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THESIS

**STOLEN VEHICLES FOR EXPORT:
A MAJOR CONCERN FOR DOMESTIC AND
INTERNATIONAL SECURITY**

by

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March 2018

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**STOLEN VEHICLES FOR EXPORT: A MAJOR CONCERN FOR DOMESTIC
AND INTERNATIONAL SECURITY**

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ABSTRACT

Although our federal, state, and local governments in the United States have developed effective laws and policies to reduce the number of motor vehicles stolen, these policies have largely failed to address the problem of the number of vehicles that are stolen and exported each year. There is increasing evidence that there are links between organized crime groups and terrorist organizations in the stolen-vehicle export business.

This thesis uses the case study of the New York City Police Department's (NYPD) efforts to curb illegal exportation of stolen vehicles to explore the scope of the problem at one of our nation's largest ports (the Port of New York and New Jersey). The key question that framed this research was: Do these policy insights from the NYPD case study point to more general policy changes that would make it more difficult for criminal enterprises to export stolen vehicles?

This research suggests a number of national policy changes would positively impact the illegal exporter advantage. These policy changes would provide more consistency in titling of motor vehicles, increase inspections of exports, and enhance enforcement capabilities. Unfortunately, this thesis was unable to establish a clear link between stolen vehicle exports, organized crime, and terrorist use of these stolen vehicles. Even so, data on this topic is scarce, but there is enough to suggest that further research into other case studies could develop data to shed more light on a possible connection. In any case, the findings of this thesis indicate more research would be worthwhile, as the stolen vehicle market is the most lucrative illicit market behind the drug market, and a better understanding could only benefit law enforcement's efforts to counter it.

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LIST OF ACRONYMS AND ABBREVIATIONS

AES	Automated Export System
BEST	Border Enforcement Security Task Force
CSI	Container Security Initiative
EDNY	Eastern District of New York
EEI	electronic export information
FBI	Federal Bureau of Investigation
GPS	Global Positioning Satellite
NICB	National Insurance Crime Bureau
NMVTIS	National Motor Vehicle Title Information System
NVOCC	non-vessel operating common carrier
NYPD	New York City Police Department
SMV	Stolen Motor Vehicle Database
SUV	sport utility vehicle
USCBP	United States Customs and Border Protection
VBIEDs	vehicle borne improvised explosive devices
VIN	vehicle identification numbers

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EXECUTIVE SUMMARY

The protection of our homeland requires the United States to be vigilant on many fronts, and one area in need of immediate attention is the exporting of stolen motor vehicles. This thesis examines threats posed by the loopholes in the current motor vehicle export system, particularly stolen vehicles for export, through the lens of one large urban police department, the New York City Police Department (NYPD). This thesis identifies vulnerabilities and inadequacies in the export system, which criminal enterprises exploit, and it offers solutions to address the shortcomings. At the very least, homeland security agencies at all levels of government should address the need to increase the number of outbound containers examined at ports, enhance scrutiny of freight forwarders, and address the disparity between import and export inspections. At the national policy level, the United States should enhance the National Motor Vehicle Title Information System so that titling agencies in all states can instantly and accurately verify the information on a paper title for authenticity with that of what is electronically stored from the state-issued title.

In this thesis, the literature review examines how public policies and federal agencies, like U.S. Customs and Border Protection, have inadvertently created loopholes for criminals to steal and then ship these vehicles from large U.S. ports. The case study demonstrates that even a local law enforcement agency as large as the NYPD is challenged to adequately address this problem. Also, the literature review reveals the need to better assess the size of the exported-stolen-vehicle problem and its impact on international crime and international terrorism. This research was hindered by the daunting fact of inadequate knowledge regarding the total number of stolen vehicles taken illegally across U.S. borders. Enforcement agencies have data on vehicles recovered, but vehicle recovery data is only a proxy measure.

This research corroborates the need for systems-level change but emphasizes programmatic changes that can be implemented at all levels of government. It also highlights the need for consistency in national policies regulating the exportation of motor vehicles. These programmatic and policy changes can be viewed as

recommendations, and if implemented, could provide assurances that stolen exported-motor vehicles are lessened as a homeland security threat.

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I. INTRODUCTION

A. PROBLEM SPACE

In 1992, Congress passed tougher laws and penalties for auto theft by enacting the Anti Car Theft Act (Title 18, United States Code, 2119). This legislation was intended to deter the trafficking of stolen vehicles and increase the penalties for carjackings. The primary motivation for this was the large increase in motor vehicle thefts that occurred between 1984 and 1990; they increased from 830,000 to 1,270,000.¹ A summary report prepared for Congress in 1998 to document the effects of the 1992 act notes, “While effectiveness still cannot be proved with statistical confidence, the laws do seem to have led to an improvement in prosecuting and convicting auto thieves.”²

There has also been some suspicion that stolen vehicles are being used to fund terrorism and quite possibly used to transport dangerous explosives for acts of terrorism.³ There is increasing evidence that there are links between organized crime groups and terrorist activities, some of which involves the use of diaspora networks.⁴ According to officials at the Federal Bureau of Investigation (FBI), they believe stolen vehicles, bought and sold on the international black market, “help fund criminal operations and can be turned into the terrorist weapon of choice against U.S. troops and Iraqi civilians.”⁵ There is discussion concerning terror funding and attempts to counter the financing of terrorism in the upcoming chapters.

¹ National Highway Traffic Safety Administration, *Auto Theft and Recovery: Effects of the Anti Car Theft Act of 1992 and the Motor Vehicle Theft Law Enforcement Act of 1984* (Washington, DC: National Highway Traffic Safety Administration, 1998), <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/808761>, viii.

² Ibid.

³ “Dennis, M. Lormel, Chief, Financial Crimes Section, FBI before the House Committee on Financial Services, Subcommittee on Oversight and Investigations,” Archives, Federal Bureau of Investigation, February 12, 2002, <https://archives.fbi.gov/archives/news/testimony/financing-patterns-associated-with-al-qaeda-and-global-terrorist-networks>.

⁴ Robert Block, “An L.A. Police Bust Shows New Tactics for Fighting Terror. Officers Use Local Laws to Arrest Small Offenders with High-Risk Potential,” *Wall Street Journal*, December 29, 2006, <https://www.wsj.com/articles/SB116736247579862262>; Rollie Lal, “Terrorists and Organized Crime Join Forces,” *New York Times*, May 24, 2005.

⁵ Bryan Bender, “Stolen U.S. Vehicles End up as Bombs in Iraq, FBI Says,” *New York Times*, July 16, 2007, <http://www.nytimes.com/2007/07/16/world/americas/16iht-16cars.6683928.html?pagewanted=all>.

Although our federal, state, and local governments in the United States have developed effective laws and policies to reduce the number of motor vehicles stolen, these policies have largely failed to address the problem of the number of stolen vehicles that are exported each year. In 2015, there were an estimated 707,758 thefts of motor vehicles in the United States, causing more than \$4.9 billion in losses, with an average loss of \$7,001.00 per vehicle.⁶ At the Port of New York and New Jersey, in 2014, law enforcement recovered 312 stolen cars bound for Europe, Africa, and the Middle East.⁷ This was twice the number recovered in 2012 according to the Department of Homeland Security.⁸

Because there has been a large decrease in the number of stolen vehicle for over 25 years, very little research has focused on the problem and even less on associated crimes, such as illegal motor vehicle exports. With such limited research available, it is difficult to explain how these stolen exported vehicles factor into organized criminal activities. Fortunately, there are two researchers, Brown and Clarke, who have conducted extensive research on the stolen motor vehicle problem, especially the illicit export of stolen vehicles. Brown and Clarke divide their research on vehicle theft for export into three categories, which are helpful for understanding the issues at hand. First, they point out how authorities and all those concerned with the issue should understand the role and involvement of organized criminal elements in exporting stolen vehicles. Though there are similarities to more common vehicle thefts, the distinctions between them are important and make a substantial difference to impacting the threat. These distinctions are discussed in this research. Secondly, Brown and Clark note that real analysis about why certain countries become popular destinations for stolen vehicles for these organized criminal elements is essential. Finally, they discuss the need to improve the flawed practices among the shipping and freight forwarding businesses that allow stolen vehicles

⁶ Federal Bureau of Investigation, *Motor Vehicle Theft*, Uniform Crime Report (Washington, DC: Federal Bureau of Investigation, 2015), https://ucr.fbi.gov/crime-in-the-u.s/2015/crime-in-the-u.s.-2015/offenses-known-to-law-enforcement/motor-vehicle-theft/mvtheftmain_final.pdf.

⁷ Ted Sherman, "Illicit Cargo: Why Are More Stolen Cars Disappearing Overseas?," NJ, October 20, 2014, http://www.nj.com/news/index.ssf/2014/10/illicit_cargo_why_are_more_stolen_cars_disappearing_overseas.html.

⁸ Ibid.

to evade current enforcement measures.⁹ Their research provides a baseline for understanding key aspects of the stolen vehicles for export problem.

The issues raised here are gaps in the evidence-based research on the export of stolen vehicles. To date, there has been no definitive research examining effective methods for reducing the number of stolen vehicles being exported from major U.S. ports. There are a number of contributing factors why this kind of research is limited. For instance, stolen vehicles are typically investigated at the local law enforcement level, while exports, which involve foreign and domestic businesses, are primarily the responsibility of federal agencies.¹⁰ The aftermath of the 9/11 terror attacks on the United States prompted the U.S. Customs and Border Protection (USCBP) to re-examine and establish antiterrorism programs, including programs regarding imports, to protect the United States. Within several months, the USCBP established the Container Security Initiative (CSI), an effort to protect the homeland from potential maritime shipping container terror threats.¹¹ However, the CSI program established protocols to address maritime security threats of U.S. *imports*, not exports.¹² Despite my own intimate engagement with these issues and significant time studying the relevant literature, my research has uncovered no similar container program for exports. This disconnect is problematic at best and potentially inhibits effective homeland security. The difficulty in local/state/federal interaction and communication, especially regarding the need to restructure, has been well documented in the post 9/11 world and a similar disconnect is a concern for stakeholders attempting to disrupt and dismantle criminal organizations exporting stolen vehicles from our ports.¹³

⁹ Rick Brown and Ronald V. Clarke, *Police Intelligence and Theft of Vehicles for Export: Recent U.K. Experience*, Crime Prevention Studies, Vol. 17 (Newark, NJ: Rutgers University, 2004), 173–192.

¹⁰ “About Commerce,” U.S. Department of Commerce, accessed December 16, 2017, <https://www.commerce.gov/page/about-commerce>.

¹¹ “CSI: Container Security Initiative,” U.S. Customs and Border Protection, last updated June 26, 2014, <https://www.cbp.gov/border-security/ports-entry/cargo-security/csi/csi-brief>.

¹² Ibid.

¹³ National Commission on Terrorist Attacks upon the United States [9/11 Commission], *Final Report of the National Commission on Terrorist Attacks upon the United States* (New York: W.W. Norton and Company Inc. 2004), 305.

B. RESEARCH QUESTIONS

This research examines the problem of stolen vehicles exported for illicit purposes and how the New York Police Department (NYPD) uses specific enforcement strategies to deter and disrupt these criminal activities. Additionally, this thesis seeks to address the following research questions:

- How do targeted, strategic police operations reduce the number of stolen vehicles from areas located near the Port areas of New York and New Jersey?
- Do these policy insights from the New York and New Jersey case study point to more general policy changes that will make it more difficult for criminal enterprises to export stolen vehicles?
- Is it possible to demonstrate how a connection between organized crime and the use of exported stolen vehicles can aid terrorism activities?

C. LITERATURE REVIEW

Stolen exported vehicles near land borders and seaports have been cited as a significant growing problem in both media reports and academic studies. However, little is documented in literature about its scale, how this relates to or benefits the international recipients, and what conditions facilitate this illicit activity.¹⁴ In 2015, there were an estimated 707,758 thefts of motor vehicles, causing more than \$4.9 billion in losses and an average loss of \$7,001.00 per vehicle.¹⁵ Furthermore, it has been documented that vehicle theft is the second most profitable crime in the United States, surpassed only by illegal narcotics trafficking.¹⁶

This type of criminal activity has both domestic and international implications, which suggests that current intelligence strategies may be inadequate for understanding how information on exported stolen vehicles is collected and used to positively impact

¹⁴ Steven Block, *An Analysis of Internationally Exported Vehicle Thefts in Two High-Risk Cities* (Newark, NJ: Rutgers University, 2012), ii.

¹⁵ Federal Bureau of Investigation. *Motor Vehicle Theft*.

¹⁶ Paul D. McClellan, "Vehicle Theft Investigation Is about-Looking beyond the Traffic Stop," *Police Chief. Police Chief Magazine* 72, no 11 (November, 2005), <http://www.policchiefmagazine.org/vehicle-theft-investigation-is-about-looking-beyond-the-traffic-stop/>.

our homeland security enterprise.¹⁷ Because stolen vehicle trafficking is generally nonviolent and considered more of an economic crime, local governments and police departments tend to address other crimes such as robberies and homicides as a higher priority.¹⁸ This author gathered, documented, and analyzed available information from the local level, such as police incident reports, vehicle insurance reports, and stolen vehicle recoveries from the Port of New York and New Jersey; the analysis section of this thesis discusses these findings. Additionally, the author has examined the implementation of Real ID and its relevance to secure title documentation for vehicle owners.

1. Port of New York and New Jersey

This thesis focuses on stolen vehicles exported from New York and New Jersey seaports for three reasons. First, the Port of New York and New Jersey is the largest seaport on the East Coast, and it has a favorable reputation among criminal groups as a vulnerable shipping port.¹⁹ This inadvertently enables criminal enterprise groups to illicitly transfer of stolen vehicles under the premise of legitimate cargo for export, due to the sheer volume of exports and the lack of inspection capacity.²⁰ Secondly, the Port of New York and New Jersey offers direct, maritime pathways to West African countries, avoiding the possibility of transshipment stops, which may allow law enforcement authorities additional time to identify containers with stolen vehicles.²¹ Third, stolen vehicles destined for West African countries are often acquired through violent means, such as carjackings.²² Additionally, as West African countries develop and integrate into

¹⁷ Ronald V. Clarke and Michael, G. Maxfield, *Understanding and Preventing Car Theft*, Crime Prevention Studies, Vol. 17 (Monsey, NY: Criminal Justice Press, 2004), 175.

¹⁸ Clarke and Brown, "International Trafficking in Stolen Vehicles," 199.

¹⁹ Matthew Chambers, *Atlantic Coast U.S. Seaports* (FS-002) (Washington, DC: United States Department of Transportation, Bureau of Transportation Statistics, 2010), https://www.rita.dot.gov/bts/sites/rita.dot.gov/bts/files/publications/bts_fact_sheets/october_2010/pdf/entire.pdf; Leonid Lantsman, "'Movable Currency': The Role of Seaports in Export Oriented Vehicle Theft," *Crime, Law, and Social Change* 59, no. 2 (2013): 170.

²⁰ Chambers, *Atlantic Coast U.S. Seaports*; Lantsman, "'Movable Currency,'" 170.

²¹ Lantsman, "'Movable Currency,'" 173.

²² *Ibid.*, 175.

the global economy, and their middle class sectors strive to develop, their demand for quality vehicles at low costs rises.²³

The Port of New York and New Jersey is the largest port on the East Coast, but it is not the sole export location for shipping out stolen vehicles. Criminals also use other locations on the East Coast, such as Miami, Savannah, and Baltimore, as export locations. Southern land border ports with proximity to the border of Mexico are not relevant in this thesis research; however, auto theft across land borders is both concerning and studied.²⁴ Brown and Clark's studies on the auto theft exports are foundational in the literature and are documented in *Police Intelligence and Theft of Vehicles for Export, a United Kingdom Experience*.²⁵ The United Kingdom's experience offers some lessons concerning the stolen vehicle export problem for other countries and also offers some insights into the connection between organized crime and terrorism. In the 1980's and 1990's, the typical fate of a stolen vehicle was a quick trip to a chop shop or joy ride.²⁶ Today, sophisticated organized crime rings are involved in a lucrative, vehicle export scheme where demand for high-end luxury vehicles in foreign countries such as those in West Africa is on the rise. In addition, there is some concern that these exported stolen vehicles are being used to fund organized crime and terrorism. A stolen vehicle exported from the United States may pass through several countries and hands before reaching its intended destination, leaving no traceable trail. Further research is essential to document the importance of tracking distribution nodes for exported stolen vehicles.

In their groundbreaking research, Brown and Clarke asked questions about how organized crime has changed, and they conclude that large, strictly hierarchical organizations have evolved into smaller pockets of criminal entrepreneurs who have

²³ Ibid.

²⁴ Ronald V. Clarke, and Gohar Petrossian, *Export of Stolen Vehicles across Land Borders*, Problem-Specific Guides Series, no. 63 (Washington, DC: U.S. Department of Justice, Community Oriented Policing Services, 2012), <https://ric-zai-inc.com/Publications/cops-p213-pub.pdf>.

²⁵ Brown and Clarke, *Police Intelligence*, 173–192.

²⁶ Katherine Adger, "An Analysis of Location and Offender Characteristics for Motor Vehicle Theft in Texas from 2001 to 2005" (master's thesis, University of North Texas, 2007), 11.

become better at avoiding detection.²⁷ Organized criminal activity typically involves loose networks of contacts, which is more difficult to uncover and analyze because of the multiple organizations and individuals involved.²⁸ This lack of intelligence about the role of organized crime in facilitating the export of stolen vehicles is one of the key problems in developing a comprehensive understanding of the problem.²⁹

The United States is not immune to stolen vehicles for export. In 2003, Interpol estimated that the international trafficking of stolen vehicles was producing 19 billion U.S. dollars in economic losses annually.³⁰ Interpol has identified vehicle crime as

highly organized criminal activity affecting all regions of the whole world and with clear links to organized crime and terrorism. Vehicles are not only stolen for their own sake, but are also trafficked to finance other crimes. They can also be used as bomb carriers or in the perpetration of other crimes.³¹

In an effort to address stolen vehicle theft abroad, Interpol has also created the Stolen Motor Vehicle database (SMV), available to participating countries, in an effort to combat international vehicle theft and trafficking.³² The SMV database allows police in member countries the ability to query vehicles and determine if they are stolen; this critical search criteria is available across European borders.³³ In 2015, authorities identified approximately 123,000 vehicles as stolen with the help from the SMV database.³⁴

Published information about stolen vehicles used to specifically support terrorism is scarce. One reason for this could be because much of this information is collected by

²⁷ Brown and Clarke, *Police Intelligence*, 173–192.

²⁸ Ibid.

²⁹ Ibid.

³⁰ “Vehicle Crime, Interpol, Lyon, France,” Interpol, accessed November 5, 2017, <http://www.interpol.int/public/vehicle/default.asp>.

³¹ “Vehicle Crime,” Interpol, accessed November 5, 2017, <https://www.interpol.int/Crime-areas/Vehicle-crime/Vehicle-crime>.

³² Ibid.

³³ Ibid.

³⁴ Ibid.

federal government agencies and is classified information. Bill Warner is a private investigator in Florida, and he has documented his concerns about the use of stolen vehicles to finance terror networks and as vehicle borne improvised explosive devices (VBIEDs). In an article Warner published on Word Press, he states,

Trafficking and smuggling of stolen vehicles are mainly the work of structured and sophisticated global criminal groups. Such huge profits can be used by criminal organizations to strengthen their activities and support terrorism, while destabilizing developing nations at the same time.³⁵

Commercial vehicles and sport utility vehicles (SUVs) are inviting and deceitful vehicles for terrorists as these vehicles can transport heavy loads of explosive materials and pass through security checkpoints undisturbed.³⁶ In many cases, terrorists reinforce the suspensions on these commercial vehicles and SUVs to carry a heavier load of explosives to the target location. This is done so the vehicle does not appear to be low to the ground, thus alerting law enforcement or military personnel to the awkwardly overloaded vehicle.³⁷

In May 1999, the U.S. Customs Service prepared a report to the Honorable Susan M. Collins, Chair of the Permanent Subcommittee on Investigation, Committee on Governmental Affairs, U.S. Senate on Efforts to Curtail the Exportation of Stolen Vehicles.³⁸ Although this report was produced in 1999, the same concerns of stolen vehicles exported illegally from the United States hold true today. The report is a response to a request by the chair to describe efforts by the then U.S. Customs Service to “curtail the exportation of stolen vehicles from the United States.”³⁹ Investigators

³⁵ Bill Warner, “Confessions of a Federal Confidential Informant. Stolen Cars From Tampa to Dubai in Support of Terrorism,” PI Bill Warner, June 16, 2009, <https://pibillwarner.wordpress.com/2009/06/16/confessions-of-a-federal-confidential-informant-stolen-cars-from-tampa-to-dubai-in-support-of-terrorism>.

³⁶ Carlton Purvis, “Confession Details How Boko Haram Uses Stolen Cars to Support Terrorism Operations,” Security Management, February 23, 2012, <https://sm.asisonline.org/Pages/confession-details-how-boko-haram-uses-stolen-cars-support-terrorism-operations-009580.aspx>.

³⁷ “Vehicle Borne IEDs (VBIEDs),” Global Security, accessed October 15, 2017, <https://www.globalsecurity.org/military/intro/ied-vehicle.htm>.

³⁸ U.S. General Accounting Office, *U.S. Customs Service: Efforts to Curtail the Exportation* (GAO/OSI-99-10) (Washington, DC: U.S. General Accounting Office, 1999).

³⁹ Ibid.

conducted on-site visits at port operations in Florida, Texas, and California to observe the shipping processes associated with vehicle exportation and briefed the government office on their findings. The report identifies four items of focus:

1. Applicable regulations for exporting used, self-propelled vehicles from the United States.
2. Customs policies and procedures for controlling the export of these vehicles.
3. Methods used to illegally export those vehicles.
4. Improvements in operations being considered by Customs .⁴⁰

Even though they were written for the U.S. Customs Service, which is no longer in operation, these items of focus are important to this thesis because they are part of the legitimate vehicle export process and the stolen vehicles for export market. For instance, item one specifies the applicable regulations for exporting vehicles from the United States. In many cases, criminals ignore these regulations and this results in improperly manifested cargo, allowing stolen vehicles to be exported undetected.⁴¹

In an effort to curtail stolen vehicles for export and send a message to criminal networks on the receiving end, the United States, through its official diplomatic channels, has negotiated a number of treaties with relevant countries, which help the actual owners of these vehicles deal more effectively with the tangled morass created by cross border illegal exportation of their property.⁴² Vehicle owners often face the frustrating task of working with police departments and insurance agencies in an attempt to recover their stolen vehicle, which may end up overseas, in cases of domestic theft. The implemented treaties and assistance from the U.S. State Department provide a glimmer of hope as these may assist the vehicle owners in recovering their vehicles from a foreign country. The USCBP 1999 report includes a list of existing and proposed treaties.⁴³ On paper,

⁴⁰ Ibid., 1.

⁴¹ Lantsman, ““Movable Currency,”” 170.

⁴² Sally J. Cummings and David P. Stewart, eds., *Digest of United States Practice in International Law* (Washington, DC: U.S. Department of State, Office of the Legal Advisor, 2002), <https://www.state.gov/documents/organization/139638.pdf>, 65.

⁴³ Block, *An Analysis of Internationally Exported Vehicle Thefts*, 24.

these agreements sound like an effective approach, but in reality, the stated actions are difficult to achieve; this is especially true when dealing with countries with corrupt government officials. Researchers have estimated that only one percent of stolen exported vehicles from the United States are returned.⁴⁴ A review of U.S. State Department's stolen vehicle bilateral treaties identified agreements with Belize, Costa Rica, Dominican Republic, Guatemala, Panama and Mexico. Currently, there are no similar treaties between any of the West African countries and the United States.⁴⁵

2. REAL ID Act and REAL ID for Vehicles

Responding to recommendations by the 9/11 Commission, Congress enacted the Intelligence Reform and Terrorism Prevention Act of 2004. The act allowed federal authorities to set and regulate the minimum standards for state issued drivers licenses and other state issued personal identification cards—regardless of state specific differences.⁴⁶ Beyond setting these minimum standards, the 2004 act also laid out an important requirement for the various stakeholders concerned with authenticating personal identification to join together to discuss and develop uniform standards.⁴⁷

It is not unusual for the federal government to provide oversight when prompted. For example, the Anti Car Theft Act of 1992, an effort to prevent carjackings, brought federal oversight and mandates to impose tougher laws and penalties for auto theft, and the act contains specific sections to address carjackings, importation (interstate trafficking) and exportation, trafficking in stolen vehicles and automobile title fraud.⁴⁸ However, unlike Real ID, the Anti Car Theft Act did not mandate states to create a secure motor vehicle title with uniform, federal standards including security features.

⁴⁴ Adger, “An Analysis of Location,” 11.

⁴⁵ Cummings and Stewart, *Digest of United States*, 65.

⁴⁶ Intelligence Reform and Terrorism Prevention Act of 2004, Pub. L. No. 108-458, *supra* note 1 at 7212 (2004).

⁴⁷ *Ibid.*

⁴⁸ Anti Car Theft Act of 1992, Pub. L. No. 102-519 (1992).

Questions and debate continue in relation to secure identification even after Intelligence Reform and Terrorism Prevention Act of 2004 became law.⁴⁹ State issued vehicle drivers license have become one of the most important and common forms of accepted identification. Because of the ubiquitous manner in which state issued drivers license are used, Congress recognized national minimum standards were needed to protect the homeland regardless of state specific differences.⁵⁰ The Real ID Act of 2005 further codified what was and what is not recognized as valid ID.⁵¹ While there have been challenges to overcome in the design and implementation of these standards, the result has been increased security with greater confidence in the accuracy of information.⁵² Since delegated power was given to the secretary of transportation to evaluate and later make recommendations for a secure drivers license, perhaps further similar research would be beneficial to study policy and export concerns of stolen motor vehicles and vehicle title document fraud.

The September 11 hijackers collectively had 30 state-issued driver's licenses and non-driver identification cards, some of which were legitimate and others which were obtained fraudulently.⁵³ These identifications were used to board planes but also used by terrorists to navigate freely in society virtually undetected.⁵⁴ The law set forth certain requirements for identification cards and drivers licenses to be accepted by the federal government for "official purposes." With new laws set and a definition in place, the government's objective is to make it more difficult for people to obtain multiple identifications. Similarly, this objective would be beneficial with regard to vehicle title

⁴⁹ Intelligence Reform and Terrorism Prevention Act of 2004.

⁵⁰ "Real ID," U.S. Department of Homeland Security, last updated December 15, 2017, <https://www.dhs.gov/real-id>.

⁵¹ Ibid.

⁵² Ibid.

⁵³ Janice Kephart, "Real ID Implementation Annual Report: Major Progress Made in Securing Driver's License Issuance against Identity Theft and Fraud," *Backgrounder* (February 2012), <https://cis.org/sites/cis.org/files/articles/2012/real-id-2012.pdf>; "Threats and Responses: Document Fraud; Guilty Plea Expected by Seller of Fake IDs to 9/11 Hijackers," *New York Times*, February 4, 2003, <http://www.nytimes.com/2003/02/04/nyregion/threats-responses-document-fraud-guilty-plea-expected-seller-fake-id-s-9-11.html>.

⁵⁴ "Real ID Implementation Annual Report: Major Progress Made in Securing Driver's License Issuance against Identity Theft and Fraud," *Backgrounder* (February 2012).

fraud. The Department of Homeland Security has defined these official purposes "...as presenting state driver's licenses and identification cards for boarding commercially operated airline flights and entering federal buildings and nuclear power plants."⁵⁵

This is of critical importance to citizens because if a state is noncompliant with issuing the new identification requirement, it could be extremely difficult for its citizens to gain access to commercial airports and federal buildings. Therefore, it is compelling to have identification documents recognized and authorized by federal agencies for all official purposes. So, in building from the Real ID template for secure identification, perhaps we should study this template further as to how it may pertain to secure vehicle titles. In their writings, Brown, Adger, and Block have documented how vehicle document fraud contributes to the stolen vehicle for export problem.⁵⁶

With the current advances in printer technology since 1992, specifically the ability to recreate and forge documents (such as drivers licenses, birth certificates and vehicle titles) and due to vehicle document fraud, it would be worth the investment for stakeholders to re-examine and update the Anti Car Theft Act of 1992. A modest investment in research could prove fruitful in the potential development of future policy in this field.

3. National Motor Vehicle Title Information System

The Anti Car Theft Act of 1992 required the Department of Transportation to establish a system for states to track and share vehicle title information.⁵⁷ In 1996, as a result of the Anti Car Theft Improvements Act, the Department of Justice established control of the title information system and renamed it the National Motor Vehicle Title Information System (NMVTIS).⁵⁸ Currently, 39 states are participating in the system; six

⁵⁵ "Real ID," U.S. Department of Homeland Security.

⁵⁶ Adger, "An Analysis of Location," 21; Rick Brown and Ronald V. Clarke, "International Trafficking in Stolen Vehicles," *Crime and Justice* 30 (2003): 197-227, <https://doi.org/10.1086/652231>.

⁵⁷ "National Motor Vehicle Title Information System (NMVTIS); Final Rule," *Federal Register* 74, no. 19 (2009): 5740, <https://www.gpo.gov/fdsys/pkg/FR-2009-01-30/pdf/E9-1835.pdf>.

⁵⁸ "For Consumers," National Motor Vehicle Titling Information System, accessed November 5, 2017, https://www.vehiclehistory.gov/nmvtis_consumers.html.

states provide data only and six states are under development.⁵⁹ The system is designed to allow titling agencies to instantly verify the information on a paper title with that of what is electronically stored from the state issued title.⁶⁰ It is designed to keep stolen vehicles from being resold for illicit purposes, including funding criminal enterprises, and to protect consumers from fraud and unsafe vehicles. It also assists law enforcement and states in deterring and preventing vehicle title fraud.⁶¹ NMVTIS stores current and historical information about vehicles, which auto recyclers, junkyards, and salvage yards have owned, maintained or otherwise possessed.⁶² This information is used by states and consumers to ensure that these vehicles are not resold to unsuspecting consumers and to keep their vehicle identification numbers (VIN) from being transferred to stolen vehicles.⁶³ Often times, criminal groups present junked or salvage titles to USCBP with a stolen vehicle for export because the title is authentic, meanwhile the stolen vehicle has been placed inside the shipping container, which usually goes unchecked.⁶⁴

It is not mandatory for junkyards to submit junked titles to the state and or NMVTIS, which creates a reporting requirement problem. If it worked properly, according to a 2007 *New York Times* article,

the system has the potential to track every car or truck in the country by its VIN but the system has languished over the years because of local government inattention, a lack of urgency among state motor vehicle departments, and inconsistent federal funding.⁶⁵

The Department of Justice is ultimately responsible for recommending and implementing national motor vehicle policy standards. In addition, safeguards, such as NMVTIS, do assist stakeholders, including USCBP, in the illegal trade of stolen vehicles.

⁵⁹ “For States,” National Motor Vehicle Titling Information System, accessed October 15, 2017, https://www.vehiclehistory.gov/nmvtis_states.html.

⁶⁰ “National Motor Vehicle Title Information System,” American Association of Motor Vehicle Administrators, accessed October 15, 2016, <https://www.aamva.org/nmvtis>.

⁶¹ Ibid.

⁶² “For Consumers,” National Motor Vehicle Titling Information System.

⁶³ Ibid.

⁶⁴ Lantsman, “Moveable Currency” 170.

⁶⁵ Bender, “Stolen U.S. Vehicles End up.”

4. Stolen Vehicles and Terrorism

American vehicles are among the favorite vehicles insurgents use as VBIEDs in Iraq. First, the steering wheel is on the correct side of the vehicle for the intended West African countries to which the vehicles are being exported. Second, a large SUV can blend in easier as an American security vehicle allowing the vehicle to get closer to its target.⁶⁶ The FBI does not report publicly how many stolen U.S. vehicles have been used as VBIEDs in terrorist activities, but it is believed to be in the dozens.⁶⁷ “A car bomb is the absolute favorite delivery methods of terrorists,” said Special Agent Ryan Toole of the FBI’s Major Theft Unit in Washington, DC. “Tracing that VIN [vehicle identification number] is very, very, important” for investigators to properly identify where the vehicle originated from and determine how the vehicles wind up with terrorists.⁶⁸ Toole asserts that forensic specialists, “...have identified some bomb-rigged cars as vehicles that were swiped off American streets and sold overseas by criminal gangs and organized syndicates.”⁶⁹ Getting the VIN number from a car used in an attack is a very difficult task and is often not a priority of the military.

In November 2005, an incident in Fallujah, Iraq occurred when coalition troops raided a bomb-making factory and found an SUV with Texas registration, which was being prepared for use by terrorists in a bombing mission.⁷⁰ Some of these vehicles can be identified easily while others have had their VIN numbers ground down. In many cases involving car theft, local car thieves may not know, nor care, where the stolen vehicle will end up, as the domestic steal crews are simply taking advantage of the demand for stolen vehicles; however, in this incident, investigators believe these stolen vehicles were taken from U.S. cities and exported from shipping ports as diverse as Los

⁶⁶ “Vehicle Borne IEDs (VBIEDs),” Global Security.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Bryan Bender, “US Car Theft Rings Probed for Ties to Iraq Bombings,” *The Boston Globe*, October 2, 2005, http://archive.boston.com/news/world/articles/2005/10/02/us_car_theft_rings_probed_for_ties_to_iraq_bombings/.

Angeles, Seattle, and Houston.⁷¹ From shipping ports across the United States, vehicles are moved to global criminal nodes.⁷² The vehicles are then sold for profit or supplied to foreign fighters, who can maneuver openly, transitioning across borders in the regions where they have critical logistical support to support their criminal activities.⁷³ Investigators have found that U.S.-based car theft rings ship stolen cars to Jeddah, Saudi Arabia and Dubai, United Arab Emirates, where they are sold for profit or even transported to countries to be used as car bombs in places such as Iraq and Afghanistan.⁷⁴ An official who leads the Investigative Project on Terrorism, a research firm out of Washington, DC, states that the auto theft market is an unregulated market, and some of the proceeds are supporting terrorism.⁷⁵ Officials in Canada have also made similar statements concerning stolen vehicles used to fund terror activities. The Insurance Bureau of Canada has warned, “high-end cars and SUVs stolen in Canada could be financing global terrorism.”⁷⁶

5. Trade and Security

Loose border controls facilitate the efforts of international criminals to expand their criminal enterprise(s) and avoid arrest.⁷⁷ The U.S. Department of State identifies the international crime threat to the United States as having an impact on our society across three broad, global fronts. First, it has an impact on our communities, financial institutions, and American businesses. Secondly, it threatens global security and stability, and third, the exportation of stolen vehicles are part of this threat.⁷⁸ By implementing

⁷¹ Ibid.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Bill Warner, “Follow the Money and the Stolen Cars: Al-Qaeda Masters Terrorism on the Cheap,” *Shariah Finance Watch* (blog), August 24, 2008, <http://www.shariahfinancewatch.org/blog/2008/08/24/bill-warner-and-the-stolen-cars-funding-terror-must-read/>.

⁷⁵ Ibid.

⁷⁶ Andrew Hanon, “Stolen Cars Fund Terrorism-Report,” *News Canada*, January 21, 2010, <http://www.nugget.ca/2010/01/21/stolen-cars-fund-terrorism-report>.

⁷⁷ U.S. Department of State, *International Narcotics and Law Enforcement: FY 2002 Budget Justification. Bureau for International Narcotics and Law Enforcement Affairs* (Washington, DC: U.S. Department of State, 2001), <https://www.state.gov/j/inl/rls/rpt/cbj/fy2002/3711.htm>.

⁷⁸ Ibid., 1.

stiff border controls on the export level, the return on investment can create a substantial deterrent to global criminal enterprise networks and have an impact as a first line of defense for not only the United States but also destination countries.⁷⁹

The post-9/11 debate on trade versus security emphasizes trade imports into the United States; in contrast, export security has not been a national priority. If we are so focused on imports, are we doing our due diligence and connecting the dots concerning exports?⁸⁰ This critical analysis of the existent literature suggests we are not doing enough concerning exports. The events of 9/11 caused the U.S. government to establish new trade protocols and evaluate how it monitors the movement of cargo and its contents within the United States and abroad.⁸¹ According to Peterson and Treat,

These protocols have been incorporated into international frameworks such as those under the World Customs Organization (WCO), and in country-specific programs such as the Container Security Initiative (CSI) and the Customs-Trade Partnership Against Terrorism (CTPAT) administered by the United States.⁸²

Post 9/11 security concerns regarding cargo has not only effected the United States but has had a similar impact on U.S. trading partners. Some of our partners have employed new security protocols, while others have worked to enhance their existing cargo programs.⁸³ Trading partners in Canada, Australia, Sweden, and New Zealand have benefited from the United States strengthening its cargo standards, and they have aimed to mirror their own standards with those same standards enacted by the United States.⁸⁴

The Container Security Initiative and the Customs-Trade Partnership Against Terrorism are two programs created by the United States that have had an impact on cargo security on a global scale. These two programs have been incorporated into the

⁷⁹ Ibid. 5.

⁸⁰ "CSI: Container Security Initiative," U.S. Customs and Border Protection.

⁸¹ Ibid.

⁸² Joann Peterson and Alan Treat, "The Post-9/11 Global Framework for Cargo Security," *Journal of International Commerce and Economics* 2 (March 2008): 1–20, https://www.usitc.gov/publications/332/journals/cargo_security.pdf.

⁸³ Ibid.

⁸⁴ Ibid.

international frameworks of the World Customs Organization.⁸⁵ Currently, USCBP require goods imported into the United States to be pre-screened at ports of departure and for manifests to be provided ahead of time, unlike the pre-9/11 requirement of inspecting goods and manifests upon arrival to the United States. These two programs continue to enable USCBP to physically inspect cargo upon its arrival; however, computer automation and detection technology have streamlined the importation process.⁸⁶ Although post 9/11 cargo security programs have progressed, businesses participating in the programs have raised questions about the programs effectiveness and burdening costs, which negative impact their finances.⁸⁷

Post-9/11 cargo security programs attempt a holistic approach to securing the global supply chain by integrating cooperative measures between public and private partners.⁸⁸ By prioritizing important “behind-the-border measures” in protecting the global cargo supply chain, stakeholders are more effective in achieving their security goals.⁸⁹ Private businesses, working with trade facilitators such as the World Trade Organization, can find comparable solutions to address trade facilitation and a secure trading environment, recognizing that working together, rather than working independently of one another, can be beneficial to all parties.⁹⁰ However, cargo exported from the United States does not come under the same scrutiny as the imported cargo. As Clarke and Brown explain, with regard to the trade of vehicles, there is a substantial legal trade between the United States and foreign countries in the sale and purchase of used vehicles, where demand is placed on developed countries to supply underdeveloped countries.⁹¹ In 2016, the Port of New York and New Jersey processed approximately

⁸⁵ Ibid.

⁸⁶ Ibid.

⁸⁷ Ibid.

⁸⁸ Ibid.

⁸⁹ Ibid.

⁹⁰ Ibid.

⁹¹ Clarke and Brown, “International Trafficking in Stolen Vehicles,” 199, 204.

3,602,508 shipping containers.⁹² For the same year, approximately 206,811 ro-ro⁹³ vehicles were physically driven onto a ship for export.⁹⁴ Approximately 30,000 to 40,000 vehicles are shipped out of the port per month.⁹⁵ With such large volumes of vehicles being exported from U.S. ports and USCBP only inspecting approximately one percent of exports, criminal networks involved in the trafficking of stolen vehicles hide behind this technique, concealing their activities as authentic and legal cargo.⁹⁶ Essentially, the floodgates continue to widen for auto theft exports as globalization, and demand for cheap vehicles, continues to grow. If stakeholders scrutinized vehicles for export with the same attention as given to imports, the possibilities of reducing the number of exported stolen vehicles could be significant.

D. RESEARCH DESIGN AND METHODOLOGY

This study draws on data from public news releases and articles of case takedowns/arrests and indictments of individuals and groups arrested for the purpose of procuring stolen vehicles for export at New York and New Jersey seaports. The data includes press releases, media announcements, and case investigations conducted by law enforcement members in the NYPD, New Jersey State Police, U.S. Department of Homeland Security, Homeland Security Investigations and USCBP. In addition, the data set focuses on stolen vehicle cases at the seaports of New York and New Jersey over the past seven years and highlights the difficulties other authors, such as Block and Lantsman, have pointed out in identifying the need for further research on this subject matter.⁹⁷

In addition to the data set, this thesis critically examines if a national motor vehicle title would be beneficial to assist stakeholders in combating stolen vehicles for

⁹² “2016 Trade Statistics,” Port Authority of New York and New Jersey, April 2017, www.panynj.gov/port/pdf/2005-2016-Historical-Trade-Stats-summary.pdf.

⁹³ A ro-ro is a vehicle that is rolled on and rolled off a ship, not placed inside a shipping container.

⁹⁴ “2016 Trade Statistics,” Port Authority of New York and New Jersey.

⁹⁵ Ibid.

⁹⁶ Clarke and Brown, “International Trafficking in Stolen Vehicles,” 204.

⁹⁷ Block, *An Analysis of Internationally Exported Vehicle Thefts*; Lantsman, “Movable Currency,” 157–184.

export. It also includes other forms of vehicle fraud, such as vehicle title washing and vehicle title fraud.⁹⁸ This thesis examines the post-9/11 implementation of the Intelligence Reform and Terrorism Prevention Act of 2004, specifically the Real ID Act, to identify the challenges associated with implementing those policy changes for the purpose of recommending if a national motor vehicle title would be a realistic option to address the export of stolen vehicles. The remaining chapters of this thesis examine those possibilities and suggest where new or improved policies might be effective.

⁹⁸ Title washing is a scheme in which fraudulent titles or titles branded “salvage” are swapped in other states who in turn provide an authentic title, making the title/vehicle appear legitimate.

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II. THE NYPD BEST UNIT: A CASE STUDY

This chapter is a case study of NYPD's efforts to reduce the export of stolen motor vehicles. This case study demonstrates the value of coordinated efforts among law enforcement agencies at the local, state and federal level to combat the illegal exportation of stolen vehicles at seaports. It also examines the success of methodical approaches aimed at disrupting criminal enterprise networks here in the United States and internationally from illegally exporting stolen vehicles.

The NYPD is divided into major bureaus for enforcement, investigations, and administration. The patrol force consists of 77 patrol precincts with officers and detectives responsible to cover the entire city. The departments 12 transit districts are responsible for patrolling the city's subway system and its nearly six million daily passengers. The police service area is responsible for patrolling the city's public housing developments, which house more than 400,000 residents. Patrol, transit, and housing are known as the backbone of the department and are supported by a wide variety of other bureaus, including but not limited to investigative and administrative bureaus.

For the purposes of this case study, the research focuses on the NYPD's investigative bureaus, which include the Detective Bureau, Intelligence Bureau, Counterterrorism Bureau, Crime Control Strategies, and Internal Affairs Bureau. Specifically, we examine NYPD's Auto-Crime Unit, which is aligned under the Detective Bureau-Criminal Enterprise Division. As explained by the NYPD's public web page, the

Auto-Crime unit identifies, investigates, and arrests individuals or groups responsible for the organized or repeated theft of vehicles. In an effort to reduce auto theft in New York City, the division conducts long-term investigations and performs extensive analyses of citywide patterns and trends. Detectives investigate fraudulent complaints of vehicle thefts and monitor operations of second-hand auto and auto parts dealers, junk-yards, dismantlers, re-builders, and scrap processors. They are also called upon to assist other NYPD commands in examining and identifying stolen

vehicles and forged vehicle documents, as well as recovery of stolen vehicles and parts.⁹⁹

A. THE NYPD STRATEGY

In April 2011, the commanding officer of the NYPD Auto-Crime Unit recommended to the police commissioner that the NYPD imbed investigators into the Border Enforcement Security Task Force, a newly formed task force that reports to the U.S. Department of Homeland Security, Homeland Security Investigations, New York office. The commissioner took the recommendation. The focus of BEST is auto theft exports at nearby area seaports as well as other criminal activities impacting border security such as the importation of narcotics and counterfeit goods via maritime pathways.

Geographic, jurisdictional boundaries can often constrain law enforcement investigations; however, criminals and criminal enterprises easily cross these boundaries. The benefits of embedding local detectives within federal task forces is the cross designation of the local detective/investigator to investigate and assist with the prosecution of federal statutes, leveraging expertise and resources. Funding, information sharing, and interagency cooperation are all part of the benefits of working and sharing work responsibilities with partner agencies. In June 2011, the police commissioner assigned one sergeant and six investigators to NY BEST. In total, the task force consists of over 18 highly skilled investigators across multiple federal and local agencies. This allows participating NYPD auto crime investigators direct access to federal databases, daily interaction with U.S. customs inspectors, and direct access to the seaports where containers were being exported. NYPD personnel assigned to this task force fall under the NYPD's Detective Bureau, Criminal Enterprise Division. In discharging their BEST responsibilities, NYPD personnel have deployed strategies focusing on domestic vehicle thefts and collaborative strategies that focus on international vehicle thefts.

⁹⁹ "About the NYPD," New York City Police Department, accessed October 15, 2017, <http://www1.nyc.gov/site/nypd/about/about-nypd/about-nypd-landing.page>.

B. DOMESTIC-BASED BUT INTERNATIONALLY FOCUSED STRATEGIES

NYPD has incorporated a number of strategies targeting international targets operating in concert with U.S.-based operatives engaged in the illegal exportation of stolen vehicles.¹⁰⁰ Internal, confidential NYPD documents detail targeted strategies, such as identifying persons with improper possession and distribution of motor vehicle titles for the purposes of illegal exports and working with rental car companies in an attempt to stop the flow of rental vehicles for export. Other strategies, such as using automatic license plate readers at bridges, have become effective in tracking the movement of stolen vehicles and identifying follow-on vehicles used to trail the stolen vehicle.¹⁰¹ For example, these readers were useful in solving an auto theft problem in Staten Island, New York wherein criminals drove stolen vehicles across state lines into New Jersey to layover locations before being transported to final foreign destinations.¹⁰²

1. Collaborative Enforcement Strategies

Because stolen vehicles cross state lines as well as international boundaries, NYPD has become a leader in collaboration with federal enforcement agencies and federal prosecutors to address cross-jurisdictional criminal activities. For example, in conducting Operation Steals for Senegal, NYPD identified a connection between a local auto theft investigation and an international car theft operation shipping stolen vehicles to West Africa.¹⁰³

¹⁰⁰ U.S. Attorney's Office, Eastern District of New York, "Defendant Sentenced to 5 Years' Imprisonment for Exporting Stolen Luxury Cars Worth over \$1 Million to Africa," press release, November 26, 2013, <https://www.justice.gov/usao-edny/pr/defendant-sentenced-5-years-imprisonment-exporting-stolen-luxury-cars-worth-over-1>.

¹⁰¹ Clarke, and Gohar Petrossian, *Export of Stolen Vehicles*, 30.

¹⁰² Jason Grant, "Ring That Stole Cars Worth \$6 Million and Shipped Them to Africa is Busted in Newark," *The Star Ledger*, last updated May 23, 2012, http://www.nj.com/news/index.ssf/2012/05/ring_that_stole_cars_worth_6_m.html.

¹⁰³ Stephen Ceasar, "17 Arrests Shut Down Bronx Car Theft Ring," *New York Times*, June 30, 2010, <https://cityroom.blogs.nytimes.com/2010/06/30/luxury-car-theft-ring-is-broken-up/>.

2. NYPD BEST: A Learning Organization

The success of a single enforcement effort often drives the criminal element to develop new markets for stealing and exporting motor vehicles. Operation Steals for Senegal was successful, and through it, NYPD learned strategies that it could use to negate other auto theft networks. For instance, investigators learned that by seeking permission to go outside their geographic boundaries and outsourcing leads to their federal counterparts, they could effectively address the larger criminal enterprise structure. This information led to the deployment of other strategies in a case named *Operation Steals for Rent*, which used successful investigative techniques to combat high-end vehicles being rented from various car rental companies and then exported. These include the mobile deployment of license plate readers at critical bridge crossings to track cross-state vehicle movements and information sharing with USCBP. Using these techniques allowed investigators to target a key individual who masterminded a multistate auto theft criminal syndicate that exported high-end luxury SUVs to Ghana, West Africa. This particular individual utilized diaspora networks to facilitate the exportation of high-end luxury SUVs to her hometown in Ghana.

3. Comparison Data on Stolen Vehicles

The author analyzed and reviewed stolen vehicle seizures from 2007 through 2017 at the Port of New York and New Jersey, Savannah, Georgia, and, Jacksonville, Florida. All of these ports ship containers to West African countries. Table 1 outlines the number of stolen vehicles recovered from each seaport since 2010.¹⁰⁴

¹⁰⁴ Data pulled by author from U.S. Department of Homeland Security Automated Export System database, November 12, 2017.

Table 1. Vehicle Seizures at Area East Coast Ports, 2007 to 2017¹⁰⁵

Year	Port of NY/NJ	Port of Savannah, GA	Port of Jacksonville, FL
2017	146	2	2
2016	151	7	2
2015	234	17	10
2014	333	14	8
2013	229	40	9
2012	124	30	17
2011	243	73	8
2010	148	8	7
2009	72	14	8
2008	19	5	17
2007	3	6	40

The Port of New York and New Jersey is the second largest port in the country after the port of Los Angeles. Vehicle export numbers are typically greater than those of smaller ports due to the large volume of cargo being imported and exported. For this case study, the author chose East Coast ports due to ships departing from these locations to West African countries.¹⁰⁶

The New York/New Jersey seizure numbers from 2010 forward are important because the NYPD began investigating vehicle thefts for export in 2010 when NYPD assigned two detectives on temporary status to NY BEST. From Table 1, one immediately notices that NY BEST has had a significant impact on increasing the

¹⁰⁵ Adapted from: Author’s search of U.S. Department of Homeland Security’s Automated Export System database, November 12, 2017.

¹⁰⁶ Lantsman, ““Movable Currency,”” 158.

number of vehicles recovered in port.¹⁰⁷ However, the numbers fluctuate over the years. Some of these fluctuations can be explained by the propensity of illegal exporters to “port shop,” and some fluctuations are due to strategic auto theft enforcement targeting organized theft rings in the surrounding areas.¹⁰⁸ The term “port shop” refers to a process whereby illegal exporters take notice of enhanced law enforcement activities and move their illegal exports to different ports to avoid detection.

As noted, NYPD has demonstrated considerable success in reducing the number of stolen vehicles exported each year. Although the overall number of vehicles recovered in port is small compared to the overall number of vehicles reported stolen, the impact on their use in financing terrorism might be considerable. We know that a number of these vehicles are bound for West Africa. We also know that a significant number of these vehicles are high dollar luxury SUVs.¹⁰⁹ While we do not know who all the intended recipients are for these stolen vehicles, nor how they intend to use them, we do know that it cost less than a half million dollars to finance the 9/11 terrorist attacks.¹¹⁰ It would take only a small portion of these stolen vehicles to raise substantial funding for a criminal or terrorist organization. Intelligence authorities spend much of their time collecting and analyzing data, or what others have called “connecting the dots,” and this may be one area not receiving adequate attention from law enforcement and the intelligence community.¹¹¹

¹⁰⁷ In 2010, NYPD auto crime investigators began working with USCBP at the Port of New York and New Jersey. Stolen vehicle seizures doubled those of 2009.

¹⁰⁸ Lantsman, ““Movable Currency,”” 169.

¹⁰⁹ From 2007 through 2017, authorities recovered 1702 stolen vehicles at the Port of NY and NJ. At an average cost of \$40,000.00 per vehicle, that amounts to \$68,080,000.00. It was not until 2010 when these numbers increased significantly due to the implementation of the auto-theft, task force model. Data pulled by author from U.S. Department of Homeland Security Automated Export System database, November 12, 2017.

¹¹⁰ 9/11 Commission, *Final Report*, 169.

¹¹¹ John E. Boon Jr et al., “*Connecting the Dots*,” in *Intelligence: Detecting Terrorist Threats in the Out-of-the-Ordinary* (Santa Monica, CA: Rand, 2005), https://www.rand.org/pubs/research_briefs/RB9079.html.

C. SPECIFIC ENFORCEMENT STRATEGIES

The following examples illustrate some creative methods that the NYPD has employed to address both domestic and international issues associated with vehicular theft. These are examples of actual NYPD operations: Operations Steals for Senegal, Operation Auto Intercept, Operation Summer Rental, and Operation Jacked.

1. Operation Steals for Senegal

Combatting auto theft is an ongoing challenge for law enforcement and insurance companies. To that end, law enforcement organizations often set up operations to target a specific group or problem. For example, in 2010, the NYPD Auto-Crime Division conducted a transcontinental export investigation named Operation Steals for Senegal. This operation targeted a group of West African auto exporters and domestic theft crews suspected of shipping stolen high-end vehicles out of the Port of New York and New Jersey.¹¹² As auto-crime investigators pursued their investigation, it led them to USCBP vehicle title desk at the Port of New York and New Jersey. Investigators discovered that criminals placed the stolen vehicles inside shipping containers, trucked them to the seaport, and exported them to several West African countries.¹¹³ These criminals were exploiting the lack of document and physical security at shipping ports around the country.¹¹⁴ During the yearlong investigation, this group stole nearly 500 cars and sold them in New York, New Jersey, Georgia, and Texas, as well as exporting many to West African countries.¹¹⁵

The results of the investigation were impressive. Authorities arrested 17 perpetrators and recovered 99 vehicles, with a total value exceeding \$5,000,000.00.¹¹⁶ Of the 99 vehicles recovered, 67 were stolen from New York City.¹¹⁷ The stealing and

¹¹² Ceasar, “17 Arrests Shut Down.”

¹¹³ Ibid.

¹¹⁴ Ibid.

¹¹⁵ Ibid.

¹¹⁶ Ibid.

¹¹⁷ Ibid.

illegal export of vehicles has a long history, but the strategic value of this investigation was in the unraveling the operations of an innovative criminal organization by involving the crime solving skills of various federal and local agencies. As a result of the investigation, NYPD detectives began to capitalize on the additional investigative steps they had discovered in this investigation. Investigators learned that by seeking permission to go outside their jurisdictions, visiting seaports, and by outsourcing leads to their federal counterparts, they were more effective than they might otherwise have been. These actions allowed detectives to address the entire criminal enterprise structure rather than just focusing on the local network alone. In addition, investigations grew upward to a network focal point, which both dismantled the group and effectively prosecuted the entire organization. Furthermore, investigators continued investigate, pursue, and recover stolen vehicles in the metropolitan New York area and at the Port of New York and New Jersey. In several instances, investigators traveled to Baltimore, Philadelphia, and Miami to identify and recover vehicles from New York City, and they also assisted other investigative units.

Also, the successes of Operation Steals for Senegal resulted in permanent assignment of two fulltime NYPD detectives to the NY BEST. Moreover, NYPD investigators now assigned to NY BEST began to focus exclusively on stolen vehicles at nearby seaports. Not only did they focus on the Port of New York and New Jersey, they were also collaborating with auto crime investigators from other states and expand lessons learned from the operation. They also began to focus on other states on the East Coast, specifically regarding exports to West African countries. In addition, they had consulted with investigators from the National Insurance Crime Bureau, as well as security departments at all the major motor vehicle corporation headquarters such as a public safety outreach and shipping lines in an attempt to develop confidential informants.

2. Operation Auto Intercept

On May 23, 2012, prosecutors and law enforcement authorities in Newark, New Jersey held a joint news conference to announce the successful completion of Operation

Auto-Intercept.¹¹⁸ Auto-Intercept was a case involving federal, state, and local authorities investigating a major international car-theft ring stealing high-end vehicles and exporting them to West Africa.¹¹⁹ The investigation involved more than 10 law enforcement agencies and resulted in the arrests of 19 people. The investigation lasted approximately 18 months and led to the recovery of more than 200 vehicles, estimated to be worth more than six million dollars.¹²⁰ Of those 200-plus recovered vehicles, it is estimated that 10 percent of those were the result of carjackings, an often violent and potentially deadly method of obtaining a vehicle. Those responsible for using such violent methods to obtain vehicles are usually gang members or their associates, according to New Jersey's U.S. Attorney Paul Fishman.¹²¹ In describing this operation, Fishman stated,

The joint law enforcement investigation found that numerous people had worked to illegally export, or attempt to export, stolen cars through the seaports in Newark and Elizabeth, to various countries overseas, including to Nigeria, Ghana, Guinea, Sierra Leone and Gambia, all in West Africa.¹²²

The gang members involved in this operation sold the vehicles to a second criminal layer known as a fence. The fence purchased the vehicles from the thieves, stored them, holding the vehicles at a secure location in an attempt to hide them from law enforcement.¹²³ While the fence held the vehicles, he removed the VINs and fabricated counterfeit titles. The final step in the process involved the coordinated efforts to export the vehicle using a non-vessel operating common carrier (NVOCC) using falsified shipping documents.¹²⁴

¹¹⁸ Grant, "Ring That Stole Cars."

¹¹⁹ Ibid.

¹²⁰ Ibid.

¹²¹ Ibid.

¹²² Ibid.

¹²³ Ibid.

¹²⁴ Ibid.

3. Operation Summer Rental

On September 21, 2012, investigators from NY BEST received a call from the Hertz Rental Car Company requesting assistance in attempting to recover two expensive vehicles. The vehicles had an onboard global positioning satellite (GPS) installed and were “pinging” in a warehouse located in New Jersey. NYPD contacted its counterparts in New Jersey and learned that the Port Authority of New York and New Jersey Police Department (PAPD) was at the warehouse and had detained two individuals. NY BEST investigators went to the warehouse to assist with the investigation and discovered evidence of a large-scale stolen vehicle export scheme.

NY BEST investigators consulted with PAPD investigators and all parties agreed that this investigation met the criteria for federal prosecution. NY BEST investigators met with prosecutors from the U.S. Attorney’s Office, Eastern District of New York (EDNY) and presented the facts and evidence. EDNY accepted prosecution of the case and began to sort through the evidence. Investigators were able to track down six containers, which had been approved and processed by USCBP for export to Benin, West Africa. Working with USCBP, investigators determined that all six shipping containers had already been exported. Furthermore, investigators determined that the manifests, which were provided to USCBP, indicated that all vehicles contained within the shipping containers were carrying “salvage” motor vehicles.¹²⁵ The vehicle documents provided to USCBP included manifests and salvage titles. The shipping containers had not been inspected for authenticity prior to export.

As part of a task force, NYPD investigators checked federal export databases (such as the Automated Export System [AES]) and determined the containers had not yet reached the ports of West Africa. Through their USCBP counterparts, they immediately requested that the shipping containers to be returned to the United States. This was made possible in part through improved and expanded relationships between partner agencies.

When the containers arrived back at the port of Newark, investigators discovered 18 rental vehicles, which had been illegally exported. The recovery included 14 vehicles

¹²⁵ “Defendant Sentenced to 5 Years’ Imprisonment,” U.S. Attorney’s Office.

recovered on behalf of Hertz Corporation, three vehicles recovered on behalf of Avis Corporation, two vehicles recovered on behalf of Enterprise Corporation, and one vehicle recovered on behalf of Dollar Corporation.¹²⁶ Criminals rented these vehicles from several states, including Pennsylvania, New Jersey and New York, with fraudulent Canadian documents. The estimation of the dollar amount of vehicles recovered was in excess of \$1,000,000.00 and included luxury name brands such as Mercedes, Infinity, and Cadillac.¹²⁷

4. Operation Jacked

According to a 2014 article in the *South Passaic Daily Voice*,

An international ring stole and carjacked luxury vehicles in New Jersey and New York and shipped them to West Africa, where they sold for significantly above the sticker price here, authorities said today in announcing a takedown of the operation and the recovery of 140 cars worth more than \$8 million.¹²⁸

Operation Jacked began after 208 carjackings occurred in New Jersey in 2007. This number increased by almost 75 percent to 345 carjackings in 2012 Newark alone.¹²⁹ By 2013, the numbers climbed again to 475 carjackings.¹³⁰ In one of the carjackings, thieves were attempting to steal a new Range Rover from a young attorney who was Christmas shopping at an affluent mall with his fiancée when he was murdered for the vehicle.¹³¹ Criminologists and law enforcement experts attribute the rise of carjackings in Newark and surrounding counties to the proximity of the nearby seaports located in

¹²⁶ Ibid.

¹²⁷ Ibid.

¹²⁸ Jerry DeMarco, “New Jersey State Police ‘Operation Jacked’ Takes down International Stolen Car Trafficking Ring,” *South Passaic Daily Voice*, February 27, 2014, <http://southpassaic.dailyvoice.com/police-fire/new-jersey-state-police-operation-jacked-takes-down-international-stolen-car-trafficking-ring/630128/>.

¹²⁹ Ibid.

¹³⁰ Ibid.

¹³¹ Marc Santora and Michael Schwartz, “An Epidemic of Carjackings Afflicts Newark,” *New York Times*, December 29, 2013, <http://www.nytimes.com/2013/12/29/nyregion/an-epidemic-of-carjackings-afflicts-newark.html>.

Newark and Elizabeth.¹³² Criminals placed most of the carjacked vehicles in containers in New York and shipped them out of local ports.¹³³

New Jersey auto-crime investigators sought the assistance of NY BEST after criminals stole vehicles from their jurisdiction and delivered them to layover locations in New York.¹³⁴ Investigators eventually established a link between New York and New Jersey, allowing New Jersey investigators to focus directly on identified subjects committing the carjackings while New York investigators could assist with layover locations and locations where the vehicles were loaded into containers. Although law enforcement agencies in both states had respective geographic boundaries and challenges, collaboration across state lines allowed investigators to maximize resources.

Of the roughly 160 vehicles recovered, investigators recovered 140 of them at ports in Newark, New Jersey and Staten Island, New York.¹³⁵ According to officials, “shippers who sent cars across the ocean completed false bills of lading, misrepresenting the contents of the containers.”¹³⁶

D. RELEVANCE TO HOMELAND SECURITY

This case study of the NY BEST illustrates that the NYPD and law enforcement partners across state lines have successfully undertaken several operations using several strategies to address the international export of stolen vehicles. These strategies consist of multiple levels of enforcement cooperation and collaboration across state lines and with key national enforcement agencies. The evidence is clear that NYPD has been able to reduce the number of stolen vehicles exported from the port of New York and New Jersey. The case study illuminates the domestic nature of the stolen motor vehicle problem, but it fails to provide clear evidence that exported stolen vehicles support

¹³² Ibid.

¹³³ Ibid.

¹³⁴ Layover locations are used to hide stolen vehicles from locations where they could be recognized by law enforcement. Locations such as underground parking lots are favorites as these spots can also prohibit vehicle GPS trackers from transmitting.

¹³⁵ DeMarco, “New Jersey State Police.”

¹³⁶ Ibid.

international terrorist incidents. The next chapter provides a systematic analysis of the NYPD case study and compares that to findings in the literature.

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III. ANALYSIS

The literature review and the case study (the investigative work of NY BEST) demonstrate that the monetary value of illegal vehicle exports total several millions of dollars each year—in New York and surrounding areas alone. The case study also revealed no specific evidence to support a link to international terrorism, but given the large amount of money involved and the criminal networks engaged, it is reasonable to assume that a portion of these millions could finance several terrorist operations. Both the literature review and the case study point to shipping fraud as the unsolved portion of the stolen vehicle export problem. In some cases, it is simple deception and the stolen vehicles are hidden in containers and shipped illegally without any title or other documentation. However, in many other cases, vehicles are hidden in containers with legitimate commodities, such as household goods bound for export. In other cases, criminals export high-end luxury vehicles illegally using authentic salvage vehicle titles and relying upon customs officials not inspecting the container prior to export.¹³⁷

A. THE DECEPTION PROBLEM

It is practically impossible to stop all instances of the illegal exportation of stolen vehicles. This is in part because criminal networks realize a high return on their efforts, and thus they find the reward well worth the risk, in part because these vehicles are often placed in containers with legitimate cargo, which makes it very difficult for law enforcement to interdict the illicit merchandise.¹³⁸ In 2017, a massive car theft scheme was uncovered in Liberia, where 39 vehicles stolen from the United States were being used to operate Oragon Rent-A-Car International, a car rental company in operation since 2013.¹³⁹ The U.S. Embassy in Monrovia sought the assistance of Liberian authorities

¹³⁷ Clarke and Brown, “International Trafficking in Stolen Vehicles,” 205.

¹³⁸ Adger, “An Analysis of Location,” 21.

¹³⁹ Rodney D. Sieh, “Liberia—A Hub for Stolen Vehicles from the United States?,” *Front Page Africa*, June 21, 2017, <https://www.frontpageafricaonline.com/index.php/business/4504-liberia-a-hub-for-stolen-vehicles-from-the-united-states>.

after U.S. officials became aware of the scheme.¹⁴⁰ Investigators in Liberia identified deception practices involving false customs manifests, fraudulent vehicle titles, and improper VIN numbers.¹⁴¹ They also speculate that corrupt officials, such as port workers and Liberian lawmakers, were involved in the scheme and a potential cover-up among Liberian officials, thus the need for a special prosecutor was recommended.¹⁴² It is estimated the vehicle dollar value recovered was over \$300,000, and it is said that some of the stolen vehicles were obtained via car jackings from cities in the United States.¹⁴³

In the stolen vehicle chain of events, the export process involves exporters, freight forwarders, non-vessel common carriers (NVOCCs), and shipping lines.¹⁴⁴ Shipping lines sell space on their vessels (known as “berths”) to NVOCCs, who in turn sell that space to freight forwarders and exporters. The exporter then contacts the freight forwarder, also known as the NVOCC,¹⁴⁵ to arrange for a shipping container delivery for loading. Once the container has been loaded, the exporter arranges for the container to be transported to the port for export. It is at this point where the deception/false manifestation takes place. If authorities inspect the container and find stolen vehicles, the non-complicit freight forwarder is technically held responsible; however, these cases are extremely difficult to prove and penalties are light enough that criminals are willing to risk being caught.¹⁴⁶

In an effort to improve the export filing procedures, the U.S. Census Department implemented a new computerized system, the Automated Export System (AES),¹⁴⁷ which is designed to collect data when exporters fill out an electronic export information

¹⁴⁰ Ibid.

¹⁴¹ Ibid.

¹⁴² Ibid.

¹⁴³ Ibid.

¹⁴⁴ Lantsman, ““Movable Currency,”” 172.

¹⁴⁵ NVOCC is a person or company that organizes shipments for individuals or companies to get goods from the person or producer to a market, customer or final point of distribution.

¹⁴⁶ Lantsman, ““Movable Currency,”” 172.

¹⁴⁷ “What is AES?,” U.S Census Bureau, accessed April 29, 2017, <http://www.census.gov/foreign-trade/aes/gettingstarted/overview.html#WhatisAES>.

(EEI) form online.¹⁴⁸ The new EEI computer form replaces a paper version, called the shippers export declaration form, allowing U.S exporters to electronically file their exports and enabling federal agencies to monitor and validate exports.¹⁴⁹ The freight forwarder then files those documents with USCBP for processing. For vehicle exports, USCBP physically examines vehicle titles and other documents, such as lien releases and power of attorney for authenticity, and manually processes them to be cleared for export; however, ships have often sailed before customs can verify the exported vehicles paperwork due to the sheer volume of paperwork waiting to be cleared.¹⁵⁰ Although the filing procedures have improved since 2001, seizures at ports throughout the country show that there are still deception practices.

It is simply unrealistic and too costly to physically inspect all shipping containers awaiting export. In an effort to address the deception practices used by criminal networks, USCBP officials have employed the use of x-ray devices to scan containers suspected of containing non-manifested vehicles.¹⁵¹ If authorities find containers with contraband, such as stolen vehicles, they can impose fines against the freight forwarder as both punishment and deterrent.¹⁵²

As the NYPD case study demonstrates, fines, arrests, and targeted enforcement are simply not enough to address this problem, and unfortunately, there are no easy solutions. As total vehicle thefts have declined in the United States, evidence suggests that this crime has moved to illegal exports at border and seaport regions.¹⁵³ Even so, criminal reliance on deception methods will likely continue as targeted enforcement efforts continue to be disruptive. Clarke and Brown suggest that what we need is an “urgent priority for research to uncover the methods by which traffickers circumvent

¹⁴⁸ Ibid.

¹⁴⁹ “Electronic Export Information,” U.S. Department of Census, accessed April 29, 2017, <https://www.census.gov/foreign-trade/aes/gettingstarted/glossary.html#EEI>.

¹⁵⁰ Brown and Clarke, “International Trafficking in Stolen Vehicles,” 204.

¹⁵¹ Ibid., 210.

¹⁵² “Exporting a Motor Vehicle. Interpretation and Application of 19 CFR Part 192,” U.S. Customs and Border Protection, last modified April 9, 2017, <http://www.cbp.gov/trade/basic-import-export/export-docs/motor-vehicle>.

¹⁵³ Block, *An Analysis of Internationally Exported Vehicle Thefts*, 141.

registration and licensing requirements, and avoid detection at customs and border checkpoints.”¹⁵⁴ Other authors and organizations have called for further research and study in this problematic part of the export process.¹⁵⁵

B. THE SALVAGE PROBLEM

Recent natural disasters, such as hurricanes Harvey, Irma, and Sandy, have resulted in insurance companies writing off cars as total losses due to flood damage. The National Insurance Crime Bureau (NCIB) reported over 637,000 insurance claims related to just hurricanes Harvey and Irma alone.¹⁵⁶ Insurance companies pay out these vehicles as total losses and sell them to salvage auction companies. Insurance Auto Auctions has tens of thousands of flooded vehicles listed on its website, and Copart lists more than 30,000 vehicles from hurricane Harvey alone at two locations in Texas.¹⁵⁷ Potential buyers can utilize the NCIB, Vincheck, and NMVTIS to check VIN history; however, not all insurance companies support all these databases.¹⁵⁸ In addition, only 38 states comply with the Anti Car Theft Act of 1992, which requires motor vehicle title data and its history to be reported to the federal system before a new title is issued.¹⁵⁹

Further complicating matters is the fact that not all states define salvage in the same way. The lack of uniform definitions of salvage and related terms allows a person or business to manipulate the system utilizing a scam known as “title washing.” Title washing happens when a person submits a salvage vehicle title to a different state motor vehicle office and that motor vehicle office issues a new, “clean” title, omitting the salvage notation. For example, a person can buy a salvage branded vehicle at a very low cost and repair the vehicle. The person then brings this vehicle title, which was branded, to another state that does not recognize the term “salvage.” The new state then issues a

¹⁵⁴ Clarke and Brown, “International Trafficking in Stolen Vehicles,” 222.

¹⁵⁵ Block, *An Analysis of Internationally Exported Vehicle Thefts*, 141.

¹⁵⁶ Norman Mayersohn, “How to Avoid Buying a Car Flooded by Hurricanes,” *New York Times*, September 21, 2017, http://www.nytimes.noclick_com/2017/09/21/automobiles/wheels/avoid-buying-flooded-car.html.

¹⁵⁷ *Ibid.*

¹⁵⁸ *Ibid.*

¹⁵⁹ *Ibid.*

new title without the salvage branding on it, in effect, creating a new, clean title. A recently published article by the *Huffington Post* blames the lack of a federal car titling laws for the national title washing problem.¹⁶⁰ Regardless of the reason, it is obvious that title washing is easier in a nation in which each state motor vehicle title is unique.

C. THE STOLEN VEHICLE EXPORT PROBLEM AS A SYSTEMS FAILURE WITH UNKNOWN CONSEQUENCES

This thesis has analyzed the stolen vehicle problem in the United States and described how this domestic criminal problem has shifted to an international problem with possible ramifications for funding international criminal organizations, including terrorist organizations. The 1992 Anti Car Theft Act effectively reduced the number of stolen vehicles, but the failure to completely implement its provisions for uniform vehicle titles has left open the door for illegal exports of stolen vehicles. The literature review detailed how federal laws and state reluctance to implement those laws has hampered efforts to reduce the number of stolen vehicles exported from several U.S. ports. The NYPD case study described how this major metropolitan police department built collaborative strategic partnerships with federal, state, and local authorities to successfully target and convict illegal exporters. In the face of failed policies and aggressive enforcement, the export of stolen vehicles remains a significant problem that is funding international criminal organizations, perhaps including terrorist organizations. The final chapter of this thesis addresses these issues and make concrete policy and enforcement recommendations that can effectively reduce the number of stolen vehicles exported from the United States.

¹⁶⁰ Hunter Stuart, "One Million Used Cars Are Hiding a Terrible Secret," *Huffington Post*, September 8, 2014, https://www.huffingtonpost.com/2014/09/08/title-washing_n_5767494.html.

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IV. CONCLUSIONS

This thesis began with a description of a problem, the exportation of stolen vehicles from The United States, and three research questions designed to unpack the problem space in relation to possible policy changes to more effectively secure the homeland. The first question was specific to strategic police operations at the Port of New York and New Jersey. The second question focuses on policy implications of the NYPD case study and its impact on the current export process. The final research question asked about the relationship between exported stolen vehicles and international terrorism. Below is a summary of those findings, the specific policy implications and suggestions that emerge from the research as well as a look at how the specific research questions are answered by the evidence that is analyzed.

A. SUMMARY OF FINDINGS

Do the targeted strategic police operations of the NYPD BEST unit reduce the number of vehicles stolen in port area of New York and New Jersey? The simple answer is that the evidence is inconclusive. The case study described several successful operations that thwarted international car theft rings and provided information on the number of cars recovered. These enforcement actions do correctly point out that targeted enforcement in this area yield positive results, as recommended by Lantsman.¹⁶¹ However, none of the research revealed any actual numbers or even any estimates of the total number of stolen vehicles exported from the Port of New York and New Jersey, or for that matter at any U.S. port. However, as the research shows, these targeted NYPD enforcement activities did result in a significant increase in the recovery of stolen vehicles, demonstrating that these kinds of targeted enforcement strategies can have a measureable impact. What the research does not demonstrate is the impact these strategies have on the overall number of exported stolen vehicles.

The inability to secure definitive information on the total number of stolen vehicles exported from the Port of New York and New Jersey is not unique. No local,

¹⁶¹ Lantsman, “Movable Currency,” 178.

state, or federal entity is currently working to find that information. Instead, their focus is on securing imports, especially in light of the post-9/11 threat, and this has overshadowed considerations about these illegal and dangerous exports. The permissive security environment in major ports contributes to the overall dangerous stolen vehicle challenge faced in New York, and New Jersey as well as other jurisdictions with access to ports.

Did these policy insights from the New York and New Jersey case study point to more general policy changes that could make it more difficult for criminal enterprises to export stolen vehicles? The answer is yes. The case study provided examples of the tools used by illegal exporters and why current policies make it practically impossible to circumvent their efforts to move and ship stolen vehicles.

Targeted operations like those of the NYPD BEST unit clearly force these illegal exporters to “port shop,” which means they move from port to port, exploiting loopholes in exporting processes. Consistent application of suggested national policies can eliminate the advantages of port shopping to these criminals. By reducing the port shopping advantage, the government contributes to a more secure jurisdictional environment. Also, the research makes it clear that illegal exporters take advantage of the fact that USCBP focuses on imports not exports. That focus can be balanced somewhat with updated policies to enhance the ability of customs officials to verify exported goods.

Finally, this thesis asked the question of whether it is possible to demonstrate how a connection between organized crime and the use of exported stolen vehicles can aid terrorism activities? So far, the answer is no. The literature review shows that the evidence about the connection is limited and mostly anecdotal. As the United States continues to formulate homeland security policies to reduce the risks for terrorism, it would be advantageous to look at ways to address the stolen vehicle export problem. Its exact impact may as yet be undefined, but we cannot afford to ignore a risk that has clear implications for our national security. Just because we have not found the connection does not mean it does not exist. Given the relative and lucrative ease of exporting stolen vehicles, the issue merits closer examination.

B. HOMELAND SECURITY RAMIFICATIONS

Once a vehicle is stolen, it can quickly escalate from a purely local law enforcement problem to a problem for a myriad of local, state, and federal agencies as the vehicle is transferred from criminal to criminal over state and international boundaries. The literature review examined how public policies and federal agencies, like USCBP, have inadvertently created loopholes for criminals who steal vehicles to ship them from large U.S. ports. The NYPD case study demonstrated that even a local law enforcement agency as large as NYPD is challenged to adequately address the problem. This raises the question of how much more difficult the challenge is for a jurisdiction or agency with less resources.

Because the exporting of stolen vehicles has become very lucrative, some researchers have suggested that the United States should “become more interested in the use of stolen vehicles as a hard asset in financing and supporting terrorist activities.”¹⁶² The idea that terrorists could use these monies to finance a single or multiple terrorist attacks is neither inconceivable nor farfetched. As a result of 9/11, financial transactions are now tracked on an international level to determine if the money is flowing to known international or terrorist organizations.¹⁶³ Stolen vehicles can be quickly converted to cash thus removing any serious opportunity to effectively track the money. Policy makers should give consideration to developing national policies that recognize the exporting of stolen vehicles as a national security concern.

C. IMPLICATIONS FOR FUTURE RESEARCH

The literature review has made it clear that we need to better assess the size of the exported stolen vehicle problem and its impact on international crime and international terrorism. This is as true for local enforcement efforts as it is for those at the national security strategy and planning levels. This research was hindered by the daunting fact that there is inadequate knowledge regarding the total number of vehicles taken illegally from U.S. borders. Enforcement agencies have data on stolen vehicles that are recovered, but

¹⁶² Ibid., 159.

¹⁶³ Ibid., 176.

the vehicles recovered data is only a proxy measure of the overall problem since it provides the numerator but not the denominator in equating relative value.¹⁶⁴

An analysis of the criminal structures and law enforcement agencies involved in this problem suggests there are other ways to collect more accurate quantitative information including insurance company data on reported auto thefts and secure U.S. Customs and Border Protection data. Some research on the subject has been qualitative and at least one researcher, Resendiz, has conducted interviews with active vehicle thieves involved in exporting vehicles to other countries.¹⁶⁵ The increased use of qualitative data will help provide insight and understanding about the relationship between vehicle thefts and connections to organized criminal activities impacting homeland security.

Future research should continue to investigate to determine if there is a linkage between exported stolen vehicles and international terrorism. This thesis establishes that there is little research on this subject. The critical analysis of the extant literature on the subject includes references estimating the value of vehicles recovered in the port of New York/New Jersey as being in the tens of millions each year. Given that there are many other large U.S. ports, it is not unreasonable to increase that lost value number several times. With so much money involved, it is important that research focus on following the money trail financing these organized criminal operations and specifically look at how that money is used to finance other activities, such as international terrorism.

D. FINAL RECOMMENDATIONS

The protection of our homeland requires the United States to be vigilant on many fronts. One area needing immediate attention is the exporting of stolen motor vehicles. This thesis examined threats posed by the loopholes in the current system through the lens of one large urban police department, NYPD. The thesis has clearly identified vulnerabilities and inadequacies within the export system and offers solutions for stakeholders to consider. At the very least, homeland security agencies at all levels of

¹⁶⁴ Block, *An Analysis of Internationally Exported Vehicle Thefts*, 145.

¹⁶⁵ Rosalva Resendiz, "Taking Risks within the Constraints of Gender: Mexican American Women as Professional Auto Thieves," *The Social Science Journal* 38, no. 3 (2001): 475–481.

government should address the need to increase the inspection of the number of outbound containers, enhance scrutiny of freight forwarders, and address the disparity between import and export inspections. At the national policy level, the United States should enhance NMVTIS so that all titling agencies are participating, allowing those agencies to instantly and accurately verify the information from a scannable, machine readable paper title with the electronically stored state issued title. The Anti Car Theft Act of 1992 stipulates grant monies are available for the states to use and the use of such funds could further assist researchers to study the lack of uniformity of vehicle titles among the states. Every state and territory has its own unique vehicle title, which is problematic for USCBP processing vehicle exports and also vehicle document fraud in the United States. Ideally, USCBP should have the ability to electronically scan all state issued vehicle titles for export and then be able to cross-reference and link them to NMVTIS and NICB computer systems.

These recommendations emphasize changes at the program, policy, and enforcement levels, which can improve U.S. efforts to stem the number of stolen vehicles exported at major ports. Although they do imply the need for systems level change, funding constraints suggest that adjustments in current programs and policies should offer the best opportunity to make progress in this area.

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