ILLINOIS MOTOR VEHICLE THEFT PREVENTION COUNCIL



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Bruce Rauner, Governor

Anita Alvarez
Cook County State's Attorney

Jerry Brady Peoria County State's Attorney

> Larry C. Cholewin Metlife Insurance

Brian B. Fengel Chief, Bartonville Police Department

> Larry D. Johnson Farmers Insurance

Garry McCarthy
Superintendent, Chicago Police Dept.

Donald L. Sauzek

Leo Schmitz Illinois State Police

Jesse WhiteIllinois Secretary of State

John Maki
Executive Director
Illinois Criminal Justice
Information Authority

MINUTES

Illinois Motor Vehicle Theft Prevention Council February 25, 2015 – 10:00 A.M. Illinois Criminal Justice Information Authority 300 W. Adams, Suite 200 Chicago, Illinois 60606

CALL TO ORDER AND ROLL CALL

Mr. Larry Johnson was appointed by the Council to serve as Chairman for the February 25th Council meeting. Mr. Johnson called the meeting to order. Lisa Castillo, Illinois Criminal Justice Information Authority Associate General Counsel, called roll.

Name	Present	Telephone	Absent
Anita Alvarez	X		
Superintendent Garry McCarthy			X
Larry Cholewin		X	
Brian B. Fengel		X	
Deputy Chief Sydney Roberts as designee for Jesse White	X		
Larry D. Johnson	X		
Donald L. Sauzek	X		
Jerry Brady	X		
Director Leo Schmitz			X

(5 members need to be physically present to constitute a quorum)

A quorum was established.

MINUTES OF NOVEMBER 20, 2014 COUNCIL MEETING

Mr. Johnson asked the Council members if they had any questions, comments, or edits with regard to the November 20, 2014 Council meeting minutes. There were no questions, comments, or edits. Ms. Roberts motioned to approve the November 20, 2014 Council meeting minutes. Mr. Brady seconded the motion. The motion was approved unanimously.

PROGRAM DIRECTOR'S REPORT

Mr. Johnson asked Program Director Greg Stevens to present his report. Mr. Stevens reported as follows:

Trust Fund Reports – A balance of \$2,685,770 remains in the trust fund as of December 31, 2014. Mr. Stevens noted that there is a projected Trust Fund balance of \$1,741,208 at the end of calendar year 2015.

Program Vehicle Fleet Summary – Mr. Stevens made a brief reference to the Program Fleet Summary in the Council members' materials, which was prepared by Ms. Luisa Salazar. The chart summarizes the entire fleet utilized by the Council funded programs. Also included are the vehicles that were purchased, leased, and those which insurance companies provided.

Staff Activities – Mr. Stevens made a brief reference to a memo in the Council members' materials regarding staff activities from December 1, 2014 through January 31, 2015. He noted that Ms. Salazar has been working to automate the IMVTPC insurance billing process and will pilot the system this year. Criminal Justice Specialist Terry Dugan executed five CY 2014 amendments by the deadline date of December 31, 2014 and continues processing 2015 grant agreements. Staff has begun work on the *Illinois Motor Vehicle Theft Prevention Council 2014 Annual Report*.

GRANT REVIEW COMMITTEE REPORT

Mr. Johnson noted that the Grant Review Committee met on January 29, 2015 in Chicago, Illinois. Mr. Johnson called on Captain John Biffany to present a report of that meeting. Captain Biffany noted that the October 2, 2014 grant review meeting minutes were approved. Much discussion at that meeting was spent on executive order 15-08 and how that would impact the units. The Grant Review Committee will meet again on April 2, 2015 and discuss the un-awarded \$500,000.

NATIONAL INSURANCE CRIME BUREAU

Representatives of the National Insurance Crime Bureau (NICB), Tim Lynch and Charlie Worsham, gave a presentation of the Cook County State's Attorney's Office grant program in which they sponsor. NICB is active in all 50 states. They have seen major ring activity in medical fraud, staged accidents, and vehicle fraud. Medical insurance fraud has become a big issue. In 2002, NICB created Major Medical Fraud Task Forces across the country. In January 2014, NICB started program with Cook County State's Attorney's Office. Currently, NICB funds two dedicated insurance fraud prosecutors for Cook County. NICB and industry funding expires at the end of 2015. No tax dollars are used to fund this program. NICB is seeking Council's support to expand their mission beyond motor vehicle theft to include insurance fraud. The statute would also have to be changed to expand the Council's scope.

The issue of expanding the Council's scope was discussed. Mr. Johnson stated that he fully supports a statute expansion but believes there will be some resistance from insurance companies for additional funding. Mr. Johnson questioned where the additional funds would come from. Ms. Roberts noted that there may be a challenge if there is not a nexus between auto theft and financial insurance claims. Mr. Stevens noted that there may be a nexus if auto fraud is related to violent crimes such as gang members involved in staged accidents because it is a lucrative scheme.

Motion to support the expansion of the Council's scope to include insurance fraud

Motion: Ms. Alvarez Second: Mr. Brady

Vote: approved unanimously

DEVELOPMENT OF THE 2016-2019 STATEWIDE MOTOR VEHICLE THEFT PREVENTION STRATEGY

Mr. Johnson asked Mr. Stevens to present the material. Mr. Stevens noted the following. On January 1st, the Council's enabling statute sunsets. The legislation has to be renewed to provide the Council an additional four years to operate. Through Senate bill 1620, Senator Pat McGuire introduced legislation to renew the Motor Vehicle Act for the next four years as it is currently written.

Next, a statewide theft prevention strategy must be developed by Council. The current strategy is in place until it sunsets in 2016. The process is as follows. First, Council has to put out requests for solicitation for public comments on the development of our strategy. The public is invited to give input on how they would like to see our strategy developed. Then, they are invited to the future Council meeting on May 13, 2015. Written materials will be provided. Staff will take the current strategy and revise it with comments and input from Council from the May 13th meeting. At the July 9th meeting, a draft will be presented to the GRC committee. At the August 12th meeting, the proposed strategy will be presented to Council for final review and approval. If the strategy is approved, a solicitation will be posted, whereby inviting programs that can help the Council achieve their goals and objectives

for funding. Applications would be submitted by September 24th. At a two day meeting by the GRC committee on October 21st to the 22nd, the Committee will hold hearings on the applications and proposed programs. The GRC will form a recommendation on what will be proposed to the Council and for which programs they feel should be funded under the new strategy. The November 18th meeting, the proposals will be submitted to Council and accepted or denied for funding.

Motion to approve the timeline and format outlined in the memo presented by Greg Stevens

Motion: Mr. Sauzek Second: Ms. Roberts

Vote: approved unanimously

MOTION TO PURSUE RE-AUTHORIZATION OF THE ILLINOIS MOTOR VEHICLE THEFT PREVENTION ACT

A memo was presented from Associate General Counsel, Lisa Castillo, regarding the reauthorization of the Illinois Motor Vehicle Theft Prevention Act. The Act is scheduled to be repealed on January 1, 2016. It is recommended by ICJIA that the Council present a formal motion or resolution seeking re-authorization of the Motor Vehicle Act for an additional four years.

There was some discussion regarding the expansion of this Act. Mr. Sauzek noted that some terms in this Act are problematic to insurance companies. Specifically, the definition of private motor vehicle should be included or expanded. This expansion of the definition could potentially mean increased revenue. Mr. Stevens noted that the current strategy allows for the investigation of these vehicles but collection of money is limited. The definition of private passenger vehicles was established from the time the Council was established. It is as follows. Private passenger vehicles include any car, station wagon, jeep, or pickup truck with a load capacity of 1500 pounds or less, not used principally for business purposes or small farm trucks. Pickup trucks are included. Ms. Alvarez noted that this may be the opportunity to expand on the definition and clean up the language of the statute.

Motion to seek re-authorization of the Motor Vehicle Act for an additional four years

Motion: Mr. Sauzek Second: Ms. Alvarez

Vote: approved unanimously

Motion to seek to amend the statute to expand the purpose of the Motor Vehicle Act to prevent, combat and reduce auto insurance fraud

Motion: Mr. Sauzek Second: Ms. Alvarez

Vote: approved unanimously

PROGRAM PROFILE

Analyst Lynn McCloskey presented the program profile for the Motor Vehicle Theft Intelligence Clearinghouse. Ms. McCloskey provided a brief presentation on the progress of the program over the last year. In summary, the Clearinghouse provides motor vehicle theft analysis to Council funded task forces and other criminal justice organizations. Some requests they process are for information, investigation analysis, investigations into social media profiles, deconfliction, intelligence reports of data basis, and training for officers on task forces.

RESOLUTIONS OF COMMENDATION

A resolution of commendation was presented to the Council for its consideration and approval. This commendation was for Mr. Jack Cutrone and Mr. Hiram Grau.

Mr. Jack Cutrone's Resolution of Commendation stated that he is the former executive director of the Illinois Criminal Justice Information Authority. He was appointed the Executive Director in October 2009 after having

served previously as the agency's general counsel since January 2006. During his time as general counsel, he also served as the Motor Vehicle Theft Prevention Council's secretary.

Mr. Hiram Grau's Resolution of Commendation stated that he was appointed director of the Illinois State Police by Governor Quinn on April 11, 2011, and the agency's first Hispanic Director. Prior to that appointment, Mr. Grau was the Deputy Chief of the Cook County State's Attorney's Office of Investigations Bureau, where he oversaw the Narcotics/Special and Municipal Investigations Division. Mr. Grau joined the State's Attorney's Office in 2009.

Mr. Sauzek made a motion to adopt all resolutions of commendation. Ms. Roberts seconded the motion. The motion was approved by a unanimous vote.

OLD BUSINESS

The Council inquired about outstanding grants. Ms. Wendy McCambridge, Associate Director of Federal and State Grant Unit for ICJIA, stated that the Governor's office gave ICJIA a target date for information of February 18th. There is not an update as of today. Currently, she does not have any information.

Mr. Johnson asked how the units are doing. Mr. Gary Brewer stated the following. He has been Director since 2004. His task force, at large, has not received COLA's. It is difficult to convince agencies to remain because of the current funding levels. Some of the smaller agencies don't have the money to supplement. The task force is impacting the city of Belleville's credit, their implementing agency. If there are not funds by next Thursday, then Belleville might pull out forever. This is the worse situation because there is no information to tell them.

Ms. Roberts stated that the Secretary of State (SOS) employs 13 people from the grant. Ninety percent of the award is to cover their salary. SOS has never funded these employees. They will be laid off. They have been on the grant since 1992. SOS was awarded \$1.3 million. SOS does not have that money to cover. Ms. Roberts stated that she fears that if they close shop, they will not be able to recreate them.

Chief Fengel stated that SLATE has sent everyone back to their agencies.

Mr. Brady stated that there has been a ripple impact to the individual agencies and the local economy. Rent has not been paid.

Ms. Alvarez stated that the grant funds five Assistant State's Attorneys and investigators. They will have to scramble to put them into corporate spots.

A "NMAT" representative stated that they are in debt about \$147, 000. They will be closing shop in March.

A "Tri-County" representative stated that their policy board will hang on to April 1st. If they have to start back up, it will take about 3-4 month.

A "Battle" representive stated that their Agency will pull back in April.

Mr. Jim Currins from Illinois Auto Theft stated that Winnebago County can carry them financially for a period of time.

Mr. Larry Cholewin stated that he contacted a state representative but hasn't heard a response. He has also reached out to PCIAA.

Mr. Tim Lynch from NICB stated that he will be in Springfield next week and shall advocate for them.

NEW BUSINESS

No new business

ADJOURN

There were no additional items on the agenda after the closed session was concluded. Ms. Alvarez moved to adjourn the meeting. Mr. Sauzek seconded the motion. The motion was approved by a unanimous voice vote and the meeting was adjourned.

Respectfully submitted,

Lisa Castillo Associate General Counsel Illinois Criminal Justice Information Authority