
EVALUATION OF THE
DEPARTMENT OF STATE POLICE'S
VEHICLE THEFT PREVENTION COUNCIL
JULY 2021



OFFICE OF PROGRAM EVALUATION AND GOVERNMENT ACCOUNTABILITY
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

Evaluation of the Department of State Police's Vehicle Theft Prevention Council

**Department of Legislative Services
Office of Program Evaluation and Government Accountability
Annapolis, Maryland**

July 2021

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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF PROGRAM EVALUATION AND
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MARYLAND GENERAL ASSEMBLY

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July 22, 2021

Senator Clarence K. Lam, M.D., Senate Chair, Joint Audit and Evaluation Committee
Delegate Carol L. Krimm, House Chair, Joint Audit and Evaluation Committee
Members of the Joint Audit and Evaluation Committee

Ladies and Gentlemen:

The Office of Program Evaluation and Government Accountability has conducted a performance evaluation of the Vehicle Theft Prevention Council (VTPC). This evaluation was performed consistent with § 2-1234 of the State Government Article.

The report includes five recommendations. Proposed legislation is included as Appendix B. The response to this report from the Department of State Police (DSP) is included as Appendix A.

We wish to express our appreciation for the cooperation extended to us by VTPC and DSP during this evaluation, which was conducted remotely during the COVID-19 State of Emergency.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Powell", is written over a light blue horizontal line.

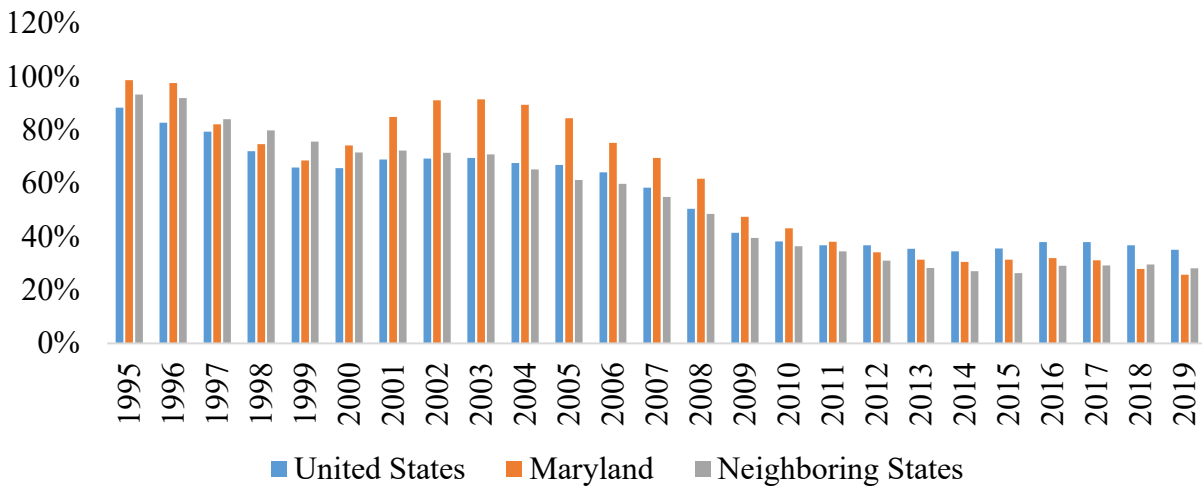
Michael Powell
Director

MP/mpd

Evaluation of the Department of State Police's Vehicle Theft Prevention Council Executive Summary

Since the inception of the Vehicle Theft Prevention Council (VTPC) the vehicle theft rate in Maryland has been reduced by almost 75%.

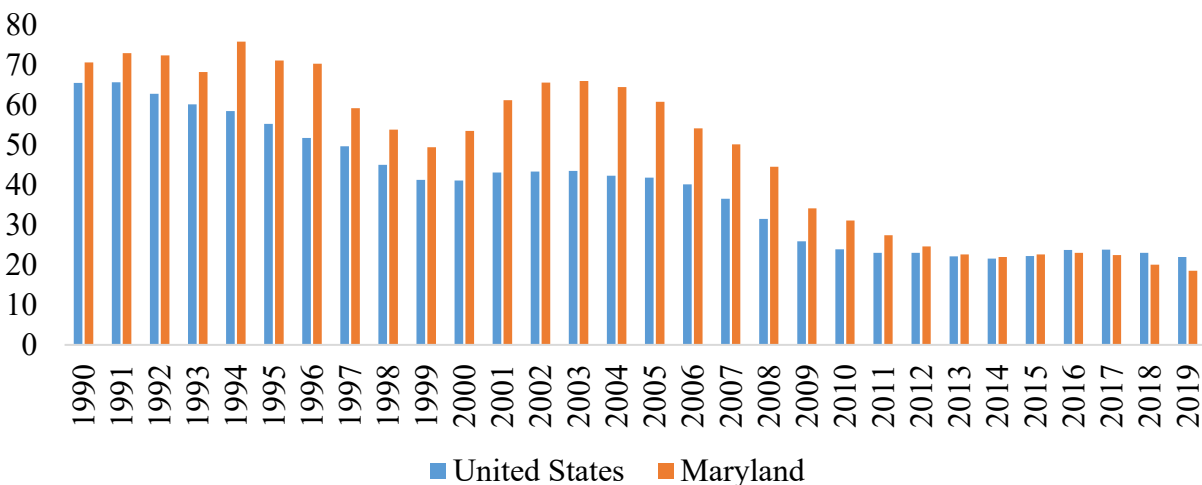
Vehicle Theft Rate Since VTPC Compared to Baseline



VTPC: Vehicle Theft Prevention Council

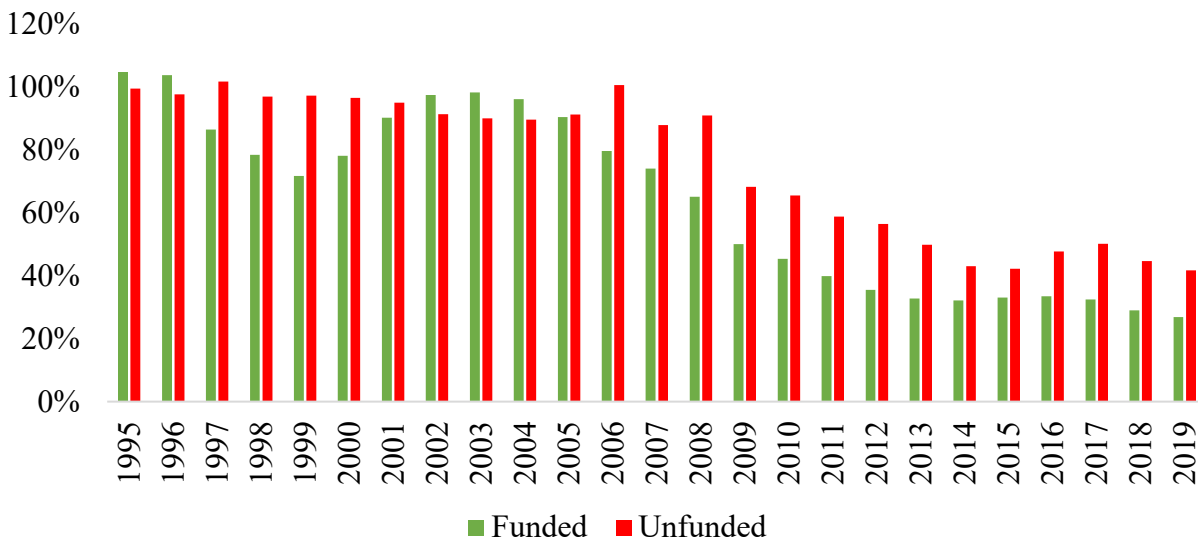
The vehicle theft rate in Maryland is lower than the national rate, after many years of being higher.

Vehicle Theft Rate: United States and Maryland (Per 10,000 Persons)



Maryland jurisdictions receiving the bulk of direct VTPC funding have experienced a greater decrease in the vehicle theft rate than jurisdictions who did not receive direct funding.

Vehicle Theft Rate Change from Baseline: Funded v. Unfunded



Summary of OPEGA Recommendations

1. The Maryland General Assembly should continue to fund VTPC as funding remains available.
2. VTPC should consider weighting a county's vehicle theft rate more heavily when apportioning grant money.
3. The Internal Audit Section of the Department of State Police should examine VTPC and any select grantees during its regular periodic review.
4. VTPC should document the recusal of board members from voting on grant awards that would benefit their organizations.
5. VTPC should notify the Senate Budget and Taxation Committee and the House Appropriations Committee if growth in administrative costs is expected to reduce the amount of grant funding available.

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Introduction

Scope and Purpose

Pursuant to § 2-1234(a)(3)(ii) of the State Government Article, the Executive Director of the Department of Legislative Services requested that the Office of Program Evaluation and Government Accountability (OPEGA) conduct a performance evaluation of the Department of State Police's Vehicle Theft Prevention Council (VTPC).

Methodology

The primary research question for this evaluation was to determine how much of the reduction in vehicle theft since the inception of VTPC in 1995 can be attributed to VTPC. In order to answer this question, the following data collection methods were used:

- document review;
- interviews; and
- analysis of national data on vehicle thefts.

Some of the documents related to vehicle theft that were reviewed included:

- State of Maryland statutes and regulations;
- grant applications, grant review documentation, grant award decisions, and change orders;
- publications including VTPC annual reports;
- budget and financial reports; and
- accounts of vehicle theft prevention programs in other states.

Interviews (structured and unstructured) were conducted with:

- the Executive Director of VTPC and other Department of State Police personnel; and
- members of organizations that have received grants.

Data analysis was conducted using data on vehicle theft from the Federal Bureau of Investigation's Uniform Crime Reports. This data included annual vehicle thefts for the United States, all states and the District of Columbia, and each Maryland jurisdiction.

Background

Overview of the Vehicle Theft Prevention Council

History

After nearly a decade of increasing vehicle thefts in Maryland, in 1992, Governor William Donald Schaefer signed an executive order that established a commission to examine vehicle thefts and related crimes. In 1994, in response to the commission's recommendations, the Maryland General Assembly established VTPC and the Vehicle Theft Prevention Fund.

Objectives

The stated purpose of the council is to help prevent and deter theft of private passenger and commercial motor vehicles and related crime, including vandalism and theft of property from vehicles, in the State. The council supports programs intended to reduce motor vehicle theft, improve the administration of motor vehicle theft laws, improve or create programs to eliminate vehicle theft by juveniles, enhance vehicle theft prosecutorial efforts, inform motor vehicle owners of the financial and social costs of vehicle theft, and teach methods of motor vehicle theft prevention. The council embraces a statewide strategy directed at prevention and education, detection and apprehension, prosecution and conviction, and juvenile intervention through a grant award process. Specifically, the council:

- assesses the scope of motor vehicle theft in Maryland and identifies areas of the State where the incidence of vehicle theft is greatest;
- reviews and evaluates the adequacy of existing theft data collection efforts and determines what additional research and analysis might be worthwhile;
- provides a forum for identification of problems associated with vehicle theft;
- analyzes State and local programs and proposed plans and methods for preventing vehicle theft;
- develops statewide strategies and sponsors programs to prevent vehicle theft;
- reviews existing motor vehicle laws, regulations, and procedures and identifies policies or practices that inadvertently facilitate the legitimate registration or transportation of stolen vehicles;

- supports programs designed to prevent vehicle theft by providing financial assistance to State and local law enforcement agencies; local prosecutors' offices; and neighborhood, community, or business organizations;
- provides financial support for programs targeting juveniles, including education and prevention, adjudication and sentencing, and remediation and treatment programs;
- conducts educational programs to inform vehicle owners of methods preventing theft and protecting their personal safety while operating a motor vehicle;
- establishes priorities for allocation and disbursement of funds made available to the council; and
- develops grant criteria and applications and awards and monitors grants.

The council is required to make grant awards from the Vehicle Theft Prevention Fund for motor vehicle theft intervention programs; solicit and accept funds for deposit into the fund; establish or assist in the establishment of programs designed to reduce the incidence of vehicle theft and related crime; identify priorities for theft prevention strategies in the State and criteria for the council's evaluation of grant recipients; and study and propose laws that will further prevent and deter vehicle thefts and related crimes. The council is also required to develop and implement a plan of operation. The plan of operation outlines statutory requirements relating to the council, and the fund and provides additional detail regarding grant policies, grant procedures, and grant conditions.

The council's website (www.mdautotheft.org) is directed at providing vehicle theft prevention data and an interactive link to the public and numerous other vehicle theft prevention organizations nationwide.

Structure

The council consists of 13 members appointed by the Governor. The council includes representatives of law enforcement, prosecutors' offices, automobile insurers, State government, and the general public. Members serve three-year terms. The council is supported by an executive director from the Department of State Police. The assistant Attorney General assigned to the Department of State Police serves as the legal advisor to the council.

Funding

The council is funded with a dedicated special fund that receives penalties collected for lapsed or terminated insurance coverage. Specifically, statute requires that, for each fiscal year, \$2.0 million in such penalties be allocated to the Vehicle Theft Prevention Fund. The council uses the fund to provide grants to a variety of organizations, including State and local law enforcement agencies, local governments, prosecutors, juvenile services, and community and business

organizations to establish viable, cooperative motor vehicle theft prevention, deterrence, and education programs.

Grant Application Process and Criteria Considered in Awarding Grants

When making grants from the fund, the council is required to consider and prioritize the following entities and programs: (1) State and local law enforcement agencies (to enhance vehicle theft enforcement and prevention teams or efforts and for programs designed to reduce the incidence of vehicle theft); (2) local prosecutors and judicial agencies (for enhanced prosecution and adjudication of vehicle theft crime); (3) neighborhood, community, or business organizations (for programs designed to reduce the incidence of vehicle theft); (4) educational programs designed to inform motor vehicle owners of methods to prevent motor vehicle theft and to provide equipment, for experimental purposes, to enable motor vehicle owners to prevent motor vehicle theft; (5) programs designed to reduce the incidence of vehicle theft and recidivism by juveniles; and (6) programs designed to reduce or deter damage or vandalism to vehicles in connection with vehicle theft or theft of property from vehicles. To the extent possible, the council must allocate grants among the subdivisions of the State on a pro rata basis determined by the total number of vehicles registered in each subdivision divided by the total number of vehicles registered in the State.

According to the council's plan of operation, in addition to the factors above, when reviewing grant applications, the council will consider the magnitude of the vehicle theft problem in the area proposed to be served. Applicants are encouraged to develop budgets that avoid the use of grant funds for routine administration and operations, rent, or equipment, and to include in-kind contributions or other applicant-generated resources. The council may actively solicit applications for, or initiate, new programs.

The council reviews grant applications in compliance with the applicable documents, forms, and guidelines adopted by the council. Council staff reviews grant applications for compliance. Applications meeting all applicable guidelines are reviewed by the executive director and by a subcommittee that, in turn, makes recommendations to the full council. The council may recommend award of a grant, award of a grant with modification, or rejection of a grant application. All grant award decisions made by the council are final.

Use of Grant Funds, Grant Extensions, and Grant Modifications

Grant funding may be used only to enhance and complement existing resources. Grant applicants must agree not to reduce their existing level of expenditures or the number of individuals assigned to vehicle theft prevention below the level prior to the grant application. Grants are awarded on a fiscal year basis, and grants are paid on a quarterly reimbursement basis.

Requests for extensions must be submitted for the continuation of a project beyond the initial grant period. The executive director has the authority to grant or disapprove grant extensions and may, upon receipt of appropriate justification, approve up to 25% advance funding under specified conditions. Approved grant projects may not be modified without prior written approval.

from the executive director. In addition, budgets may not be modified without prior written approval, except for transfers of funds that are less than 5% of a grant budget category.

Reporting Requirements, Audits/Program Reviews, and Other Requirements

Grantees are required to submit monthly and/or quarterly performance activity (progress) reports and expenditure reports within 30 days after the end of each grant period, as requested by the council. A final financial report is due 30 days after the end of the fiscal year. According to the council's plan of operation, the council staff will conduct periodic audits of financial and progress reports to (1) ensure that grants have been expended in accordance with statutory requirements, council policies, and grant contract provisions and (2) determine if the project is making adequate progress on its stated goals and objectives.

An audit may be conducted on any grant, regardless of grant amount, during the grant period or at the conclusion of the grant period. The council will conduct periodic audits of grants to ensure that grant money has been spent in accordance with the policies of the council and the plan of operation. The council will also conduct periodic program reviews of a funded project to determine adherence to stated project goals and to review progress in meeting objectives.

The council's plan of operation also specifies other grant requirements and conditions as well as provisions authorizing the council to terminate grants for cause.

What Are Other States Doing to Address Vehicle Theft?

Pennsylvania

The Pennsylvania Auto Theft Prevention Authority (ATPA) is a statewide network of law enforcement grantees (police officers, state troopers, detectives, prosecutors, and paralegals) that target the individual car thief as well as complex, sophisticated international theft rings that smuggle high-end vehicles and cargo overseas. Created by state law in 1994, the authority consists of a statewide board of directors, an executive director, and a grants analyst. ATPA is funded through an annual assessment of 356 insurance companies that insure Pennsylvania drivers. In fiscal 2018-2019, the authority collected approximately \$7.0 million in assessments and provided \$6.3 million in grant funds to investigative and prosecutorial units throughout the state. Additionally, ATPA spent \$361,884 on personnel and operating expenses. ATPA currently employs two staff members.

According to its most recent annual report, ATPA has contributed to approximately a 78% decrease in the rate of auto theft since 1994 and \$32 million in vehicle and vehicle parts recovered in 2019. In fiscal 2018-2019, the authority spent \$391,009 on public awareness, including an anti-puffer campaign, a gasoline giveaway, and vehicle identification number (VIN) etching programs.

Virginia

The Help Eliminate Auto Theft (HEAT) program was established in 1992 as a cooperative effort between the Virginia State Police, the Virginia Department of Motor Vehicles, and local law enforcement agencies. The program's goals are to educate citizens and train local law enforcement officers about the theft of vehicles and vehicle parts. HEAT is special funded by the Virginia State Corporation Commission. The Virginia State Police advises that the program spent approximately \$1.1 million for personnel and administrative costs and \$768,000 for non-administrative costs in fiscal 2020. HEAT employs nine program-specific staff members.

Since HEAT's inception in 1992, the overall value of vehicles stolen in Virginia has decreased by 29%. The program provides an online submission form for citizens to report information concerning the theft of vehicles, vehicle parts, or "chop shop" operations. These tips are confidential and eligible for rewards up to \$25,000 if there is a resulting arrest. HEAT also offers an online educational quiz and free VIN etching events and has sponsored movie theater advertising campaigns to increase its social media following.

Delaware

The Delaware Criminal Justice Council supports the national Watch Your Car (WYC) program sponsored by the U.S. Department of Justice, Bureau of Justice Assistance. Participants in the program place a decal in the front or back windshield of their vehicle, and any vehicle operating on the road between the hours of 1 a.m. and 5 a.m. will be stopped by local police. The police will verify with the Department of Motor Vehicles that the driver of the vehicle is authorized to operate the vehicle, and if he/she is not, the police will contact the owner to determine if the vehicle has been stolen.

District of Columbia

In the District of Columbia (DC), approximately 18 cars are stolen each day. The DC Motor Vehicle Theft Prevention Commission is charged with the responsibility to improve and support motor vehicle theft law enforcement, prosecution, prevention, and community education programs to reduce the incidence of motor vehicle theft. The commission is funded through DC's general fund and has the authority to provide financial support to organizations that reduce motor vehicle theft and improve the administration of motor vehicle theft laws.

However, the Metropolitan Police Department assumes the majority of vehicle theft prevention responsibility, providing educational materials and investigative assistance to DC residents. Additionally, the Metropolitan Police Department works in conjunction with the DC Department of Motor Vehicles to verify that VIN numbers on registered vehicles do not match that of a stolen vehicle. DC also participates in the national WYC program.

Texas

The Motor Vehicle Crime Prevention Authority (MVCPA) within the Texas Department of Motor Vehicles was mandated by the state legislature in 1991. Today, MVCPA is a statewide cooperative network of law enforcement groups, prosecutors, insurance representatives, local tax assessor-collectors, and concerned citizens that combat vehicle theft and burglary through enforcement, prevention, public information, and education initiatives. MVCPA provides funds to grantees to help raise public awareness, implement education and prevention initiatives, and provide VIN etching events.

Each year, a small fee is collected for every motor vehicle insured in Texas. In fiscal 2019, approximately \$50 million was collected as a result of a \$2 fee; effective September 1, 2019, the fee increased to \$4 per vehicle. Approximately 20% of the fees collected are appropriated to MVCPA for the purpose of providing funds to grantees.

Colorado

The Colorado Auto Theft Prevention Authority (CATPA) within the Colorado Department of Public Safety was created in 2003 to solicit funds and award grants for the purpose of improving and supporting motor vehicle theft prevention programs and for the enforcement and prosecution of motor vehicle theft crimes. Since 2008, insurance companies insuring Colorado drivers have been required to fund CATPA with an annual assessment of \$1 per insured vehicle. With these funds, approximately \$5.7 million in grants are awarded each year. Additionally, no more than 8% of collected fees are to be used for CATPA administrative costs. CATPA employs four staff members and has a board of directors to review grant applications and award grant funds.

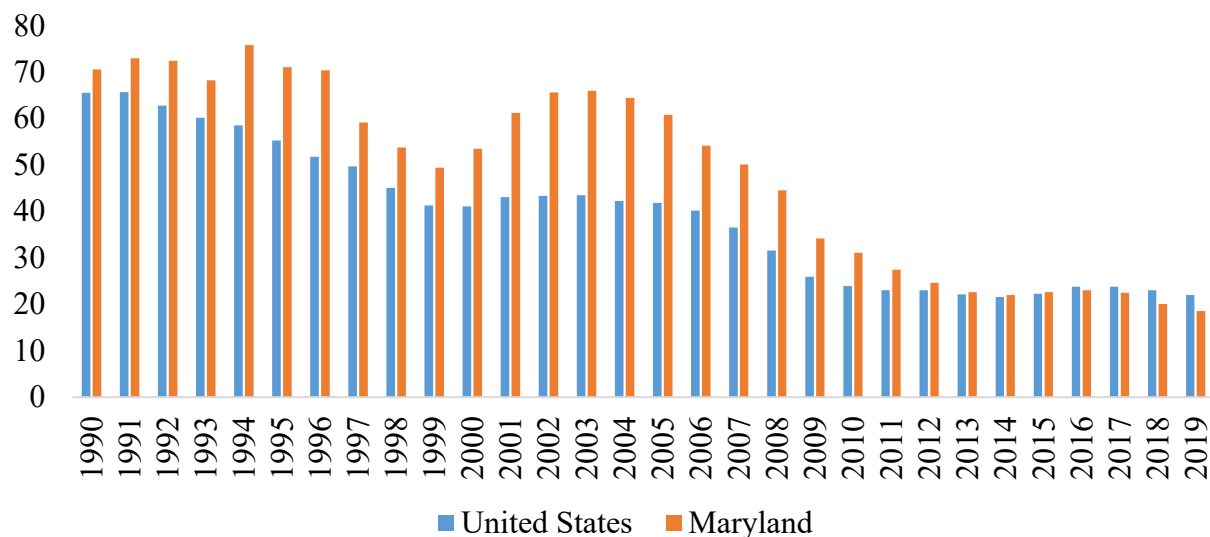
Grantees use funds to enforce and address CATPA's five specific initiatives: enforcement; prevention and public education; first-time offenders; training; and prosecution. Pursuant to the CATPA statute, grant applications must identify the geographical project area, the incidence of auto theft, the relevance and degree of impact of prevalent auto theft, and the significance of auto theft per capita and per vehicle registration rates. CATPA weighs these geography, crime, and population variables when awarding grants. According to CATPA, between 2010 and 2017, CATPA funds were responsible for the recovery of 92% of stolen vehicles and 956 major crime investigations involving criminal enterprises, multiple thefts, and other violent crimes.

Observations

Observation 1: Maryland's motor vehicle theft rate is lower than the rate in the United States as a whole, but higher than the rate in surrounding states.

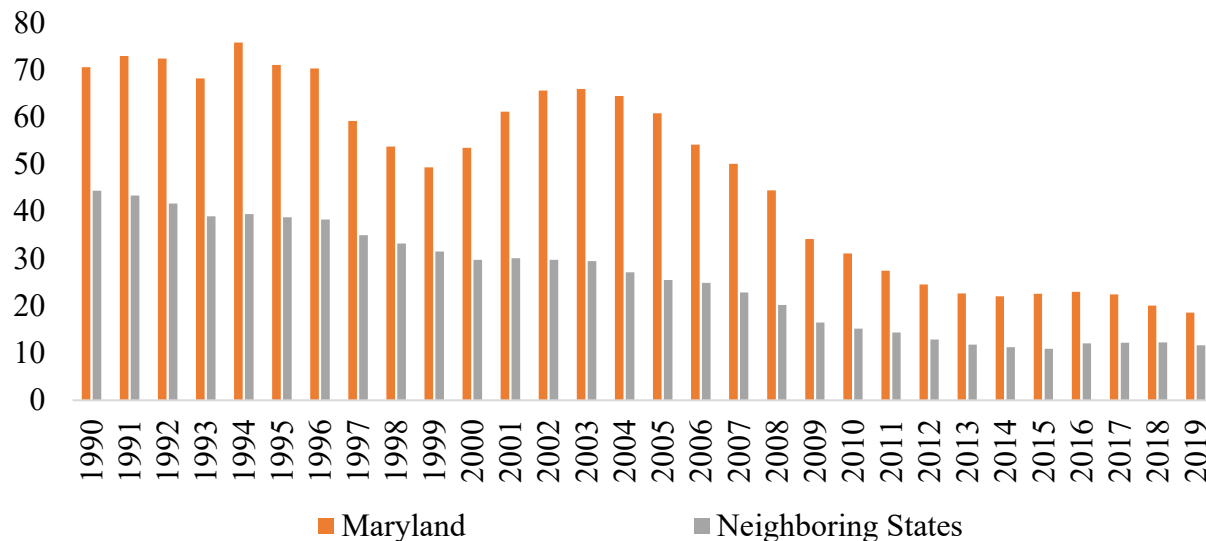
The motor vehicle theft rate is a measure of the number of vehicle thefts that occurs per 10,000 persons, per year. Going back to 1990, the motor vehicle theft rate in Maryland had been higher than the overall motor vehicle theft rate in the United States. However, since 2016, the motor vehicle theft rate in Maryland has been slightly lower than the national rate.

Exhibit 1
Vehicle Theft Rate: United States and Maryland
(Per 10,000 Persons)



Since 1990, the motor vehicle theft rate in Maryland has been higher than the motor vehicle theft rate in the combined neighboring states, comprising for this purpose the states of Delaware, Pennsylvania, Virginia, and West Virginia as well as the District of Columbia. Overall, however, Maryland has improved when compared to neighboring states, especially in recent years. For example, as recently as 2015, Maryland's rate was more than twice that (107%) of the neighboring states (22.6 per 10,000 versus 10.9 per 10,000). That gap has decreased in each subsequent year, dropping to 59% more than the rate in neighboring states in 2019 (18.6 per 10,000 versus 11.7 per 10,000).

Exhibit 2
Vehicle Theft Rate: Maryland and Neighboring States
(Per 10,000 Persons)

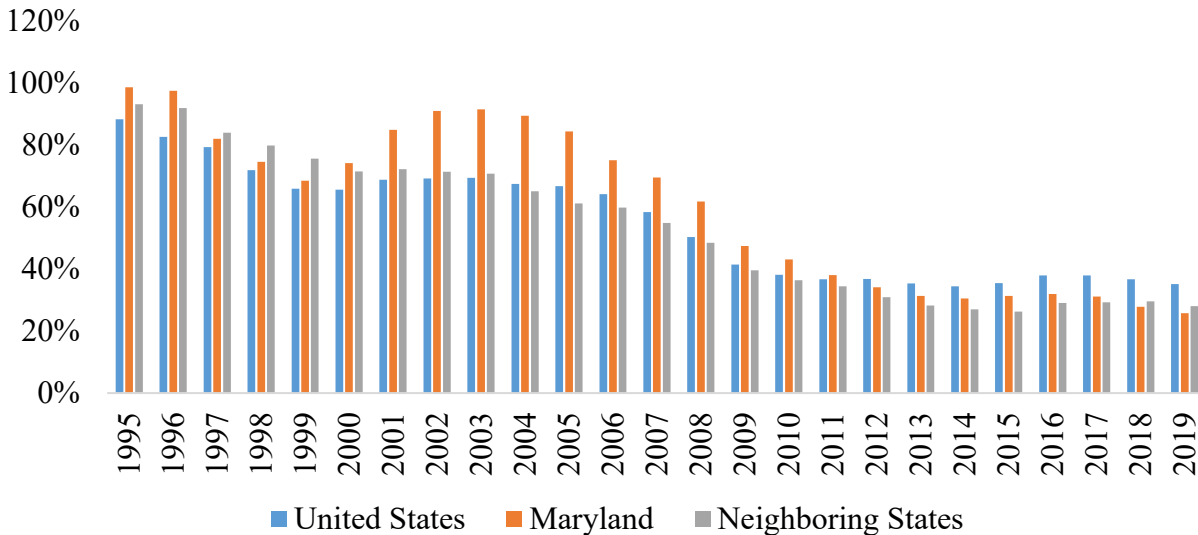


Observation 2: The motor vehicle theft rate in Maryland has decreased since the inception of VTPC, and the decrease has been greater than the decrease experienced nationally and by neighboring states.

Since the inception of VTPC in 1995, motor vehicle theft has decreased in Maryland. When compared to a baseline of theft rates between 1990 and 1994, the motor vehicle theft rate in Maryland is less than 30% of what it was. The United States and neighboring states have also experienced decreases in motor vehicle theft rates, but slightly less so than Maryland.

The rate of reduction in motor vehicle theft rates was calculated by comparing the motor vehicle theft rate since the inception of VTPC (1995) to a baseline value calculated using the average motor vehicle theft rates for 1990 through 1994, the years immediately preceding the establishment of VTPC.

Exhibit 3
Vehicle Theft Rate Since VTPC Compared to Baseline



VTPC: Vehicle Theft Prevention Council

Observation 3: Maryland counties that have received direct funding from VTPC have reduced vehicle theft more than counties that have not received direct funding.

In Maryland, the motor vehicle theft rate in counties that directly receive funding from VTPC has decreased more than the motor vehicle theft rate in counties that do not directly receive VTPC funding.¹ The overall motor vehicle theft rate in directly funded counties remains higher than in counties that do not receive direct funding. However, when compared to the baseline rate of the years prior to the establishment of VTPC (1990 through 1994), the motor vehicle theft rate in directly funded counties has decreased by 73% (from 82.0 per 10,000 to 22.0 per 10,000), while the rate in the counties that are not directly funded has decreased by 58% (from 15.6 per 10,000 to 6.5 per 10,000).

¹ Some jurisdictions receive direct grants from VTPC (directly funded counties), while others (nondirectly funded counties) may receive indirect funding through statewide or regional grants. In the entire history of VTPC, 99.98% of direct funding has gone to Anne Arundel, Baltimore, Charles, Harford, Howard, Montgomery, and Prince George's counties and Baltimore City. In this report, they are considered directly funded counties. The 16 other counties are considered nondirectly funded.

Exhibit 4
Vehicle Theft Rate: Funded and Unfunded
(Per 10,000 Persons)

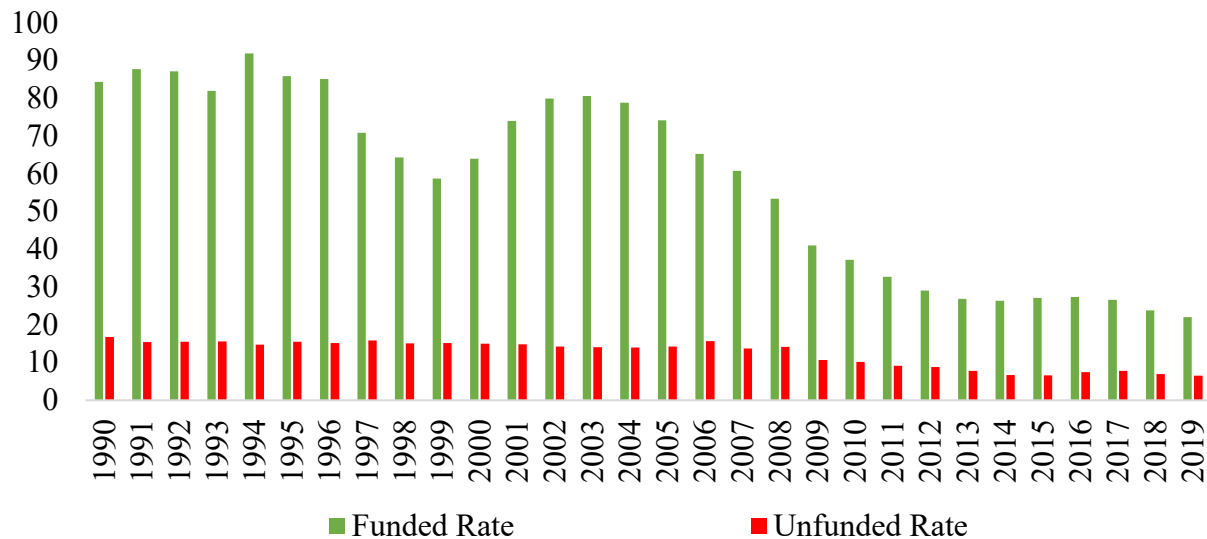
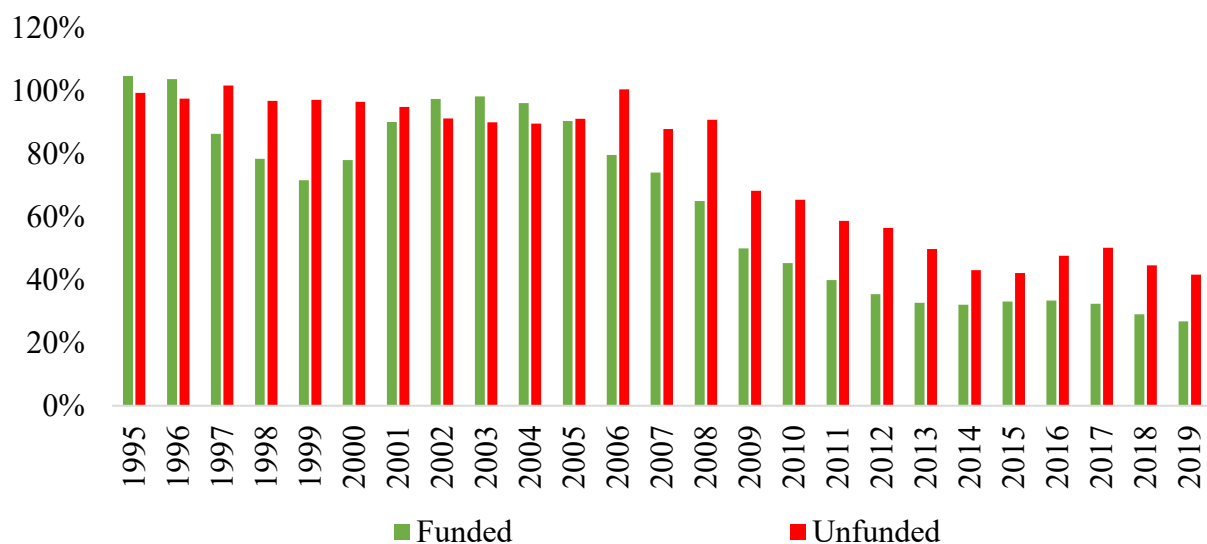


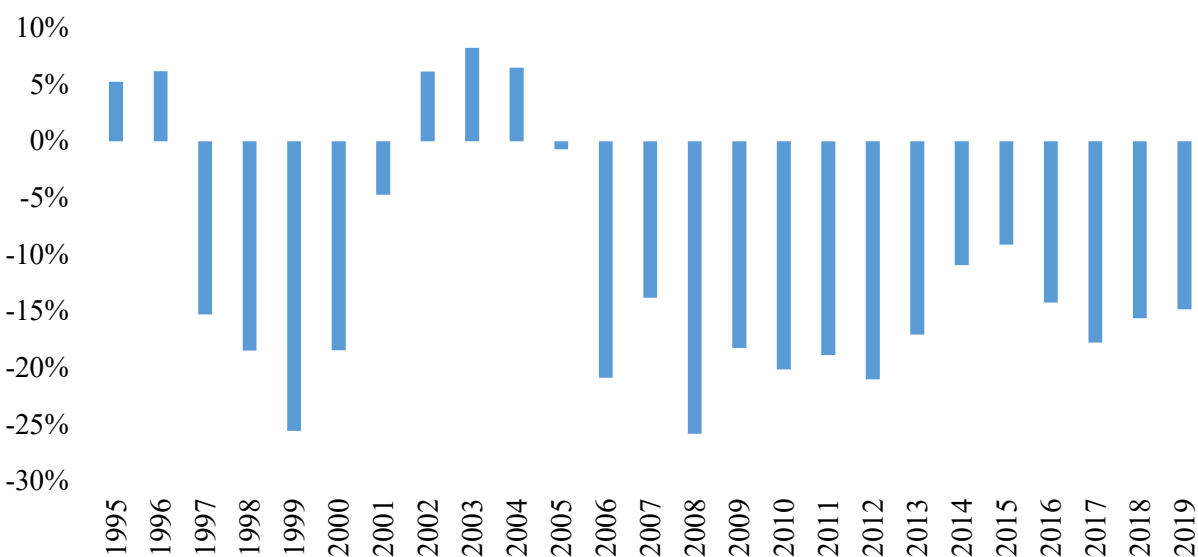
Exhibit 5
Vehicle Theft Rate Change from Baseline: Funded v. Unfunded



Observation 4: Based on the rates of motor vehicle thefts in funded and nondirectly funded counties in the State, if the rate in funded counties had decreased at the same rate as the rate in nondirectly funded counties, Maryland would have experienced approximately 6,000 more vehicle thefts in 2019.

Prior to 1995, the motor vehicle theft rates in funded and nondirectly funded counties were 82.0 and 15.6, respectively. Since 2006, the motor vehicle theft rate in the State has decreased in both directly funded and nondirectly funded counties. However, as illustrated below, since 2006, the difference in change to the rate of reduction between funded and nondirectly funded counties has consistently favored funded counties. In 2019, the motor vehicle theft rate in funded counties had decreased to approximately 27% of the pre-VTPC baseline rate, while the rate in nondirectly funded counties only decreased to approximately 42% of the baseline rate.

Exhibit 6
Difference in Vehicle Theft Rate Reduction: Funded and Unfunded

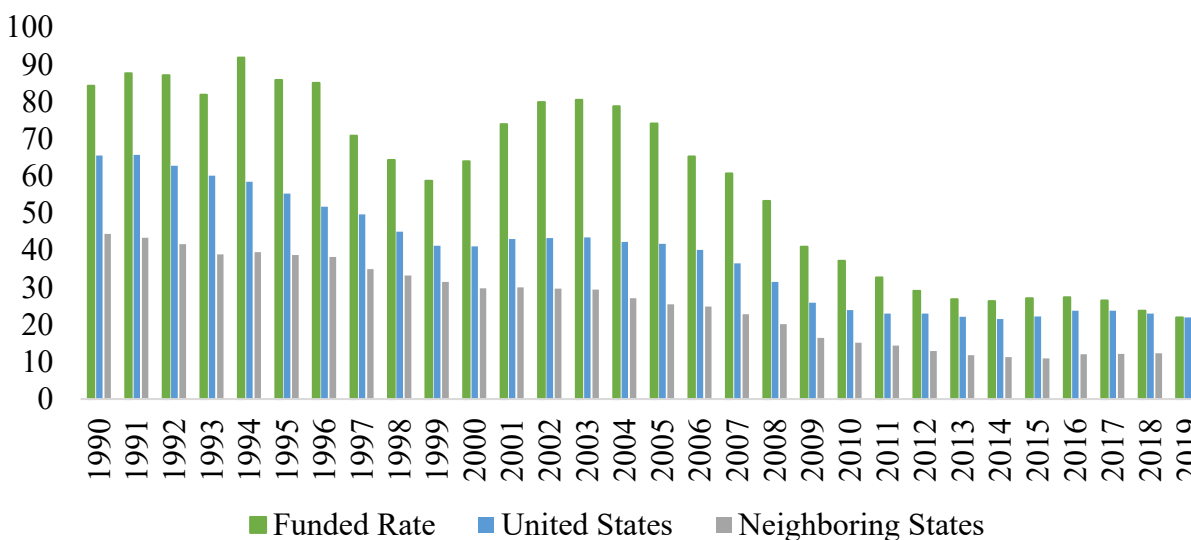


Based on the difference in the decrease in the motor vehicle theft rates as of 2019, if the motor vehicle theft rate in funded counties had decreased at a rate equivalent to the rate in nondirectly funded counties during the same period (by 58%), Maryland would have experienced approximately 6,000 more vehicle thefts in directly funded counties.

Observation 5: In recent years, the motor vehicle theft rate in Maryland directly funded counties has decreased to about the same as the national rate, although it is still higher than the rate in combined neighboring states. Since the inception of VTPC, the reduction in the motor vehicle theft rate in directly funded counties has exceeded the national and neighboring states' reductions.

From 1990 through 2018, the motor vehicle theft rate in Maryland directly funded counties was consistently higher than the rate in the United States and in combined neighboring states. In 1990, the motor vehicle theft rate in Maryland directly funded counties was 84.3, whereas the vehicle theft rate in the United States was 65.5, and the vehicle theft rate in combined neighboring states was 44.4. In 2019, the motor vehicle theft rate in directly funded counties had decreased to the same as the national rate (22.0); however, the motor vehicle theft rate in the combined neighboring states was still lower than the rate in Maryland directly funded counties (11.7).

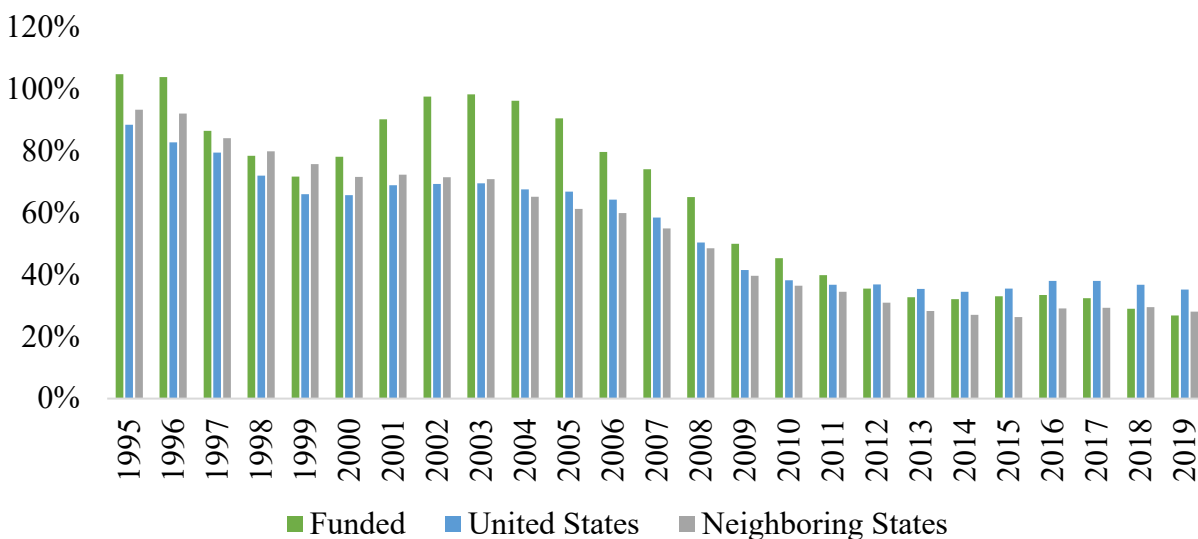
Exhibit 7
Vehicle Theft Rate: Funded, United States, and Neighboring States
 (Per 10,000 Persons)



The reduction in the motor vehicle theft rate in Maryland's directly funded counties is generally greater than that of the United States and in the combined neighboring states. From 2001 to 2008, the rate of reduction in Maryland directly funded counties was lower than that in the United States and in combined neighboring states. In 2002 and 2003, the motor vehicle theft rate in Maryland directly funded counties was 98% of the baseline rate, while in the United States and in combined neighboring states, the motor vehicle theft rate was about 70% of their respective baseline rates.

Starting in 2012, the rate of reduction in Maryland directly funded counties is more comparable to the rate of reduction in the United States and the combined neighboring states. In 2012, for the first time, the motor vehicle theft rate of reduction in Maryland directly funded counties was greater (35%) than that of the United States (37%). In 2018 and 2019, the rate of reduction was about the same in Maryland directly funded counties as it was in neighboring states (between 27% and 30%).

Exhibit 8
Vehicle Theft Rate Change since Baseline:
Funded, United States, and Neighbors



Observation 6: When grant funding was limited in fiscal 2002 through 2004, vehicle thefts were almost 20% higher than in previous and subsequent years.

In fiscal 1999 through 2001, VTPC granted approximately \$2.4 million per year to reduce vehicle theft. In those same calendar years, Maryland averaged approximately 29,000 vehicle thefts per year.

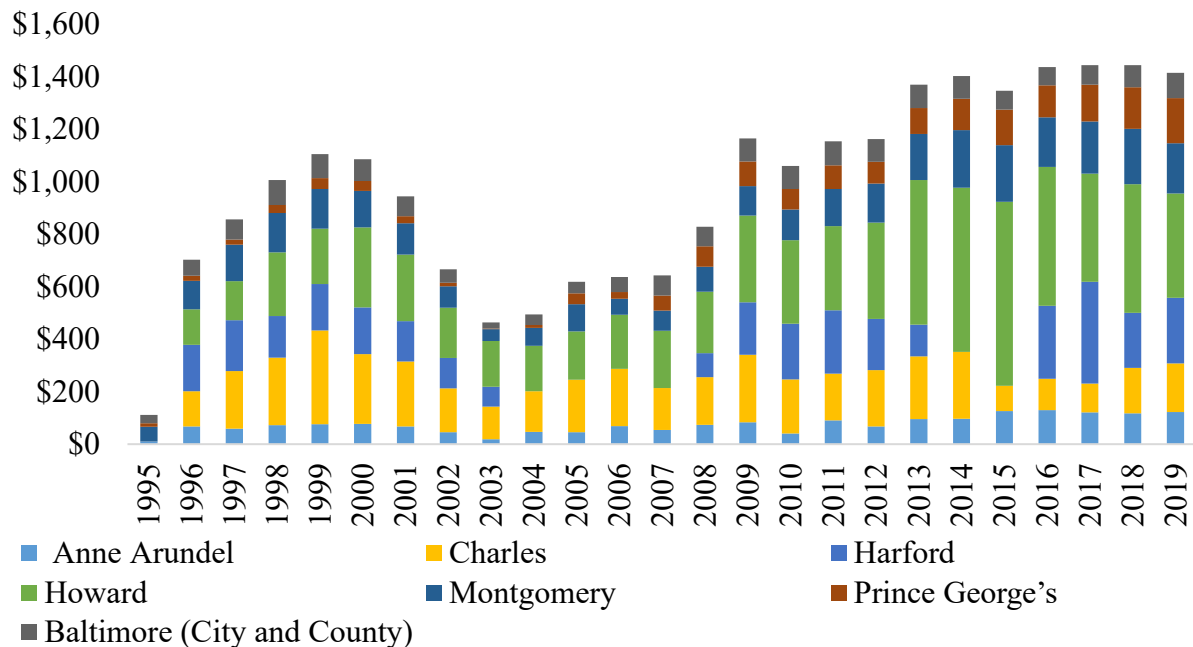
Funding availability was limited in the next three fiscal years (2002 through 2004), averaging approximately \$1.2 million per year. In those calendar years, Maryland vehicle thefts grew to almost 36,000 per year. Funding was increased in the subsequent three fiscal years (2005 through 2007) to average approximately \$1.9 million per year, and vehicle thefts dropped to approximately 31,000 per year.

<u>Years (Fiscal or Calendar)</u>	<u>Grant Funding (Average Annual)</u>	<u>Vehicle Thefts (Average Annual)</u>
1999-2001	\$2,409,211	29,081
2002-2004	1,171,222	35,904
2005-2007	1,900,186	30,946

Observation 7: The Baltimore region receives disproportionately less direct funding from VTPC than other directly funded jurisdictions when taking the amount of vehicle thefts that occur in the respective jurisdictions into account.

Baltimore County and Baltimore City have been recipients of funding from VTPC since 1995; the VTPC funds efforts to curb vehicle theft in the Baltimore region by funding the Baltimore Regional Auto Theft Team (RATT). Baltimore RATT is a multi-jurisdictional team composed of personnel from the Baltimore County Police Department, the Baltimore City Police Department, and the Department of State Police, with a mission to enhance prosecution and establish an investigative task force to curb vehicle theft. Despite success in the region, the Baltimore region has received disproportionately less direct funding from VTPC when taking the amount of vehicle thefts that occur in the region into account.'

**Exhibit 9
VTPC Grant Money Per Vehicle Theft**



VTPC: Vehicle Theft Prevention Council

Fiscal 2020 data on direct grants provided to the jurisdictions further illustrates the disproportionately low funding the Baltimore region receives. In fiscal 2020, Anne Arundel, Charles, Harford, Howard, and Prince George's counties each received a percentage of the total grant funding awarded that was roughly proportional to the amount of vehicle theft they each experience (relative to total vehicle thefts in Maryland). The Baltimore region, however, accounted for 53% of the motor vehicle thefts, but received only 32% of direct funding from VTPC in that year.

<u>Jurisdiction</u>	<u>Percent of Vehicle Theft</u>	<u>Percent of Funding</u>
Anne Arundel	5%	4%
Baltimore (City and County)	53%	32%
Charles	1%	1%
Harford	1%	1%
Howard	2%	7%
Montgomery	6%	9%
Prince George's	24%	24%

Observation 8: Grant money is sometimes used for reasons not directly related to vehicle theft.

The VTPC grant application states that monies awarded from the Vehicle Theft Prevention Fund may only be used to enhance and complement existing resources. Grant applications to VTPC must include detailed narratives explaining the magnitude of vehicle theft within the grant seeker's jurisdiction and an overall project strategy of how the awarded funding will be spent to respond to and reduce vehicle theft, in addition to listing evaluation criteria for determining if the project is producing positive results. Individuals hired as a result of VTPC grant funding may not replace existing staff or the number of individuals assigned below the level prior to the submission of the grant application.

State and local law enforcement agencies often purchase equipment for reducing and preventing vehicle theft with the grant funds received from VTPC. Grant applications reviewed by OPEGA included narratives on the requested equipment to be purchased and how the equipment was to be used. The narratives listed (but were not limited to) cameras, vehicle-mounted computers, license plate readers, GPS equipment, and other related equipment. Grant-seeking organizations also detailed how VTPC funding would permit the hiring of additional staff to supplement existing programs.

A county police department advised in written communication to OPEGA that it spent VTPC grant money to purchase, among other things, StopStick tire deflation devices. StopSticks (and similar devices) are portable devices deployed on roadways that deflate the tires of vehicles pursued by law enforcement. Although these devices can be used for stopping a stolen vehicle from fleeing, they can also be used for purposes not directly related to vehicle theft (such as stopping a vehicle that evades police following a traffic violation).

A nonprofit project that hosts community conferences between victims of crime and juvenile offenders stated in its fiscal 2020 grant application that the requested funding would support the salary of a facilitator. The facilitator would process at least 25 juveniles to community conferencing diversion (an alternative to court, where the participants meet and discuss the impact of their actions with the victims) as a result of auto theft. The nonprofit project advised in a quarterly report to VTPC that the program referred 122 incidents to community conferencing in fiscal 2020. They also noted that none of the referrals were directly related to vehicle theft.

Observation 9: There is evidence of program compliance with statutory requirements and VTPC's plan of operation.

As noted earlier, the stated purpose of VTPC is to help prevent and deter motor vehicle theft and related crime in the State. Among other things, the council is required to make grant awards from the Vehicle Theft Prevention Fund for motor vehicle theft intervention programs, identify priorities for theft prevention strategies and criteria for the evaluation of grant recipients, and develop and implement a plan of operation.

VTPC appears to meet its statutory requirements. The council publishes an annual report each year and makes it available to the public on its website. The plan of operation (also available on the website) lists, among other things, the responsibilities of the council, the statewide vehicle theft prevention strategy, and which programs are eligible for funding. The plan of operation also includes the policies and procedures for organizations receiving VTPC grant awards. Applications for VTPC funding must include information on the scope of the proposed project and budget information on how the awarded funding will be spent. Organizations that receive funding must submit to VTPC periodic reports on performance measures identified within the initial grant application. VTPC must also conduct audits of the funded programs to determine if there is adequate progress toward the goals identified in the grant applications. If a funded entity wishes to modify its project budget, the entity must first submit a grant modification request to VTPC for review and approval.

Grant applications reviewed by OPEGA meet the requirements established in the plan of operation. Every grant application reviewed during this evaluation included a detailed project narrative on how the proposed project would prevent or reduce vehicle theft, data on the prevalence of vehicle theft in the program's jurisdiction, evaluation criteria to determine if the project is successful, and budget information. In addition, council staff periodically perform informal audits of projects through requests for documentation or site inspections. Further, each request for a budget modification is documented and reviewed by VTPC staff.

Observation 10: There is no documentation that VTPC board members recused themselves from votes approving grants to their own organizations.

Statute requires that regular members of VTPC must represent, among other groups, State and local law enforcement and community groups focused on reducing or eliminating auto theft.

Two regular members representing State and local law enforcement groups and two regular members representing community groups are employees or members of groups that apply for and receive grant awards from VTPC. Based on a review of the minutes from VTPC's June 12, 2019 meeting, four organizations represented by VTPC regular members received continuing grant awards. The Executive Director of VTPC advises that regular members do not vote on grant awards that benefit their organizations, but there is no documentation stating their refusal.

Observation 11: VTPC overhead costs are within \$10,000 of exceeding the statutory limit based on the fund's \$2.0 million annual appropriation.

VTPC administrative expenses, including staff salaries and administrative expenses, may not exceed 7.0% of the total expenditures from the Vehicle Theft Prevention Fund in a fiscal year. For fiscal 2019, the council estimated that it spent \$130,830 in administrative expenses, which was 6.54% of the fund's \$2.0 million appropriation in that year. VTPC employs one contractual position. VTPC advises that the council previously employed two contractual employees but the second position has not been filled since 2015.

OPEGA notes that VTPC may wish to evaluate the ongoing feasibility of the fund's cap on administrative expenses as a percentage of its total appropriation. As statute limits administrative expenses to 7.0% of the total annual expenditures from the fund, it may be difficult for VTPC to cover its administrative costs in the future, as personnel and related operating costs increase over time. In addition, at its current level of administrative costs, if the fund's annual appropriation drops below \$1.86 million, VTPC would no longer be able to cover its costs.

Recommendations

Recommendation 1: The Maryland General Assembly should continue to fund VTPC as funding remains available.

The Maryland General Assembly should continue funding the program at its current annual appropriation of \$2 million, as available, consistent with statute. While the motor vehicle theft rate in Maryland, the United States, and combined neighboring states has been steadily declining since at least 1990, the rate has generally been higher in Maryland. Only in recent years has the rate in Maryland been comparable to the United States and combined neighboring states. In addition, since 1995, the motor vehicle theft rate in Maryland directly funded counties has generally been higher than that of the United States and combined neighboring states. Only in 2019 was the rate the same for Maryland directly funded counties and the United States (22.0); however, it was still higher than that of combined neighboring states (11.7). Accordingly, there is still a need to support vehicle theft prevention efforts in the State.

There is some evidence to suggest that the grant funding is effective in reducing vehicle thefts in Maryland. In general, counties that have received direct funding from VTPC have experienced a greater reduction in the motor vehicle theft rate than nondirectly funded counties. This pattern is especially true starting in 2005, when grant funding was fully restored after a few years of less than full funding. In addition, in the years that the program was not fully funded, the vehicle theft rate in Maryland was more than 23% higher than in the previous years. When funding was restored, the vehicle theft rate declined.

In general, the executive director of the council feels comfortable with the amount of funding the program receives annually, and VTPC is able to meet most of the demand for grant requests that it receives.

Recommendation 2: VTPC should consider weighting a county's vehicle theft rate more heavily when apportioning grant money.

To enhance vehicle theft enforcement and prevention, VTPC disburses grant funds based on a variety of criteria as well as a potential grantee's compliance with applicable documents, forms, and guidelines. Although the council does consider the magnitude of vehicle theft in a given jurisdiction when awarding grants, motor vehicle theft rates are not the deciding factor when the council determines how to issue grant awards. In fact, statute requires that, to the extent possible, the council must allocate grants among the subdivisions of the State on a pro rata basis determined by the total number of vehicles registered in each subdivision divided by the total number of vehicles registered in the State. However, to efficiently address vehicle theft in the State as a whole, VTPC should consider awarding grant funds to jurisdictions with the highest rates of vehicle theft. Proposed legislation is included as **Appendix B**.

Recommendation 3: The Internal Audit Section of the Department of State Police should examine VTPC and any select grantees during its regular periodic review.

OPEGA did not see any evidence indicating that VTPC operates outside the scope of its statutory requirements or the plan of operation adopted by the council. However, VTPC grants, at times, may be used for activities and equipment that fall outside the scope of curbing vehicle theft or that are only tangentially related to the council's primary purpose of curbing vehicle theft. To ensure that grant funds are properly expended, the Internal Audit Section within the Department of State Police should periodically review VTPC and its grantees.

Recommendation 4: VTPC should document the recusal of board members from voting on grant awards that would benefit their organizations.

At times VTPC board members have represented public or nonprofit organizations that apply for grant awards. At a minimum, VTPC should document that these board members recused themselves from voting on grant awards that would benefit organizations of which they are a part. VTPC should also exercise care in ensuring board members that represent grantee organizations do not exert undue influence on the grant award process.

Recommendation 5: VTPC should notify the Senate Budget and Taxation Committee and the House Appropriations Committee if growth in administrative costs is expected to reduce the amount of grant funding available.

VTPC administrative costs may not exceed 7.0% of the total expenditures from the Vehicle Theft Prevention Fund in a fiscal year. In fiscal 2019 those costs were over 6.5%. As VTPC's statutory allocation of \$2.0 million is not indexed to any measure of inflation, and administrative costs may rise due to inflation or other reasons, VTPC should notify the respective budget committees of the Maryland General Assembly if anticipated growth in administrative costs are expected to reduce the amount of grant funding available.

Conclusion

After nearly a decade of increasing vehicle thefts in Maryland, in 1992, Governor William Donald Schaefer signed an executive order that established a commission to examine vehicle thefts and related crimes. In 1994, in response to the commission's recommendations, the Maryland General Assembly established VTPC and the Vehicle Theft Prevention Fund. The primary research question for this evaluation was to determine how much of the reduction in vehicle theft since the inception of VTPC in 1995 can be attributed to VTPC.

Accurately identifying exactly how many vehicle thefts have been prevented by VTPC is difficult and perhaps impossible. However, this evaluation has found that, since the inception of VTPC:

- the vehicle theft rate in Maryland has been reduced by almost 75%;
- the vehicle theft rate in Maryland is lower than the national rate, after many years of being higher; and
- Maryland jurisdictions receiving the bulk of direct VTPC funding have experienced a greater decrease in the vehicle theft rate than jurisdictions who did not receive direct funding (and a greater decrease than the United States, and surrounding states).

Based on these observations, it is reasonable to believe that VTPC has contributed to the reduction in vehicle thefts and the return on investment is positive.

Appendix A – Response from the Department of State Police



LARRY HOGAN
GOVERNOR

BOYD K. RUTHERFORD
LT. GOVERNOR

STATE OF MARYLAND
MARYLAND STATE POLICE
1201 REISTERSTOWN ROAD
PIKESVILLE, MARYLAND 21208-3899
410-486-3101
TOLL FREE: 1-800-525-5555
TTY: 410-486-0677



COLONEL
WOODROW W. JONES III
SUPERINTENDENT

July 13, 2021

Mr. Michael Powell, Director
Office of Program Evaluation and
Government Accountability
Department of Legislative Services
90 State Circle
Annapolis, MD 21401

Dear Mr. Powell:

Please accept this correspondence as a response to the final Program Evaluation Report of the Vehicle Theft Prevention Council, which was conducted by the Office of Program Evaluation and Government Accountability. The Maryland Department of State Police (MDSP) appreciates the time and effort put forth by the Office of Program Evaluation and Government Accountability in conducting a thorough review of the Council's performance.

Please find enclosed a copy of our comments and concerns regarding the observations and recommendations made in the report. The MDSP and the Vehicle Theft Prevention Council look forward to improving the performance of the Council's activities; thereby, further reducing vehicle thefts in the state of Maryland.

Thank you again for the opportunity to respond to this performance evaluation.

Sincerely,

Woodrow W. Jones III
Superintendent

WWJ:jeh

Attachment

cc: Mr. Thomas Williams, Director, Inspection and Compliance Division
Mr. Christopher McDonald, Executive Director, Vehicle Theft Prevention Council

"Maryland's Finest"

Vehicle Theft Prevention Council
Program Evaluation Response
July 16, 2021

Observation 7: The Baltimore region receives disproportionately less direct funding from Vehicle Theft Prevention Council (VTPC) than other directly funded jurisdictions when taking the amount of vehicle thefts that occur in the respective jurisdictions into account.

Agency Comments: While the Department agrees the observation is technically correct, it does not, however, consider the total funding for programs within the Baltimore Region. While comparing direct funding by county to vehicle theft percentages may seem to show a less than favorable comparison, there are additional resources that target those areas.

Other VTPC funded initiatives that directly contribute to theft reduction efforts in the Baltimore Region include MDOT/MVA, Maryland Community Policing Institute (MCPI), Maryland State Police, Washington College, and Industry Merged with Police Against Car Theft (IMPACT) and the VTPC Public Awareness Initiative. MDOT/MVA provides research and identifies areas within local jurisdictions that are experiencing issues with compulsory insurance violations. MCPI provides community-based prevention information and hosts education and awareness events. The Maryland State Police Auto Theft Unit assists local law enforcement agencies that are directly funded with investigating cases that cross borders into neighboring jurisdictions. IMPACT provides vehicle theft related training to local Law Enforcement agencies around the State. VTPC's Public Awareness Initiative provides additional targeted messaging and other community-based communications regarding the prevention of vehicle theft and related crimes.

These additional grantees received approximately 22% of the overall funding in Fiscal 2020. Added to the total direct funding the Baltimore (City and County) region received (32%), the overall percentage of funding in Fiscal 2020 for that region was approximately 54%, which is equivalent to the percentage of vehicle theft in the area. Vehicle theft and its related crimes do not stop at county borders. Coordinated efforts are constantly evaluated and implemented for the most effective approach, which means utilizing resources that together address the issue and provide overall benefits.

Based on the observation, the accompanying recommendation, and draft legislation proposed as part of the report, the majority of grant funding would be awarded to the Baltimore City and County police departments. However, based on current and past experience, these jurisdictions are unable to spend the increased appropriation. The observation and recommendation places limitations on the VTPC and their ability to fund directly or indirectly programs that can work in partnership with enforcement to reduce and combat vehicle theft.

Observation 8: Grant money is sometimes used for reasons not directly related to vehicle theft.

Agency Comments: VTPC law enforcement grantees are permitted to purchase equipment for reducing and preventing vehicle theft and its related crimes as part of their initiative. In the law enforcement community, most types of equipment, specific to law enforcement use, have many

overlapping functions. Very few tools purchased by law enforcement are specifically designed for only one purpose such as preventing vehicle theft and related crimes. Auto theft units are tasked with that primary responsibility and any equipment they purchase, even if the equipment has multiple applications, is specifically for the use of that unit, thereby effectively identifying the use of that equipment for vehicle theft related purposes. As an example, in the instance of the stop stick purchase, while purchased by an auto theft unit and assigned for their use, a police officer or unit may be called upon to assist another unit in the area (i.e. carjacking, robbery, homicide, etc.) and in the course of assisting, may use the equipment as needed to end the action. While members of auto theft units are primarily tasked with work associated with vehicle theft and its related crimes, it is expected that if their assistance is needed, they will respond. Another example is the use of License Plate Readers. The tag readers can be used in high vehicle theft regions, but if the reader identifies a missing or wanted person other action unrelated to auto theft may be taken.

Recommendations:

Recommendation 1: The Maryland General Assembly should continue to fund VTPC as funding remains available.

Agency Response: The Department agrees with the recommendation that funding should continue for the Vehicle Theft Prevention Council.

Recommendation 2: VTPC should consider weighting a county's vehicle theft rate more heavily when apportioning grant money.

Agency Response: The Department is concerned with the recommendation. While statistically applying a narrow lens of direct funding related to auto theft rates does show a disproportionate ratio, a wider lens needs to be applied. Crime has no borders; attacking vehicle theft and related crimes on a State-wide level means implementing a multi-jurisdictional, integrated, coordinated approach, utilizing methods that fall under the four components that are the foundation of the VTPC's strategy. By implementing a combination of direct funding to support multiple grantees that provide additional support and resources both within specific jurisdictions and overall, in nature, compounds the efforts and provides enhanced results. As previously stated, the recommendation places limitations on the VTPC and their ability to fund directly or indirectly programs that can work in partnership with enforcement to reduce and combat vehicle theft. Simply adopting a number for number comparison is not an efficient use of funds.

Recommendation 3: The Internal Audit Section of the Department of State Police should examine VTPC and any select grantees during its regular periodic review.

Agency Response: The Department agrees in part with this recommendation. The Department staffs an audit unit that is primarily responsible for the audit of finances, contracts, procurements, and other areas of risk designated by the Superintendent. While they are very efficient in their work, they are extremely busy ensuring the Department is in compliance with the most recent Office of Legislative Audits compliance report. The Department does agree that the Council's

activities should be added to the Audit Unit's compliance review, however, it is not possible at this time for our internal auditors to audit grantees who have received funds from the VTPC.

The VTPC is currently in the process of identifying and obtaining an outside independent auditor; constraints include audit functions to be conducted and the resulting cost.

Recommendation 4: VTPC should document the recusal of board members from voting on grant awards that would benefit their organizations.

Agency Response: The VTPC agrees with the recommendation. Once this issue was identified the VTPC implemented the recommendation as of calendar year 2021.

Recommendation 5: VTPC should notify the Senate Budget and Taxation Committee and the House Appropriations Committee if growth in administrative costs are expected to reduce the amount of grant funding available.

Agency Recommendation: The Department agrees with the recommendation. As part of the budget process the Department works with the Department of Budget and Management and our legislative partners on a number of budget issues.

Appendix B – Proposed Legislation

E4

1lr5217

Bill No.: _____

Drafted by: Cleckler

Requested: _____

Committee: _____

By: **Leave Blank**

A BILL ENTITLED

AN ACT concerning

Vehicle Theft Prevention Fund – Allocation of Grants

FOR the purpose of altering the circumstances under which the Vehicle Theft Prevention Council allocates grants and generally relating to the Vehicle Theft Prevention Council and the Vehicle Theft Prevention Fund.

BY repealing and reenacting, without amendments,

Article – Public Safety

Section 2–101(e), 2–702(a), and 2–703(a)

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Safety

Section 2–703(g)

Annotated Code of Maryland

(2018 Replacement Volume and 2020 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Public Safety

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



2–101.

- (e) “Department” means the Department of State Police.

2–702.

- (a) (1) There is a Vehicle Theft Prevention Council in the Department.

(2) The purpose of the Council is to help prevent and deter theft of private passenger and commercial motor vehicles and related crime, including vandalism and theft of property from vehicles, in the State.

2–703.

- (a) There is a Vehicle Theft Prevention Fund.

(g) To the extent practicable, the Council shall allocate grants made under this subtitle among the subdivisions of the State on a pro rata basis determined by [the total number of vehicles registered in each subdivision divided by the total number of vehicles registered in the State] **THE NUMBER OF MOTOR VEHICLE THEFTS IN A SUBDIVISION DIVIDED BY THE TOTAL POPULATION OF THAT SUBDIVISION AND THEN MULTIPLIED BY 100,000.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2021.

Appendix C – Evaluation Letter from the Joint Audit and Evaluation Committee



THE MARYLAND GENERAL ASSEMBLY
ANNAPOLIS, MARYLAND 21401-1991

JOINT AUDIT AND EVALUATION COMMITTEE

August 17, 2020

Mr. Michael Powell, Director
Office of Program Evaluation and Government Accountability
Department of Legislative Services
90 State Circle
Annapolis, Maryland 21401

Dear Mr. Powell:

Consistent with § 2-1234 of the State Government Article, we are directing that the Office of Program Evaluation and Government Accountability conduct a performance evaluation of the Department of State Police's Vehicle Theft Prevention Council.

Thank you for your attention to this matter, and please let us know if you have any questions.

A handwritten signature in black ink, appearing to read "Clarence K. Lam".

Senator Clarence K. Lam
Senate Chair

Sincerely,

A handwritten signature in black ink, appearing to read "Carol L. Krimm".

Delegate Carol L. Krimm
House Chair

CKL:CLK/MP/mag

cc: Members, Joint Audit and Evaluations Committee
Ms. Victoria L. Gruber