

TEXAS DEPARTMENT OF MOTOR VEHICLES

AUTO BURGLARY AND THEFT PREVENTION AUTHORITY

BOARD OF DIRECTORS MEETING

9:01 a.m.
Tuesday,
November 14, 2017

Lone Star Room
Building 1
4000 Jackson Avenue
Austin, Texas

BOARD MEMBERS:

Carlos Garcia, Chair
Tommy Hansen
Ashley Hunter
Linda Kinney
Armin Mizani
Wynn Reynolds
Ken Ross

STAFF:

Bryan Wilson, Director
David Richards, General Counsel

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RULES - PROPOSAL

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EXECUTIVE SESSION

- | | | |
|-----|---|----|
| 12. | The Board may enter into closed session under one or more of the following provisions of the Texas Open Meetings Act, Government Code, Chapter 551: | -- |
|-----|---|----|

- Section 551.071
- Section 551.074
- Section 551.089

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P R O C E E D I N G S

1
2 MR. GARCIA: Good morning, everybody. At this
3 point in time I'm going to call this meeting to order.
4 Again, good morning. My name is Carlos Garcia, and I am
5 pleased to open the Board meeting of the Automobile
6 Burglary and Theft Prevention Authority.

7 Today is November 14, 2017, it is 9:01 a.m.,
8 and I'm calling the Board meeting for November 14, 2017 to
9 order, and I want to note for the record that the public
10 notice of this meeting, containing all items on the
11 agenda, was timely filed with the Office of Secretary of
12 State on Friday, November 3, 2017.

13 Before we begin today's meeting, please place
14 all cell phones and other communication devices in a
15 silent mode.

16 If you wish to address the Board during today's
17 meeting, please complete a speaker's card at the
18 registration table. To comment on an agenda item, please
19 complete a yellow card and identify the agenda item. If
20 it is not an agenda item, we will take your comments
21 during the public comment portion of the meeting.

22 And now I'd liked to have a roll call of the
23 Board members at this time.

24 Board Member Hunter?

25 MS. HUNTER: Present.

1 MR. GARCIA: Board Member Reynolds?

2 MR. REYNOLDS: Present.

3 MR. GARCIA: Board Member Hansen?

4 MR. HANSEN: Present.

5 MR. GARCIA: Board Member Ross?

6 MR. ROSS: Here.

7 MR. GARCIA: Board Member Mizani?

8 MR. MIZANI: Here.

9 MR. GARCIA: And Board Member Kinney?

10 MS. KINNEY: Here.

11 MR. GARCIA: And let the record reflect that I,
12 Carlos Garcia, am here too so we do have a quorum. So
13 that was agenda item 1.A on the roll call and the
14 establishment of a quorum.

15 I'm moving on to item 1.B, approval of
16 transcripts as minutes, the transcript from July 7 of
17 2017. It is an action item so we do need a motion and a
18 second on that.

19 MR. HANSEN: I make a motion.

20 MR. ROSS: Second.

21 MR. GARCIA: We have a motion on the floor by
22 Board Member Hansen, second by Board Member Ross. Any
23 further discussion?

24 (No response.)

25 MR. GARCIA: There is none. All those in favor

1 say aye.

2 (A chorus of ayes.)

3 MR. GARCIA: All opposed?

4 (No response.)

5 MR. GARCIA: Motion passes.

6 Agenda item 1.C, public comments. I don't have
7 any that signed up for public comments. We do have one
8 for an agenda item and that will be covered at that time.
9 Anybody else?

10 (No response.)

11 MR. GARCIA: Agenda item 1.D, comments from the
12 chairman and/or Board members, commendations and
13 congratulations. At this point I'll open it up to any
14 comments from the Board members.

15 Mr. Hansen, go ahead.

16 MR. HANSEN: Just FYI, on the public comment
17 thing, the grantees, I would encourage you that if you
18 have a question, that's what this is for, and it's nothing
19 other than to bring up a concern or suggestion you have to
20 put it on the next agenda. That's really what this is
21 for, so please take advantage of the public comment.

22 The next thing is we cannot start early enough
23 with the legislature on trying to remedy this practice of
24 diverting our funds. We already have several things in
25 motion. In fact, we have a pending meeting with chief of

1 staff at the Lieutenant Governor's Office today, we have
2 several other meetings kind of on the way up. So I
3 encourage you to start opening the doors and if we can set
4 up some meetings with some of your legislators,
5 particularly right after the first of the year, there's no
6 reason we can't hit every one of them, but it would be
7 wonderful to have your sheriff or chiefs or some of those
8 type of administrators along with us when we have these
9 meetings.

10 And then we've also had a lot of dialogue with
11 NICB concerning the legislature and they have completely
12 gone a different direction as far as supporting us for the
13 next session, and it's in a very positive way versus the
14 last session. We've been pretty verbal with them about
15 what we did not get from them. Of course, Fred is our
16 ally and very much in support of this, so as of this week,
17 communications with their head legislative person for NICB
18 and Fred is that we're going to move forward and move
19 forward at a rapid pace, and the general has made it very
20 open that ABTPA and Texas will be their top priority this
21 session.

22 So I just wanted to share that information.

23 MR. GARCIA: Thank you, sir.

24 Anybody else?

25 (No response.)

1 MR. GARCIA: Okay. Thank you, Mr. Hansen.

2 MR. HANSEN: You're welcome, sir.

3 MR. GARCIA: Also, on the congratulatory side,
4 before each ABTPA Board meeting we encourage task force
5 members to submit major milestones for the men and women
6 who serve in the grant programs that are supported by
7 grant funding from ABTPA. The following list from the
8 programs in El Paso, Laredo and Harris County include
9 individuals who have dedicated a significant portion of
10 their careers to combating motor vehicle crimes.

11 On retirements: from the El Paso Police
12 Department Auto Theft Task Force, Officer Larry Dominguez,
13 1994 to 2017; Laredo Auto Theft Task Force, Investigator
14 Gordon Brian Jarrell, from 1985 to 2017; Harris County
15 Sheriff's Auto Theft Unit, Sgt. Investigator Laurel Jones,
16 Jr., 1986 to 2017; Harris County Sheriff's Auto Theft
17 Unit, Deputy Doug Lewis, 1980 to 2017; Harris County
18 Sheriff's Auto Theft Unit, Sgt. Everett Tannert, 1982 to
19 2017; and Harris County Sheriff's Auto Theft Unit, Vivian
20 Warren-Askew, 1983 to 2017.

21 So congratulations to all those individuals.
22 On behalf of the ABTPA Board, we sincerely thank you for
23 your service. The level of training and experience that
24 each of these individuals possess cannot be easily be
25 easily replaced. The ABTPA Board meeting book that has

1 been assembled by staff also includes more biographical
2 details and some career highlights. For example, the
3 summary for Deputy Doug Lewis is a great example of how
4 the expertise of a trained auto theft investigator helped
5 to prevent a violent crime in a school setting. So I
6 encourage all of you to read through the individual
7 entries for today's retirement commendations.

8 So again, congratulations from the Board to all
9 those who have contributed, especially those that have
10 been named today. We wish them well, we wish them the
11 best on your next endeavors.

12 Moving on to agenda item 2, the briefings and
13 action items, review and consider insurance collection
14 efforts, agenda item 2.A, review letters and responses
15 from non-filing insurers and consider directing staff to
16 request guidance from the Texas Department of Insurance.
17 Mr. Bryan Wilson, and includes designated staff also.

18 MR. WILSON: Chief, I'm going to back up just
19 one second to page 13 of the commendation section, if you
20 don't mind.

21 MR. GARCIA: Sure.

22 MR. WILSON: I just wanted to really let the
23 Board know that we'd like to send this letter on their
24 behalf, a thanks to Linda Flores and her staff for really
25 looking at the comptroller's manual, really carefully

1 considering the way grant funds are distributed in the
2 state. We could have just been a regular agency that just
3 passes over things, but they went out of their way to help
4 the Board with the huge funding cut that we received from
5 the legislature this last session, they worked giving us
6 options through the comptroller's manual and system to
7 allow the extension of the FY16 grant and also the
8 allocation of grant funds under the continuing grant rules
9 of the comptroller.

10 And you don't have to take a vote on this
11 issue, but I just wanted to make sure that if you have
12 anything to add to this letter or anything you want to say
13 personally to be sure to let staff know. I'm going to
14 draft this letter on behalf of the Board to thank them for
15 all the extra work that they did to help us.

16 We'll talk later about the grant adjustments
17 that the grantees did to kind of catch up. Not everybody
18 got to but a lot of them got to catch up on some equipment
19 and upgrade a bait car. Our priority was to arrest,
20 apprehend and detect individuals who are committing crimes
21 and we use that money carefully to support that mission.

22 Anyway, I just wanted you to know, and you can
23 say hear, hear, or just nothing at all, but let me know if
24 you'd like to add something before I send it early next
25 week.

1 MR. GARCIA: I'll let the Board members make
2 any comments on the contents of the letter to Ms. Flores
3 and her staff. If not, we'll allow Mr. Wilson to draft
4 such a letter and allow me to sign it.

5 Any comments from the Board?

6 (No response.)

7 MR. WILSON: I'll proceed with agenda item
8 number 2. What we have on page 15 of your board book is
9 kind of a synopsis of the information that we put
10 together. About a year and a half ago, as we were looking
11 over some of the reports that the comptroller sent us each
12 year and David Richards and I worked -- I'm throwing you
13 under the bus, David.

14 (General laughter.)

15 MR. WILSON: We were looking at the contract
16 that we had with the comptroller to collect these funds
17 and to use their system and we realized there was some
18 real funny language in the comptroller's and we weren't
19 getting all the reports that would actually inform us of
20 what was going on in the insurance collection. So David
21 and I set out to kind of clarify a lot of the language so
22 that we knew that we had access to their system, that they
23 collected the money, and that they would report back to us
24 information. I guess that was probably two years ago.
25 Right?

1 MR. RICHARDS: It was two, right.

2 MR. WILSON: And so at that point we began to
3 get data back from the comptroller about what was going
4 on, and at that point we discovered that there were a lot
5 of people who were licensed to sell motor vehicle
6 insurance that had never filed, or at least they were
7 listed. We didn't fully understand what the comptroller's
8 reports meant at the beginning, but we discovered that
9 there were a few medical malpractice or attorney
10 malpractice companies in there, that were property and
11 casualty insurers, but the comptroller's system didn't
12 really allow for them because they're a fiscal agent.

13 So anyway, we started sorting that out and
14 identifying who those companies were, and I came to the
15 Board and I said, I want to start working on this. And
16 you said, Go ahead. So on page 15 I want to show that our
17 major accomplishments for the last year and a half is
18 we've improved communication with the Comptroller of
19 Public Accounts about what information is being collected,
20 about what's being reported, and also reaching out to the
21 Texas Department of Insurance about some of their
22 licensees and information regarding our statute, the
23 collections process, and other important issues.

24 We have increased collections by \$34,000, and I
25 haven't done a full analysis of it, but we haven't spent

1 that much time on doing this, so I think we're a net sum
2 gain overall. We have improved statutory compliance with
3 filing requirements by insurance companies. And then
4 we've identified the need to have some process
5 improvements. We're trying to clarify report instructions
6 and forms. We found that there's some things in our forms
7 that are kind of funny and kind of don't quite fit into
8 what our statutory requirements are, and so we've worked
9 with the comptroller to look at adjusting those forms.
10 And then we identified, and we'll talk at the end of the
11 meeting about clarifying some rules that need to be in
12 place to support this effort.

13 So I'm not going to read through all of this
14 information but there's background there for you about how
15 we started in all this. The first thing we identified was
16 108 insurance companies that had failed to file the report
17 at all. So we sent out 95 letters, and some of those we
18 identified immediately were already in receivership and
19 were not actually any longer open to the public for
20 selling insurance. We figured out which ones those were,
21 we sent out 95 letters on October 6 of '16. Seventy-one
22 of those filed, we collected \$12,947 from those companies
23 that filed, so we found out that a total of 27 ended up
24 being in receivership, four of those closed down or
25 withdrew from the market altogether, and six had totally

1 blown us off and never responded to any of our letters or
2 certified letters. We notified their attorneys of record,
3 the Department of Insurance requires that all insurers
4 maintain an attorney of record, we sent letters to them,
5 and we have no response whatsoever.

6 Just to kind of give you a quick overview, on
7 page 17 is the letter that the comptroller generates
8 inside of their computer system automatically, page 18 is
9 the letter we sent to insurance companies once they still
10 had not responded to the comptroller's automatically
11 generated letters. And so I'll have an action item in
12 just a minute after in finish the next round.

13 So the second group we identified were people
14 who had filed zero on ABTPA fees but we had records from
15 the comptroller's line 3 which is the motor vehicle tax
16 premiums, and we identified 30 companies who had reported
17 motor vehicle tax premiums to the comptroller on their
18 annual tax reports but had filed zero motor vehicles. So
19 we sent them letters, and of those, eleven have now paid
20 for a total of \$17,000 -- this is on page 20 -- twelve of
21 those have claimed an exemption that we had in rule -- and
22 that we'll be asking to submit some new rules on that
23 issue -- one of them reported that they had made a mistake
24 on the tax report that they submitted to the comptroller
25 and have since corrected that, one is totally out of

1 business, and five did not respond at all.

2 So what we believe under these circumstances
3 for what I presented on page 15 -- 16, I'm sorry -- 16 and
4 page 20, the people who will not respond in any way, staff
5 believes that we should reach out to the Texas Department
6 of Insurance, the agency responsible for licensing these
7 companies, and let them know that they either have not
8 filed, as required by law to do, or in this case not
9 responded to requests for clarification. This is an
10 action item where we're asking the Board for clear
11 permission to take up these companies and submit them to
12 TDI.

13 At this point it's an inquiry. Our statute
14 says -- and David is here in case I say it wrong -- our
15 statute says if somebody fails to pay that the Board shall
16 notify the TDI. Well, on the first group we don't know if
17 they failed to pay or not. We don't have a response so in
18 this case we're just sending an inquiry, identifying these
19 agencies to TDI saying we need your help to clarify what
20 actions should take place by one of your licensees.

21 MR. GARCIA: Okay. So staff recommends Board
22 authorization to request guidance from Texas Department of
23 Insurance on how to proceed with non-responsive and non-
24 paying insurers. It is an action item so it's required a
25 motion and a second for approval or denial.

1 MR. HANSEN: I would make a motion that we
2 support that recommendation to follow through with that.

3 MR. REYNOLDS: I'll second it.

4 MR. GARCIA: We have a motion on the floor by
5 Board Member Hansen, a second by Board Member Reynolds.
6 Is there any further discussion on this action item?

7 (No response.)

8 MR. GARCIA: If there is none, all those in
9 favor say aye.

10 (A chorus of ayes.)

11 MR. GARCIA: All opposed?

12 (No response.)

13 MR. GARCIA: Motion passes.

14 Moving on to agenda item 2.B, review letters to
15 and responses from non-paying insurers claiming exemption.

16 MR. WILSON: So between page 20 and page 33, we
17 have the different correspondence letters and emails that
18 companies have used to claim the exemption from the ABTPA
19 fee, and our statute says that if somebody sells motor
20 vehicle insurance, that they owe the fee. So on page 33 I
21 drafted a letter that I just want to make sure that we ask
22 the Texas Department of Insurance whether or not these
23 items are motor vehicle insurance under their standards,
24 and then proceed. So this is the letter that we're going
25 to send the different agencies, the eleven that responded

1 saying we're claiming the exemption. We're telling them
2 we're going to ask the Department of Insurance whether or
3 not what you're selling motor vehicle insurance.

4 And so if the Board approves, I gave you a copy
5 on page 34 of the letter we sent them originally, the
6 certified letter saying, hey, you paid taxes but you
7 didn't pay us. So what we're doing here is saying now
8 we're going to ask the Texas Department of Insurance
9 whether they define what you're selling as insurance. And
10 you'll notice that most of them are claiming an exemption
11 saying, hey, we're non-owner or we're rental car. Is
12 there something else, Dan?

13 MR. PRICE: Garage policy.

14 MR. WILSON: Garage policy.

15 So if the Board authorizes me to send a letter
16 asking to clarify with the Texas Department of Insurance
17 if this is applicable to the fee, if this is automobile
18 insurance.

19 MR. GARCIA: It's an action item, requires a
20 motion and a second.

21 MS. KINNEY: I'll make the motion to allow Mr.
22 Wilson to send the letter to clarify -- how would I word
23 that? -- that it actually is motor vehicle insurance and
24 subject to the fee.

25 MR. GARCIA: We have a motion on the floor by

1 Board Member Kinney.

2 MR. ROSS: Second.

3 MR. GARCIA: A second by Board Member Ross.

4 Any additional discussion?

5 (No response.)

6 MR. GARCIA: If there is none, all those in
7 favor say aye.

8 (A chorus of ayes.)

9 MR. GARCIA: All opposed?

10 (No response.)

11 MR. GARCIA: Motion passes.

12 Agenda item 2.C, consider directing staff to
13 evaluate the collection of ABTPA fees.

14 MR. WILSON: Okay. So if you'll turn your
15 attention to page 36, we have what we feel like are next
16 steps in this journey. We will talk on page 38 about
17 publishing some rules to clarify our position, stances and
18 forms regarding some of this collection effort, take up
19 that in a few minutes. From TDI we're going to request
20 what to do about the exemption claims that you just voted
21 on. Thank you very much.

22 And then the other ones, the third level,
23 before I bite this off, I want to know what the Board -- I
24 guess we want some validation that this is something we
25 should take on. And on page 36 I've given you a list of

1 companies who have paid what I would call major
2 inconsistencies as far as paying the ABTPA with what
3 they're reporting to the State as motor vehicle insurance
4 taxes being paid.

5 For instance, the first one, Empire Fire and
6 Marine, they're claiming \$17 million worth of premiums
7 sold, 102 policies, so if you just take that, it's
8 \$170,000 a policy. Is that right? So it's pretty
9 phenomenal and we think it might be inaccurate and we just
10 want to make sure before we start contacting these
11 entities about the inconsistencies that they're reporting.

12 Dan has calculated that the whole population is .13
13 percent. In other words, for every .13 percent that that
14 represents a motor vehicle. In this case they're really
15 way out of line.

16 So if the Board wishes we'll start pursuing
17 these companies for 2015, and go forward with notifying
18 them about their inconsistencies and whether we should
19 consider collection actions.

20 MS. HUNTER: Just one question, Bryan.

21 MR. GARCIA: Go ahead, Board Member Hunter.

22 MS. HUNTER: And we talked about this, but do
23 we know for a fact that these are technically not garage
24 liability? Based on the premium and the amount of
25 policies, it would appear that it's not your standard auto

1 policy, like it looks like it's probably a fleet, which
2 would technically mean that it would fall under the
3 exemption. So I guess maybe first we should clarify if
4 non-owned hired autos are actually exempt, which is what
5 everyone over here is claiming, along with garage
6 liability, that these aren't actually -- because I know
7 one of these is probably not going to have to pay -- that
8 that is actually exempt, because if that's the case, we
9 don't want to walk around and look uneducated and they're
10 basically like, well, we're exempt anyway.

11 MR. WILSON: I mean, I don't know that it could
12 be aircraft. The problem is I don't know what it is, so
13 before I embark, I just want to know does this Board want
14 me to start making inquiries about what's going on here.

15 MS. HUNTER: I guess first I would go to TDI
16 first and find out what they would consider. That way
17 that when they do say this policy is for such-and-such,
18 then you're not trying to figure out whether or not it's
19 still exempt or not. Right? That way we just don't
20 approach a carrier and then they're just kind of like,
21 well, it's not covered anyway. I'm just saying because I
22 didn't know what the premiums were, but this looks like
23 this could very well be exempt, Empire.

24 MR. GARCIA: I mean, reading the title I would
25 think that Empire Fire and Marine would be fire insurance

1 for buildings.

2 MS. HUNTER: Don't read too much into that,
3 Fire and Marine, that's just the name of the carrier, but
4 Empire actually writes non-standard auto but the majority
5 of their business is truckers. So I guess first we just
6 need to figure out what's covered and what's not covered
7 as far as the tax is concerned, and then go back to them
8 and say, hey, can you break this out. And then if they
9 break it out and they're like, okay, it's all garage or
10 it's all truckers, then we don't have to then go back and
11 find out whether or not that would be covered.

12 MR. WILSON: And again, if the general
13 consensus of the Board, without Board action to pursue
14 this particular thing, at least to direct staff to begin
15 making more inquiries. David, it's up to you, but you
16 could generally direct staff to go seek more information
17 and to table this until another meeting. I'm okay with
18 that, it's not like I have some broad knowledge of
19 insurance on this, so I'm bringing it to you because I'm
20 cautious about what the next steps are.

21 MS. HUNTER: I guess just my opinion, I'm just
22 looking at one, two, three, four, four of them for sure
23 most likely don't owe anything on this list, and I guess I
24 just would want to figure out first, before we start
25 saying that you owe, just try to figure out, okay, what is

1 it that you're actually underwriting in the State of
2 Texas.

3 MR. GARCIA: Can I make a recommendation? Can
4 you put that in a motion?

5 MS. HUNTER: So I guess the motion is that we
6 just do an additional inquiry first with Texas Department
7 of Insurance and find out what's actually part of the tax,
8 what is owed. I guess based on what they're saying, all
9 of the exemptions actually would hold true, they don't owe
10 it. A hired non-owned auto is not a policy, it's a
11 coverage. So I guess we just need to find an inquiry as
12 if TDI actually thinks the exact same way that the
13 carriers are thinking. Right?

14 MR. GARCIA: So your motion is?

15 MS. HUNTER: My motion is that we go to TDI
16 first but don't approach the carriers until we actually
17 have clarification on what's covered and what's not
18 covered.

19 MR. ROSS: Second.

20 MR. GARCIA: We have a motion on the floor by
21 Board Member Hunter and a second by Board Member Ross.
22 Any further discussion from the other Board members?

23 (No response.)

24 MR. GARCIA: If there is not, all those in
25 favor say aye.

1 (A chorus of ayes.)

2 MR. GARCIA: All opposed?

3 (No response.)

4 MR. GARCIA: Motion carries.

5 Thank you, Board Member Hunter.

6 Moving on to agenda item 3. Go ahead Mr.

7 Wilson.

8 MR. WILSON: On the same agenda item, I just
9 wanted to point you back to page 36 real quick, and
10 basically, we'll be starting on 2016 now, so 2016 was due
11 on March 1, was the deadline for the 2016 payments. We'll
12 confirm with the comptroller they sent out letters
13 already, which we're pretty sure they did, and then we'll
14 start sending out the same letters, we'll start the same
15 process.

16 And then at the bottom I put a table, so we'll
17 incorporate into our normal processes that every year when
18 we get the comptroller's report in May -- which under the
19 new contract that we reestablished, the report comes in in
20 May, we'll start sending out letters in June for the non-
21 filers, and start making what we've kind of done up till
22 now a part of our normal office procedures.

23 That's all I have on that.

24 MR. GARCIA: Okay. So we're ready to move on
25 to agenda item 3?

1 MR. WILSON: Yes, sir.

2 MR. GARCIA: Okay. Agenda item 3, consider
3 actions on insurance refunds requests. 3.A is Integon
4 National Insurance Company. Did I pronounce that right?

5 MR. WILSON: Yes, sir. So the National General
6 Auto Home Insurance for Integon National Insurance
7 submitted a request on June 19, 2017, which was too late
8 for us to consider right before that board meeting that we
9 were dealing with the grants. We've reviewed the material
10 that they've submitted, it's an extremely large amount.
11 Part of the reason that they wanted the refund is because
12 they were not selling auto insurance, but page 44 we see
13 that they are still advertising for auto insurance. So we
14 think that it's an issue of a really large refund request
15 and also it has a wrinkle of complexity to it that we
16 believe that we should do what we did about a year and a
17 half ago and request an audit. We will ask the Texas
18 Comptroller and the Texas Department of Insurance first,
19 and if we can't do that, then we'll proceed with an
20 outside auditor.

21 So our recommendation on this one is to request
22 an audit from another state agency associated with this
23 insurance collection process, or obtain an outside
24 auditor.

25 MR. GARCIA: All right. This is an action item

1 so we need a motion and a second. You have heard staff's
2 recommendation on this, so what are the wishes of the
3 Board at this time?

4 MR. PRICE: It doesn't need a table, Bryan?

5 MR. WILSON: Not this one. On this one I think
6 we should proceed with just requesting to the comptroller
7 to provide them. It's \$82,000 of potentially State funds
8 being returned. It's a large amount and it's particularly
9 complex. On this one I think we should just proceed with
10 an audit request.

11 MR. MIZANI: I make that motion that we request
12 the comptroller to conduct an audit.

13 MR. REYNOLDS: I'll second.

14 MR. GARCIA: We have a motion on the floor by
15 Board Member Mizani and a second by Board Member Reynolds.

16 Any further discussion from the other Board members?

17 MR. RICHARDS: Mr. Chairman, may I ask a
18 question of Mr. Wilson? When was this ad online taken,
19 was is recent?

20 MR. PRICE: Yes..

21 MR. RICHARDS: Was it? Okay. I thought it was
22 recent.

23 MR. GARCIA: Thank you, Mr. Price.

24 So there is a motion on the floor and a second.
25 Any further discussion?

1 (No response.)

2 MR. GARCIA: If there is none, all those in
3 favor say aye.

4 (A chorus of ayes.)

5 MR. GARCIA: All opposed?

6 (No response.)

7 MR. GARCIA: Motion carries.

8 MR. WILSON: The next one is Allstate
9 Insurance. This is one of those kind of funny things
10 we're a little embarrassed about. It's a \$1,500 request;
11 they've made four submissions now that don't add up or
12 have incorrect information on them. I don't know how much
13 time to keep sending it back and asking for corrections
14 and additional information, so given the really small
15 amount of money and the inability for them to present a
16 case of what we owe, I think we should just deny it.

17 I know I discussed with a couple of Insurance
18 Committee members earlier in the week maybe they want to
19 give them a 30-day recourse and if we haven't heard a
20 correct response within 30 days that we deny it, so
21 whatever the Board wishes on that issue. But I don't know
22 how much time we can, for a \$1,500 claim, keep going back
23 to the insurer.

24 MR. RICHARDS: And, Mr. Wilson, do all the
25 Board members know what the issues are, why it keeps

1 coming back?

2 MR. WILSON: Well, we provided the assessments
3 in there. I'll let Dan go to the detail on this
4 particular issue.

5 MR. PRICE: This is Dan Price, ABTPA.

6 So there were a number of different issues with
7 it. The primary issue that is preventing us from moving
8 forward is the fact that the amount of money that they
9 indicated that they paid to the State of Texas for their
10 motor vehicle ABTPA fee does not equal the amount that
11 they're reporting on their request from refund, and that
12 comes from both their own documentation as well as
13 information from the State Comptroller's Office. So if
14 they're basing the refund request on an incorrect amount
15 of money that they've paid, then we really don't have a
16 basis to make that payment.

17 MR. RICHARDS: So if I understand correctly,
18 they've submitted and resubmitted the same information
19 each time, and in neither case did the documentation
20 justify the amount they're requesting.

21 MR. PRICE: Right. To be clear, they've
22 submitted additional information each time. At no time is
23 the information congruous with the comptroller's reports,
24 as well as their own backup documentation.

25 MR. RICHARDS: Right. And, members, you can't

1 approve a refund unless you have documentation to support
2 it, as you know.

3 MR. GARCIA: Okay. It's an action item for
4 staff recommendation of denial of the refund requested in
5 the amount of \$1,511.

6 MS. KINNEY: I'd like to make a motion that we
7 deny the refund due to lack of information.

8 MR. GARCIA: We have a motion on the floor by
9 Board Member Kinney. Do we have a second?

10 MR. MIZANI: I have a question, and I think I
11 can second that, but I know we had a conversation earlier,
12 Bryan, about possibly giving them a timeline, whether it
13 be 30 days, 15 days. Has Allstate or any representative
14 been contacted since we had that conversation earlier in
15 the week?

16 MR. PRICE: Not since we had the conversation.
17 No, sir.

18 MR. MIZANI: Okay. And when was the last time
19 that they ever made contact with your office?

20 MR. PRICE: I don't have that date in front of
21 me, but it's been approximately two months.

22 MR. MIZANI: Okay.

23 MR. PRICE: We felt that after four attempts to
24 communicate with them to ask them for the information that
25 at that point any further attempt was simply going to

1 frustrate everybody and it wasn't going to be productive,
2 so we tabled it until the Board could make a determination
3 as to what action they wanted to take.

4 MR. MIZANI: I think originally I was thinking
5 of making a motion to deny but then giving the applicant
6 up to maybe 30 days to correct whatever they aren't able
7 to do, but I think if you said it's four times that we
8 made that attempt, and I think at this point, if there's
9 nothing else, I'd probably second that motion then.

10 MR. GARCIA: Okay. So motion on the floor by
11 Board Member Kinney to deny the refund requested in the
12 amount of \$1,511, and seconded by Board Member Mizani.
13 Any additional discussion?

14 (No response.)

15 MR. GARCIA: If there is none, all those in
16 favor say aye.

17 (A chorus of ayes.)

18 MR. GARCIA: All those opposed?

19 (No response.)

20 MR. GARCIA: Motion carries.

21 General Counsel observed that the two insurance
22 representatives did not vote on this item.

23 Agenda item 4, consider authorizing staff to
24 complete and update FY18-19 to the Grant Administrative
25 Manual. Mr. Wilson.

1 MR. WILSON: So I just have a rough draft of
2 the manual and proposed changes. This has gone out to the
3 task forces. We still have a significant part of the
4 programming. We're just now finishing budget adjustments
5 this week, I hope to unveil that tomorrow at the grantee
6 webinar. The final expenditure report is just about
7 ready, so we've been doing a lot of programming. Just
8 like we did in the grant application cycle, we were kind
9 of laying the track right in front of the speeding train,
10 and it did pretty well. Most people got their grants and
11 you were able to use that data to make decisions.

12 So we're just being clear that while this is
13 the substantive part of the kind of rule changes and
14 things, we've gone through and tried to update things for
15 the new programming, that we just want to go ahead and
16 make sure we have clear authorization to adopt once we
17 finish the final guidelines. And we'll publish it out to
18 the task forces and get input prior to that. We want to
19 go ahead and get authority to publish the FY18-19 Grant
20 Administrative Manual.

21 MR. GARCIA: Mr. Wilson, by when do you want
22 all input from Board members and anybody else to you, a
23 due date or deadline?

24 MR. WILSON: Probably the first of December. I
25 think we'll have all the programming, the expenditure

1 reports will be done, pretty much all the reporting
2 requirements -- the programming -- excuse me -- the
3 programming will be done with A&M will be done at that
4 time. So any input that you have between now and December
5 1, provide that and we'll publish it shortly after that.

6 MR. GARCIA: All right. So this is an action
7 item considering and authorizing staff to complete and
8 update the FY18-19 Grant Administrative Manual.

9 MR. HANSEN: Chair, I have a question for Mr.
10 Wilson.

11 MR. GARCIA: Board Member Hansen, go ahead.

12 MR. HANSEN: Tommy Hansen.

13 So you're saying also the grantees have until
14 December 1 to review this and make any suggestions?

15 MR. WILSON: Yes. There will be some
16 subsequent changes that I'll send both to the Board and
17 the grantees once the programming is done. What you don't
18 see, there's normally a big appendices section that would
19 have online screen shots -- I think it's page 96 -- well,
20 if you notice, there's no appendices going after that
21 except for the sample local agreement. Normally what
22 you'd see is a picture of the expenditure report, a
23 picture of the budget adjustment and a picture of the
24 grant adjustment and the progress report, so I just wanted
25 you to know that we are finishing those items so we can

1 finish the manual.

2 But the rules are pretty much -- people have
3 been giving me a lot of input over some of these items and
4 the grantees have been real active in telling me what they
5 think and where to go.

6 (General laughter.)

7 MR. WILSON: No. We've been working together
8 as a team, making sure that we understand what the impacts
9 of these issues are, and we'll continue to put this out
10 and get input and make all reasonable modifications.

11 MR. HANSEN: Well, that was the purpose of my
12 question is the grantees have to live with this every day,
13 so I want to make sure that the challenge is back on them
14 to be sure if you have something to say or a change you
15 want to recommend, let's get it done. Thank you, sir.

16 MR. GARCIA: Action item, motion and a second.
17 Not everybody at one time, please.

18 MR. REYNOLDS: I'll go ahead and make a motion
19 to authorize the staff to complete and update the FY18-19
20 Grant Administrative Manual.

21 MR. ROSS: Second.

22 MR. GARCIA: Motion on the floor by Board
23 Member Reynolds and a second by Board Member Ross. Any
24 further discussion?

25 (No response.)

1 MR. GARCIA: If there is none, all those in
2 favor say aye.

3 (A chorus of ayes.)

4 MR. GARCIA: All opposed?

5 (No response.)

6 MR. GARCIA: Motion carries.

7 Agenda item 5, review and discuss Legislative
8 Budget Board border security reporting requirements.

9 MR. WILSON: This is Bryan Wilson again, for
10 the record.

11 The border security reporting general
12 instructions start on page 100. The nutshell is that as
13 far as what this Board did in July, what I asked you to do
14 was to designate the border counties and the port counties
15 as border security jurisdictions, and you can see the map
16 on page 102. Every county that we have that touches a
17 border, county or city that touches a border or a port is
18 designated as a border security grant. You all adopted
19 that, that's what it looks like the LBB's limit on
20 reporting for financial reporting will be just those
21 counties each year.

22 Whatever we spend in those counties is what we
23 will report to the Legislative Budget Board for those
24 jurisdictions. So even though it's not just the
25 activities in the port or not just the activities at the

1 bridge, but all of those grants will be counted as border
2 security. So on the financial side it's very
3 straightforward and it followed the pattern -- remember at
4 the time I didn't have any instructions when I asked you
5 to vote on that, but that's what they went with. So I was
6 really happy to know that all of Harris County, all of
7 Houston, all of Galveston, all of Laredo is a border
8 security jurisdiction, so for DMV that's going to be very
9 easy reporting on all those grants.

10 However, some of the issues that they have
11 recently added, after a series of meetings with their
12 stakeholders, are of great concern, and I have tried to
13 push back the best I can. I've talked to many of the
14 commanders and had discussions at length with the ones I
15 could get a hold of last week when this first came out. I
16 call your attention to page 109, number of intelligence
17 referrals. Now, all these things come with definitions
18 and we'll be issuing, and I'm going to show you the
19 progress report that we're sending to grantees and there's
20 probably a couple more tweaks that I have to make before I
21 make it final.

22 Pounds of drugs seized, the number of
23 apprehensions for smuggling, but the definitions that they
24 cite to are both human smuggling, contraband and weapons,
25 they cite specific statutes. So we're going to do our

1 best to break those out for the grantees to be able to
2 identify. And then the number of apprehensions resulting
3 in cases, that looks kind of innocuous, but when they
4 provided me the details of those definitions, I had great
5 pause. And the problem with that is that police officers
6 file criminal affidavits and criminal complaints,
7 prosecutors file informations and indictments. What they
8 are technically asking, when I went back and clarified
9 with the LBB staff, is they want to know how many of the
10 arrests or apprehensions that were made by the grant-
11 funded officers physically resulted in an indictment or an
12 information in the court of law.

13 So what I have worked out is -- I've talked to
14 many of the commanders over the quick 24 hours turnaround
15 that I had to push back on that opportunity when they gave
16 me those instructions -- so what we are going to collect
17 is we're going to collect the number of apprehensions
18 where a criminal cases was filed by an officer, a
19 complaint or an affidavit submitted for a criminal
20 incident. And that will be for both motor vehicle
21 burglary and motor vehicle theft, whether misdemeanor or
22 felony.

23 And then I'm going to leave a space for the
24 indictments and informations that resulted from those, but
25 I cannot require officers to spend time in courtrooms.

1 Many of them have access to DIM system, I know Houston,
2 Harris County, El Paso, they have a data input system
3 where they get to call a DA, upload information about a
4 case, but they don't get a report back saying of the 27
5 burglaries that you filed last week, 15 of them resulted
6 in charges. And so I'm going to leave a space so if
7 somebody has that information, they're not prohibited from
8 entering it, but I just don't see any way that we're in a
9 position require every grantee to spend time going back to
10 the courthouse to look at each week how many cases. It's
11 a rolling issue, cases develop at different times, and so
12 we just don't have the capacity to do that.

13 So that's what I'm going to do, and the online
14 progress report that starts on page 116, I don't if I
15 actually finished programming that as of the time that we
16 had to print this book. So what we've done, starting on
17 page 116, we start off with the statutory measures in the
18 dark green, then the three goals starting at the bottom of
19 page 116, which is to reduce auto theft, reduce burglary.

20 Page 119 is Goal 2, page 120 is Goal 3. Those are the
21 ones you all adopted in 2014 -- does that sound right
22 2014? -- the three primary actions.

23 And then you can see the border security starts
24 on page 122. Bridge and port operations, I do want to say
25 on this section 4 and section 5 -- section 5 starts on

1 page 123 -- those are required of border security
2 counties, but all grantees are welcome, it's available to
3 all grantees to report any of those items that they
4 participate in. So it looks like at the bottom of page
5 123 where I have crimes against property, this is my first
6 attempt, but I haven't had time to go back to the task
7 force commanders, so you see at the top of page 124, 5.2.3
8 is the number of apprehensions for smuggling weapons, and
9 then 5.2.4 is the number of apprehensions for smuggling
10 all other. I think there's an item missing, in the print
11 job must have changed.

12 MR. GARCIA: I have a comment. In regards to
13 those counties that are required because they're port
14 counties or border counties required to submit certain
15 information, and then it's an option for the other
16 grantees to report that information, is there going to
17 be -- are the reports going to be able to classify which
18 is coming from where?

19 MR. WILSON: Yes.

20 MR. GARCIA: I just don't want to get into
21 having to answer to the Legislative Budget Board, senators
22 or representatives of which is which.

23 MR. WILSON: We're working with A&M so we'll
24 have a special code for those counties that are
25 designated. That's why I had asked you to designate them

1 as border security counties, and so we'll put a code into
2 the system and when we run a report, we'll say here is the
3 results of the border security counties, here's the report
4 of the program overall. But thanks for asking that.
5 That's part of our reporting contract with Texas A&M. We
6 didn't have that as part of a contract, if I have to come
7 back later and add additional funds, but right now A&M has
8 been really good to us about adding some of these features
9 that we didn't necessarily plan on. You've got to
10 remember when we wrote the contract with A&M a year and a
11 half ago, we didn't have any of this requirement, and
12 they've been helping us sort through this.

13 MR. RICHARDS: Mr. Chairman?

14 MR. GARCIA: Yes, sir.

15 MR. RICHARDS: Let me ask Mr. Wilson a
16 question. To go back to what we were talking about, cases
17 actually filed, we don't have the capacity to gather that
18 information, has that been presented to LBB, and what was
19 their response?

20 MR. WILSON: Being kind of solutions oriented,
21 what I presented to them said I will ask the grantees to
22 present this information but we've just had a major
23 reduction in funding, and one of the ways that we kept
24 from losing officers was to reduce our administrative
25 costs. So not only are we having more reporting

1 requirements, we've actually cut a lot of administrative
2 positions that may have been able to take care of some of
3 these requirements. So what I told them is we will
4 present the reporting option in our system but we will
5 track, we will require tracking of what officers are
6 required to do, and that is to file criminal complaints
7 and affidavits.

8 MR. RICHARDS: My concern, I guess, for the
9 program -- and it may be misplaced, I'm not sure -- is
10 that our task force members, the men and women get out
11 there and put their lives on the line every day to create
12 cases and we know and have known for some time that many
13 DAs across the state won't take these cases. So all the
14 good work that the task forces are doing goes kind of
15 unnoticed because we don't have that final piece. A
16 mechanism needs to be in place where we can get DAs
17 offices to report that information to put that final
18 piece, because I don't think the whole picture is
19 presented to the LBB or legislators or the Governor's
20 Office what this program means to the State of Texas, and
21 I think all the good work gets lost in the shuffle.

22 So maybe after this meeting we put our heads
23 together and see what we can do, because they do a lot of
24 work, we have a lot on our plate as well, but there's got
25 to be some way to come up with that information to present

1 a whole picture of how valuable this program is and you
2 don't get that unless you know if the DAs are filing these
3 cases.

4 MR. HANSEN: A comment for Mr. Richards on
5 that. May I comment?

6 MR. GARCIA: Yes, sir. Go ahead, Board Member
7 Hansen.

8 MR. HANSEN: What we run into a lot with those
9 type of cases, if it's the auto theft unit out there with
10 their LPR and they recognize and identify a stolen vehicle
11 and then when they stop that stolen vehicle it's got eight
12 kilos of cocaine and it's a stolen car, when it comes
13 court time they dismiss the stolen vehicle in lieu of the
14 eight kilos of cocaine. And this has been an ongoing
15 problem for us in this field. The same applies to
16 carjackings, the same applies to drive-by shootings where
17 stolen vehicles are involved, usually the stolen vehicle
18 falls to the wayside in lieu of the more violent crime or
19 the eight kilos of cocaine.

20 So I don't know if we're ever going to be able
21 to track that information. That's one of the reasons why
22 in years past we've tried to avoid prosecution answers
23 because that's over and beyond our control. We wouldn't
24 have got the eight kilos of cocaine if not for their work
25 running an LPR on 59, but that's where we lose track, and

1 I don't know that we'll ever be able to correct that but
2 we'll just have to continue to fight that fight. But that
3 is an issue there.

4 MR. RICHARDS: It's the reality.

5 MR. WILSON: Can we have the record reflect
6 that according to the LBB that's eight pounds of cocaine.

7 (General talking and laughter.)

8 MR. HANSEN: Another comment, while we're
9 talking about ports, is it possible to do something? I
10 did mention earlier about port inspections that's underway
11 with CBP, or would you like to move on?

12 MR. GARCIA: Go ahead.

13 MR. HANSEN: Since we're talking about the port
14 inspections, both land and sea port, as everyone knows
15 that's been involved in this for many years, some type of
16 regular activity with U.S. Customs and Border Protection
17 to work with the task forces nationwide -- it's not just a
18 Texas problem -- has been sporadic at very best. And
19 through the ABTPA committee with IAATI, we have been in
20 numerous committee meetings with head folks from Customs
21 and Border Protection, and I'm going to say this with
22 reservations but for the first time it seems that we are
23 traveling in a positive direction to try to get some input
24 from headquarters down in Washington to the port directors
25 to make it mandatory or encourage them to work more

1 closely with our task forces.

2 It's very frustrating, and a lot of people
3 don't understand the legality, even though those
4 containers are in your city and your county or they're
5 just sitting on a dock waiting to be put on a ship, we
6 can't look at them unless Customs gives them that
7 authority. So we've talked about cross-designation, like
8 some of the other federal agencies do for some of the task
9 forces. They're a little reluctant to that, although they
10 did it at one time, but they are very open.

11 And one of the very topics that came out with
12 reluctance to some of their people getting involved in
13 this is lack of training. They're kind of like a dog
14 chasing a car: they catch it but they don't know what to
15 do with it. So training became a hot topic. So this goes
16 back with us, not only with our ABTPA training program but
17 with NICB as well, is that we're going to start trying to
18 set up some pilot programs. Houston and Galveston may be
19 one of those, and then they're going to do one, I think,
20 in Florida and California to start them with some training
21 first for their agents so they'll feel more comfortable in
22 working with our people in the future.

23 So there's a lot going on as far as increasing
24 our port activities, both our land and sea ports, with CBP
25 in the near future, a lot of dialogue, and I think we're

1 on the right track with that.

2 Thank you, sir.

3 MR. GARCIA: Thank you.

4 So this is review and discuss, we don't require
5 any action on this. Any additional discussion by staff or
6 by Board members on agenda item 5?

7 (No response.)

8 MR. GARCIA: Okay. If there is not, we'll move
9 on to agenda item number 6, consider authorizing staff to
10 develop a plan and establish a budget to implement a Rapid
11 Response Strike force.

12 MR. WILSON: This is Bryan Wilson, for the
13 record.

14 We first discussed this Rapid Response Strike
15 force about a year ago as we were working through the
16 initiatives with Texas DMV. We proposed this idea that we
17 saw in Colorado and other places that we could allocate
18 resources to meet immediate needs of the state. We sent
19 the idea to Texas DMV within our own department as an
20 initiative on page 131 to 133, gave some examples of how
21 we would do that. Met with the commanders at TAVTI a few
22 weeks ago, and one of the things that came out of that was
23 that the complexities of creating new interlocal
24 agreements was going to be a major hurdle, that we should
25 focus on using these kind of issues on doing bridge

1 initiatives, port initiatives, reaching out to other
2 jurisdictions.

3 And so I think with the input that we've had
4 and what we've drafted so far, I think I just need the
5 Board to kind of direct staff to go ahead and come back
6 with a formal program, if you think it's a good idea to
7 expand our footprint, a good idea to take a small amount
8 of resources and be able to solve problems beyond our
9 current grantee borders. I think overall there was a
10 positive reception to the seven commanders that did come.
11 Not everybody has provided input, but if you authorize me
12 to start drafting that up and setting up an official
13 budget, then I will make sure that all the task force
14 commanders have an opportunity to review before the next
15 meeting and come back with a formal proposal.

16 MR. GARCIA: Is that it?

17 MR. WILSON: Yes, sir.

18 MR. GARCIA: An action item, motion and a
19 second to consider authorizing staff to develop a plan and
20 establish a budget to implement a Rapid Response Strike
21 force.

22 MR. HANSEN: Comment, Mr. Chair?

23 MR. GARCIA: Yes, sir, Mr. Hansen.

24 MR. HANSEN: For the purpose of the other Board
25 members, some of this kind of reflected back -- and some

1 of the task forces recall -- we used to do the Operation
2 Gate programs at one time where the task forces from
3 around the state would go to some of the borders and
4 assist with border inspections, and they were tremendous
5 training programs, as well as highly successful. I think
6 this is kind of a spinoff of this. I think it's a good
7 idea to have a plan in place for those, although it is
8 budget-driven and with our current budget, I don't know
9 how much of these we could do, but I think to have a plan
10 in place.

11 So for example, if somebody is going to do a
12 major deal and they want to put it out and somebody has
13 some resources to send down for a day or so to assist in a
14 program, this gives the authority to the task forces to
15 move forward with doing that without any repercussions.
16 So I think just having it in place for those purposes for
17 the future would be something to have, but I would like to
18 have a lot more input from the commanders, as Mr. Wilson
19 moves forward with it.

20 MR. GARCIA: Okay. Again, it's an action item,
21 need a motion and a second.

22 MR. REYNOLDS: I'll go ahead and make a motion
23 to authorize staff to develop a plan and establish a
24 budget to implement a Rapid Response Strike force.

25 MR. ROSS: Second.

1 MR. GARCIA: Motion on the floor by Board
2 Member Reynolds and a second by Board Member Ross. Any
3 additional discussion by the Board members?

4 (No response.)

5 MR. GARCIA: If there is none, all those in
6 favor say aye.

7 (A chorus of ayes.)

8 MR. GARCIA: All opposed?

9 (No response.)

10 MR. GARCIA: Motion carries.

11 Agenda item 7, review motor vehicle burglary
12 and theft investigator training and consider providing a
13 budget for training events.

14 We do have Bryan Sudan from the Tarrant
15 Regional Auto Crimes Task Force signed up for comment.
16 Brian.

17 MR. SUDAN: Good morning, Board.

18 MR. GARCIA: Good morning, sir.

19 MR. SUDAN: Bryan Sudan with Tarrant Regional
20 Auto Crimes Task Force.

21 I just wanted to give you a quick update on
22 where we are and what our plans are coming up in the
23 future with the training program for the intermediate and
24 advanced auto theft classes. Again, we met following the
25 rapid response meeting at TAVTI and went over the training

1 that we had done over the previous year, made
2 improvements. The key goal that we're looking for right
3 now is consistency with the training as we go forward into
4 this year and providing the training.

5 As you know, DMV has passed a motion that this
6 training is the requirement to do 68As and vehicle
7 inspections, so therefore, it's imperative that the
8 training be consistent every time it's given. So we're
9 looking at the lesson plan, standardizing what we have and
10 move forward and planning to do three intermediate auto
11 theft classes next year. And then the second part of this
12 is we are taking the auto theft II class that DPS provided
13 and tweaking that for the upcoming year and we plan to
14 host one advanced auto theft class in the coming year.

15 So with that, I'll close with any questions.
16 Thank you.

17 MR. GARCIA: Thank you, sir.

18 MR. WILSON: Mary Beth will do a brief
19 presentation on page 135.

20 MR. GARCIA: Mary Beth.

21 MS. MENOSKEY: This is Mary Beth Menoskey.

22 Commander Sudan covered most of it, but we just
23 wanted to cover a little bit of what we did last year. We
24 had three course for fiscal year '17, and you had
25 authorized us to spend up to \$20,000 for the training in

1 travel and supplies. For those three courses we only
2 spent up to about \$3,300. So of course, this year we're
3 going to have, as Commander Sudan said, three intermediate
4 classes and hopefully one advanced course, and we are
5 asking for the Board to authorize to use up to \$15,000
6 this year to support the training for travel and supplies.

7 MR. GARCIA: Okay. So it requires some action
8 from the Board to authorize staff to spend up to \$15,000
9 for the motor vehicle burglary and theft investigator
10 training.

11 MR. HANSEN: Question.

12 MR. GARCIA: Yes, sir.

13 MR. HANSEN: Do we feel that is a sufficient
14 amount of money, Bryan?

15 MR. WILSON: Yes. I mean, last year you did
16 \$20,000, we spent, \$3,200. We think that with what Mr.
17 Sudan just presented, we're going to do a little bit more
18 travel this year, because again, one of the things he was
19 talking about is consistency. Last time each jurisdiction
20 provided most of their own people to conduct the training
21 in San Antonio, Houston and Austin. So this time we're
22 going to do a little bit more to try to build that
23 consistency. One of those tactics that we were talking
24 about is probably having fewer instructors for this next
25 year. That will raise the travel a little bit, but I

1 think we're still well within our means and buying the
2 supplies that we need for copying and things like that.

3 MR. HANSEN: Thank you.

4 MR. GARCIA: Okay. We need a motion and a
5 second.

6 MR. HANSEN: I make a motion that we approve
7 the \$15,000 allocated for the training program for both
8 classes for the upcoming year.

9 MR. MIZANI: Second.

10 MR. GARCIA: Motion on the floor by Board
11 Member Hansen and second by Board Member Mizani. Any
12 further discussion from the Board members?

13 (No response.)

14 MR. GARCIA: If there is none, all those in
15 favor say aye.

16 (A chorus of ayes.)

17 MR. GARCIA: All opposed?

18 (No response.)

19 MR. GARCIA: Motion carries.

20 Agenda item number 8 under rule proposals,
21 Title 43, Texas Administrative Code, Mr. David Richards.
22 Agenda item number 8, Chapter 57, Automobile Burglary and
23 Theft Prevention Authority, amendments to 57.18, plan
24 adjustments.

25 MR. RICHARDS: For the record, David Richards,

1 general counsel.

2 Members, we're bringing before you this morning
3 several proposals for amendments to rules that will help
4 streamline our processes and clarify and simplify what we
5 do as a program. The first one we're asking for is your
6 approval, through a motion and a second, to amendments to
7 Section 57.18 grant adjustments. Your vote and approval
8 of this is to publish in the *Texas Register* for a 30-day
9 comment period, we'll receive comments from all
10 stakeholders, bring those back and address those before
11 the Board and final adoption at your next meeting.

12 On page 137 you see at the bottom of the page
13 the proposed amendment to that particular section on grant
14 adjustments, and I would ask for a motion and a second to
15 approve them for publication in the *Texas Register*.

16 MR. GARCIA: We do have a request from Mr.
17 David Richards for Rule 57.18 on grant adjustments to be
18 published in the *Texas Register* for a 30-day period for
19 public comment. We need a motion and second on that.

20 MS. KINNEY: I'll make a motion go forward with
21 publishing the existing modifications in the *Texas*
22 *Register* for public comment.

23 MR. GARCIA: WE have a motion on the floor by
24 Board Member Kinney. Need a second.

25 MR. REYNOLDS: I'll second.

1 MR. GARCIA: Second by Board Member Reynolds.

2 Any further discussion from the Board?

3 (No response.)

4 MR. GARCIA: If there is none, all in favor say
5 aye.

6 (A chorus of ayes.)

7 MR. GARCIA: All opposed?

8 (No response.)

9 MR. GARCIA: Motion passes.

10 MR. RICHARDS: Members, I call your attention
11 to page 139 in your board books. The second proposal that
12 we're bringing to you for your consideration for
13 publication as a proposed rule in the *Texas Register* is
14 Section 57.48, motor vehicle years of insurance
15 calculations. These particular amendments are a result of
16 significant collaboration with the Comptroller of Public
17 Accounts. Mr. Wilson and I -- Mr. Wilson more than I --
18 have met or corresponded, spoken with various individuals
19 and the Comptroller's Office, and we have come to
20 agreement on these particular amendments, again, to
21 streamline, clarify this particular rule to simplify it,
22 and I would ask for a motion, second and a vote to approve
23 this for publication in the *Texas Register* for a 30-day
24 public comment period.

25 MR. GARCIA: Is that just for one particular

1 amendment, that one rule right now, 57.48?

2 MR. RICHARDS: Is it redlined in your books?

3 It would be all of those sections in 57.48.

4 MR. WILSON: There's also .49 and .50 and .51.

5 MR. RICHARDS: I was going to do them

6 individually.

7 MR. GARCIA: Individually.

8 MR. WILSON: That's fine.

9 MR. RICHARDS: Or if you want to do a
10 collective vote, I can do that. Do you want to do just
11 one vote?

12 MR. GARCIA: Yes, sir.

13 MR. RICHARDS: Okay. Let me go on.

14 The next section in the rules, members, 57.49
15 dealing with audits, down on page 140 of your book, and
16 you'll see in the red highlighting the changes that we
17 propose for that one. Again, that was also with
18 consultation with the Comptroller's Office.

19 The next section that we propose for amendment
20 is Section 57.50, report to the Department of Insurance,
21 and again, in red you can see the changes we've made,
22 mostly cosmetic. We removed any mens rea requirement that
23 they intentionally underpaid because that would be
24 extremely difficult to prove, nor would we want to spend
25 the time and effort to prove intent: if they didn't pay it

1 then they didn't pay it. It's kind of like a strict
2 liability tort.

3 Section 57.51, refund determinations, again,
4 that's through collaboration with the Comptroller's
5 Office. The changes that we propose for putting out as a
6 proposed amendment are also found in red.

7 And with that, is .52 on that one as well?

8 MR. WILSON: .52 is separate as a new rule.

9 MR. RICHARDS: So let me ask for a motion and
10 second on those amendments that I just proposed to you.

11 MS. HUNTER: David, we do understand that these
12 are just cosmetic. Right? The Insurance Code still
13 reads.

14 MR. RICHARDS: Exactly. Sure.

15 MR. GARCIA: Mr. David Richards, our counsel,
16 has requested a motion to make amendments to Chapter 57 of
17 the Automobile Burglary and Theft Prevention Authority,
18 amendments to 57.48, 57.49, 57.50 and 57.51. So we need a
19 motion and a second.

20 MS. HUNTER: I make a motion that we approve
21 the changes.

22 MR. GARCIA: We have a motion on the floor by
23 Board Member Hunter.

24 MR. REYNOLDS: Second.

25 MR. MIZANI: Second.

1 MR. GARCIA: And we have a second by Board
2 Member Reynolds and Board Member Mizani. Any further
3 discussion?

4 (No response.)

5 MR. GARCIA: If there is none, all those in
6 favor say aye.

7 (A chorus of ayes.)

8 MR. GARCIA: All opposed?

9 (No response.)

10 MR. GARCIA: Motion carries or passes.

11 MR. RICHARDS: Thank you, members.

12 The next rule that we have in your book is on
13 page 142, Section 57.52. This is designed to improve
14 administrative efficiencies dealing with the refunds or
15 the posting of the fees. Without this rule, any sort of
16 refund or change would have to come back before the Board,
17 and we think that's not the responsible way that
18 government should handle it, and to that end, if the
19 comptroller detects or becomes aware or notified of an
20 error in the filing, they themselves can make that change
21 and the ABTPA will be notified of the correction or
22 changes in the reports that the Comptroller's Office
23 provides to us every year.

24 I would ask for a motion, second and a vote to
25 approve this proposed rule for publication in the *Texas*

1 *Register* for a 30-day comment period.

2 MS. HUNTER: I make a motion that we approve
3 the changes.

4 MR. GARCIA: We have a motion on the floor by
5 Board Member Hunter to approve the changes to Chapter
6 57.52, the correction of administrative posting or data
7 entry errors.

8 MR. HANSEN: I'll second.

9 MR. GARCIA: Second by Board Member Hansen.
10 Any further discussion by the Board members?

11 (No response.)

12 MR. GARCIA: If there is none, all those in
13 favor say aye.

14 (A chorus of ayes.)

15 MR. GARCIA: All opposed?

16 (No response.)

17 MR. GARCIA: Motion passes.

18 MR. RICHARDS: Thank you, members.

19 MR. GARCIA: Moving on to agenda item 11, the
20 ABTPA director's report. Mr. Bryan Wilson, to report on
21 ABTPA related activities identified by the director as
22 noteworthy which may include reports on budget, grant
23 activities and analysis, grant adjustments, education
24 programs and marketing, agency operations, personnel
25 updates, and monitoring. Mr. Wilson.

1 MR. WILSON: Thank you, Chief.

2 I'm going to turn this over to Dan Price for
3 the budget.

4 MR. PRICE: Presented on page 144 are the
5 current budget status as of the end of October -- actually
6 November 3 for 2017 and 2018 for the ABTPA. If you'll
7 note, under 2017 just that the remaining amount of
8 encumbrance for the grants for 2017 is \$5,412,358. Of
9 that, the Board authorized the issuance of additional
10 funding in the amount of \$1,766,500 at the last meeting,
11 so that money has not yet been expended. Further, you
12 authorized a 90-day extension of the grant year so that
13 folks could adequately and appropriately expend the
14 remaining funds that they had for '17, so that period
15 doesn't end until the end of November, so the vast
16 majority of the grantees have not yet filed their final
17 expenditure reports for FY17, and that would have been in
18 the amount of \$3,645,858 that remains on the budget for
19 that.

20 Any questions?

21 MR. GARCIA: Any questions from the Board for
22 Mr. Price?

23 (No response.)

24 MR. GARCIA: All right, sir. Grant activities
25 and analysis.

1 MR. WILSON: Why don't we go to 146. I guess
2 kind of shoehorned that in. Sorry Board members.

3 Earlier this year you took a vote to request
4 from the legislature the unexpended balance authority
5 between the biennial years coming up between '18 and '19.

6 We have drafted a letter. We take your comment before we
7 get ready to send this letter. There's no need for a vote
8 because you've already taken a vote back on July 7, but we
9 wanted to give you an opportunity to review the letter, to
10 provide any additional input. We've worked with
11 governmental relations and we'll be submitting this to the
12 Board -- David, is it their January or February meeting
13 that we'll have this ready to go?

14 MR. RICHARDS: February.

15 MR. WILSON: February. So it will be submitted
16 in February so that the DMV Board can then take action and
17 make a request -- or decide whether they will make a
18 request on our behalf.

19 And the reason we're doing this, just to remind
20 you from the July meeting, is ABTPA is administratively
21 attached to the Texas Department of Motor Vehicles, which
22 is assigned agency number 608, and has a standing in the
23 budget process, and so we submit things to them and then
24 they forward it on to the legislature. It's the
25 administrative attachment in our statute that has us doing

1 it this way, as opposed to going straight to the
2 legislature. We don't technically have an appropriation;
3 the appropriation is made on our behalf to the Texas
4 Department of Motor Vehicles.

5 So we'll be sending this letter before their
6 next board meeting and have a response to you hopefully at
7 our next board meeting.

8 Now the update on grant issues, Mary Dominguez,
9 page 148.

10 MS. DOMINGUEZ: On page 148 is a high level
11 view of the statutory requirements reported by the grant
12 recipients. You'll see FY 2015, 2016 and FY 2017. The
13 grant recipients are required to track and report how many
14 vehicles they have recovered and how many arrests and how
15 many cases have been cleared. As you can see, there has
16 been a continued trend upwards on stolen vehicles
17 recovered. The task force members have dedicated in
18 reducing the incidence of motor vehicle theft, even with
19 the setbacks such as loss of personnel and stagnated
20 funding.

21 The statutory report will be included in the
22 annual report to the legislature that is due on April 1.

23 Turning to page 150, we have the grant
24 adjustments summary for FY 2017. The grant adjustment is
25 used to request modification of the approved budget in

1 order to reallocate dollar amounts among budget categories
2 within the existing award amount, such as changes in scope
3 and budget revisions. The grant adjustment is a way for
4 ABTPA to effectively manage the contract between the grant
5 recipients and ABTPA.

6 There was a total of 21 grant adjustments, 15
7 budget, five program, and one program/budget, for a total
8 of \$262,788.17.

9 Does anyone have any questions?

10 (No response.)

11 MS. DOMINGUEZ: Moving on to page 151, on July
12 7 the Board took action to extend the FY 2017 grants by 90
13 days. ABTPA issued an extension addendum to grant
14 authorized officials for all jurisdictions. The table
15 summary is a snapshot of the extended FY 2017 grant
16 adjustments. There were a total of eleven grant
17 adjustments, nine of those were budget, one
18 budget/program, and one program, for a total of
19 \$361,918.67.

20 Does anyone have any questions?

21 MR. GARCIA: Any questions?

22 (No response.)

23 MR. GARCIA: All right. Moving on. Thank you.
24 Educational programs and marketing.

25 MR. GONZALES: Good morning. My name is

1 Dominic Gonzales, I'm ABTPA staff.

2 During the last grant year, the ladies and
3 gentlemen of this Board authorized ABTPA staff to set
4 aside \$5,000 to conduct a strategic communications
5 workshop with the grant recipients and other stakeholders.

6 On August 15, 2017, the ABTPA staff conducted this
7 workshop. We asked task force commanders to nominate
8 participants and we invited other stakeholders. We got 29
9 registrants from the grant programs that are listed here.

10 There were a few of the grant programs that were not able
11 to participate, but we did receive 29 registrants.

12 ABTPA consulted with marketing professionals
13 from Steel Branding. This is a group of professionals
14 that DMV has used before and we went through the DMV
15 procurement in order to get that contract. They put
16 together the workshop, they put together the training
17 modules, and they were the main presenters for the
18 workshop.

19 We also conducted an evaluation and collected
20 29 evaluation forms and have used those to determine what
21 are our next steps in overhauling the ABTPA educational
22 program. We are working on a strategic communications
23 plan that models with Texas DMV uses, and we'll present to
24 the Board in future meetings.

25 Thank you.

1 MR. GARCIA: All right. Thank you.

2 Agenda item 11.5, agency operations.

3 MR. WILSON: Thank you, Chief Garcia.

4 This is just kind of a recap on page 155 of
5 what all we accomplished this last year. We've done
6 presentations at TAVTI, we've worked with NICB training
7 courses. I went to the National Insurance Crime Bureau
8 and Allied Vehicle Finance Fraud Conference. One of the
9 things that is really important to remember, when we look
10 at the 68,000 vehicles that were stolen last year, what's
11 not on there are the ones where they were stolen using
12 identity theft or some fraudulent means. And so there's
13 actually tens of thousands of vehicles, as I presented on
14 a panel there, tens of thousands of vehicles that are
15 stolen every year through fraudulent means, identity theft
16 and other ways that never get reported on our stolen
17 vehiclereport. And we're working with NICB and other
18 stakeholders to really expand our role in participating
19 and preventing those auto thefts, as well as other areas.

20 So we went to the Crime Prevention Association,
21 Dominic did a presentation there. Mary Beth has attended
22 the Open Government Conference, we has staff at the
23 Purchasing 101 that's presented, and we really work hard
24 to make sure we're up to date. We've had staff that
25 attended State Auditor's trainings as well. Of course,

1 we've conducted, as Mary Beth said earlier -- the task
2 forces conducted but we take credit for it since they did
3 all the work, as is appropriate for state government, but
4 they pulled of 97 people trained in our conferences. And
5 then we've conducted site visits and monitoring visits in
6 Burnet, Dallas, El Paso, Brownsville, Smith and Victoria
7 for 2017.

8 The last thing on that agency operations issue
9 is DMV is currently under Sunset review. It is an
10 opportunity for the Sunset Advisory Commission, many of
11 you have received some sort of communication or
12 information about that through updates or information.
13 Just as a reminder, you can go to the Sunset Advisory
14 Commission website if you want to participate, but in many
15 cases they'll probably be reaching out to you directly,
16 and then other stakeholders. So as a part of DMV going
17 through that, ABTPA is also going through that same Sunset
18 review. So I just wanted to let you know that that is
19 also going on and we've presented information and had
20 meetings with them at various times.

21 And that concludes all of our information.

22 MR. GARCIA: Okay. Thank you, Mr. Wilson.

23 Moving on to agenda item 12, we don't have any
24 items?

25 MR. RICHARDS: No, sir.

1 MR. GARCIA: So we'll move on. There is no
2 action on item 13.

3 Item 14, public comment. I do have a comment I
4 want to make today. I have been advised by a good source
5 of mine that I think this is my last meeting. I have been
6 advised by the source that the Governor's Office is not
7 going to reappoint me to this Board, I've been here too
8 long, 14 years, I think, give or take. 2003, I think, the
9 initial appointment, somewhere around there.

10 But for all of you, thank you for all the hard
11 work. To all the past and present grantees, I appreciate
12 all the hard work that you have done for this program, not
13 for me, not for the Board, but for the program, and the
14 outstanding job that you have done to ensure that ABTPA
15 has had successes throughout these years. And considering
16 that every legislative session we have to look at how much
17 money we were going to get, at one point we were down to
18 zero dollars, you circled the wagons and were able to make
19 sure that we continued to get our funding, in some cases
20 less than the previous sessions. But irregardless of all
21 that, we stood together, we moved forward, and appreciate
22 all the hard work that all of you have done.

23 To staff, to Mr. Wilson and his staff, thank
24 you all for providing all this information to us, making
25 these meetings very informative, but most of all very

1 productive for the grantees.

2 So best wishes to all of you, and if I don't
3 see you again, it's not because I don't want to, it's just
4 because I'm not needed anymore. So thank you all and I
5 wish you the best, and I wish many, many, many more years
6 of success for ABTPA, and from wherever I'm at, I'll make
7 sure that I keep watching to see what you guys are doing.

8 So thank you all.

9 (Applause.)

10 MR. GARCIA: And agenda item 15, adjournment, a
11 motion and second.

12 MS. HUNTER: I make a motion that we adjourn.

13 MR. GARCIA: Motion by Board Member Hunter to
14 adjourn.

15 MR. REYNOLDS: I'll second.

16 MR. GARCIA: Second by Board Member Reynolds.

17 All those in favor say aye.

18 (A chorus of ayes.)

19 MR. GARCIA: All those opposed can stay. Thank
20 you all. Have a safe trip.

21 (Whereupon, at 10:32 a.m., the meeting was
22 adjourned.)

