunities. Officers will have better results if they contact the insurers special investigation units instead of an adjuster. Many web sites were mentioned as resources for information.
- Insurers could provide volunteer staff to assist law enforcement on a weekend inspection of all abandoned vehicles in major cities.

**NOTE:** The forum was sponsored jointly by the Michigan Automobile Theft Prevention Authority (ATPA) and the Help Eliminate Auto Thefts (HEAT®) Program. It took place on September 12, 2001, at the MSU Kellogg Conference Center in East Lansing, Michigan.