

Motor Vehicle Theft Prevention and Insurance Verification Council
GRANT REVIEW COMMITTEE REMOTE MEETING

Thursday, January 14, 2021
10:00 a.m. – 12:00 p.m.

Illinois State Library
300 South Second St., Room 403/404
Springfield, IL 62701

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Meeting Minutes

1. Welcome and Roll Call

Chairman Piazza was unable to attend due to a scheduling conflict. Larry Johnson served as the Chairman for this meeting. Kevin Martin, Executive Director of the Illinois Insurance Association, sat in as designee for Dana Severinghaus at this meeting as well.

Chairman Johnson called the meeting to order at 10:02 a.m. and read the following statement, "I have determined that an in-person meeting or a meeting conducted under the Open Meetings Act is not practical or prudent because on March 9, 2020 the Governor of Illinois declared all counties in the State of Illinois as a disaster area in response to the outbreak of COVID-19."

He then asked Micah Miller to take the roll call. The following were present:

Members	Present	Absent
Pete Piazza, Director, Secretary of State Police		X
Kevin Martin, designee for Dana Severinghaus, Allstate Insurance	X	
Todd Feltman, State Farm Insurance		X
Jodi Hoos, Peoria County State's Attorney	X	
Larry Johnson, Farmers Insurance	X	

Council Staff	Present	Absent
Micah Miller, Program Director	X	
Sherry Brticevich, Grant Monitor	X	
Amy Williams, Legal Counsel	X	
Bill House, Budget Analyst	X	
Dave Fuchs, Program Assistant	X	

Chairman Johnson recognized that a quorum was present (3 or more).

The following individuals were also in attendance:

Capt. Elmer Garza, ISATT
Sgt. Adam Broshous, ISATT
Dwayne Killian, TCAT
Sgt. Ed Grizzle, TCAT
Doug Beckman, Village Administrator, Village of Thornton
Lt. Matt Jany, MEATTF
Lt. Gary Brewer, Jr., MEATTF
Terri Coombes, Deputy Chief of Staff, Secretary of State
Irene Lyons, General Counsel, Secretary of State
Josh Potts, Programs and Policies, Secretary of State

2. Approval of Minutes

Chairman Johnson asked if there were comments on the minutes from the September 10, 2020 meeting. Hearing none, Jodi Hoos motioned to approve the minutes and Chairman Johnson seconded. The minutes were approved with a roll call vote, 3 yes – 0 no.

Vote on minutes from September 10, 2020

Council Members	Yes	No	Abstain
Pete Piazza, Director, Secretary of State Police (Chairman)			
Jodi Hoos, Peoria County State's Attorney	X		
Kevin Martin, designee for Dana Severinghaus, Allstate Insurance	X		
Todd Feltman, State Farm Insurance			
Larry Johnson, Farmers Insurance	X		

Mr. Miller also informed the members that Dana Severinghaus was taking a new position as the Director of the Illinois Department of Insurance. He noted that there would a vacancy to fill for not only the full Council, but also the GRC since Ms. Severinghaus served on both. He indicated that business at the upcoming February 18, 2021 full Council meeting would include a vote on a new GRC member.

3. Quarterly activity summaries – Task Force Directors

TCAT

Sgt. Grizzle said that they wrapped up a busy year in 2020 with 382 cases, 72 arrests, and 261 vehicle recoveries valued at approximately \$5 million. He also mentioned some notable cases including one in October that involved 13 agencies in Kankakee County. That led to 70 traffic tickets issued, 21 arrests, many firearm-related charges and the recovery of vehicles that were

used in homicides. Another case in December led to the recovery of \$360,000 worth of stolen Playstation 5's. Sgt. Grizzle noted the excellent work of his staff and surrounding agencies.

ISATT

Capt. Garza said that since July 2020 they opened up 531 cases, 72 arrests and recovered 309 vehicles at a value of \$6.3 million. He noted that last year they recovered \$7.9 million with 117 arrests for the entire year, which puts them at a pace to outperform 2020. He mentioned that their unit recently added two State's Attorney investigators and next week would be adding two more from Cook County. Their unit will be adding two License Plate Reader vehicles in the near future. He also noted that they are organizing quarterly Director's meetings with all of the task forces in an effort to keep everyone on the same page and working together.

Sgt. Broshous highlighted their recent involvement with the Secret Service in a multi-jurisdictional case involving identity theft purchases of motor vehicles from dealerships in the Chicago area. They were involved in pulling title histories and "applications for purchase" of dozens of high-end vehicles along with providing manpower to conduct the investigations. He noted that it culminated in two search warrants, which led to a residence that was producing the personally identifying information, drugs, and illegal firearms. They took some individuals into custody and recovered a few stolen vehicles, two assault rifles and 140 grams of cocaine. The other house was producing the false applications, which led to other stolen vehicles and equipment. Sgt. Broshous noted that the investigation is ongoing, but it is already yielding great results.

Capt. Garza said that their unit is also tracking vehicle recoveries by insurance company and indicated that this was useful information that Ms. Severinghaus expressed interest in. He noted that nearly 200 of the 309 vehicle recoveries were insurance company related recoveries. Kevin Martin asked if that information could be passed along to him as he would like to touch base with specific insurance companies to highlight some of these successes. Capt. Garza said that he would share it with Mr. Miller for distribution.

Capt. Garza expressed concern about potential year-3 funding payments being issued by the upcoming fiscal year. He noted that their carry-over funds made it less of an issue last year, but it would be a serious issue for them in 2021. Mr. Miller indicated that he would address this topic later in the agenda.

MEATTF

Lt. Matt Jany said that since July 2020 they had 137 arrests with 75 prosecutions and recovered 241 vehicles at a value of \$2.9 million. Since the unit went live in December 2019 they have had 540 vehicle recoveries at a value of \$6.7 million. He noted that they recently picked up officers from Alton and Madison County along with an Assistant State's Attorney from St. Clair County. They also have a great working relationship with a car jacking task force in St. Louis and agencies located in St. Charles County and St. Louis County. He noted that Mr. Miller sent him

the legislative language for the Council in Illinois as the agencies in Missouri were looking to establish similar operations.

4. Old Business

Chairman Johnson asked if there was any old business.

Mr. Miller indicated that the 2020 Annual Report was filed on time with the General Assembly. He thanked the units for providing information and noted that there was new performance data included for the task forces now that they had a full year under their belts.

Mr. Miller also revisited a topic that Chairman Johnson brought up regarding the Trust Fund balance and the ability to issue further grants. He noted that council staff had previously indicated that grants for years 3 and 4 could be a possibility, therefore the staff sat down and reviewed the current levels of funding and made projections moving forward. At this time, Mr. Miller stated that council staff was not recommending opening the RFP for year 3 and 4 grant applications.

Mr. Miller referenced the \$22.5 million dollar balance that was listed in the latest annual report and noted that it did not account for the year-2 grants, which were issued after the fiscal year. Therefore the balance was closer to \$17.5 million. Of that balance, he reminded the Council that 50% of all incoming revenue was designated for the Mandatory Insurance Verification program. Trust fund revenues have historically been \$7 million annually, which leaves \$3.5 million for the Council to use for grants and \$3.5 million to sustain operations for the Mandatory Insurance Verification program. He noted that the Mandatory Insurance funds were approximately \$7 million, which leaves the Council just over \$10 million for grants.

Mr. Miller indicated that future projections for sustaining the 3 current task forces in year 3 and 4 would bring that balance down to \$7 million. He noted that council staff unanimously agreed that spending the projected balance on further grants at this time would not be advisable as expenditures would far exceed revenues in short order. He also noted that this was a situation that occurred in the early 1990's, during the Council's inception where they carried a backlog of funding until grants were able to be issued. In 2018, the new Council again inherited a backlog of approximately \$9 million.

Chairman Johnson recognized the issue as it was outlined, yet expressed concerns about unused funding being diverted into the General Revenue Fund. He noted that the Council now resides under a different Constitutional Officer and some safeguards have been put in place to prevent that from happening, yet was still leery of a potential fund sweep since it had occurred before. He expressed an interest in looking at a long-range plan to utilize these funds without overextending the Council.

Mr. Miller said that when funds were swept last time, it came after an Executive Order was issued to halt state grants from being issued, which was a unique situation. Chairman Johnson noted that fund sweeps had occurred even prior to that. Mr. Martin also noted a time prior to 2015 when funds had been swept, which resulted in lawsuits. Chairman Johnson indicated that the Council was in a better place to prevent that from happening now, but restated the desire to utilize these funds for their intended purposes.

Mr. Miller indicated that a way to try and reduce the Trust Fund balance might involved portions of the Mandatory Insurance Verification funds. He noted that the new verification system was ready to go last year, but was interrupted due to the pandemic and resulting government shutdown. Since everything has been delayed, it is hard to get an accurate account of whether there are unused portions of their funding or not. He wanted the GRC members to consider if unused portions of their funding could be diverted back to the Council. Mr. Miller noted that it would help to sustain current grants in the long range, while bringing the overall balance to lower levels. He also noted that those conversations would have to occur with the Secretary of State's office over time.

Chairman Johnson asked Ms. Brticevich if the current grantees could expand their operations going into year 3 and 4 if funding were available. Ms. Brticevich said that would be possible if it were fully explained in their budget requests for each year.

Mr. Miller outlined the series of upcoming meetings and noted that the Council appeared to be on a good path to have year 3 funding in place by the fiscal year. He noted that the significant difference for 2021 is knowing that the Council is able to meet remotely for the foreseeable future. He noted that the February full Council meeting will provide an opportunity for members to vote on a new GRC member. There are no meetings scheduled for March, but that will provide the appropriate timeframe for Ms. Brticevich to gather the year-3 budget requests from the current grantees. In April, the GRC is scheduled to meet and will be able to vote on year-3 applications. Finally, the full Council will be able to meet in May and vote on the recommendations from the GRC, which should leave enough time for checks to be issued by June 30th.

5. New Business

Capt. Garza mentioned that Sgt. Tom Finegan has taken over the Chicago PD Major Auto Theft Unit and Sgt. Keith Blair has moved on to a new position. He indicated that they talked on January 13 during their Director's meeting about working collaboratively together. Capt Garza noted that he passed along Mr. Miller's contact information for upcoming meetings. Mr. Miller said he would reach out to Sgt. Finegan.

6. Public Comments

Chairman Johnson said that on behalf of the GRC he wished Dana Severinghaus well on her future endeavors with the Department of Insurance and thanked her for her service to the Council.

7. Adjournment

Hearing no other business, Ms. Hoos made the motion to adjourn and Chairman Johnson seconded. The meeting was adjourned at 10:43 a.m.