



## **Latest Figures Released...The Current Confirmed Catalytic Converter Theft Rate Continues to Explode. In the Last 6 Months it has Jumped Another 33% and the Overall Theft Rate is Now Trending to Break 600K Units for the Year**

There is a general awareness that the scope of the catalytic converter theft problem is great, but hard numbers are not readily available. One reason for the lack of hard numbers is that theft statistics are very limited, and police theft reports are rarely taken because once the crime has been committed, there is rarely any evidence, and the catalytic converters are normally not marked and cannot be traced back to a donor vehicle. Also, unlike vehicle theft reports, there is not a dedicated centralized database to codify and record the thefts.

The theft of catalytic converters has also not been well documented by most insurance companies so the general availability of statistics has not been well recorded. Some insurers have started to improve their recording of the thefts, so claims made under comprehensive insurance coverage are now starting to be generated by some insurers.

Additionally, with the older vehicle population, most older vehicles do not have comprehensive claims coverage, and as a result, few of the thefts off of this segment of the vehicle population will be reported. Roughly 50% of the total registered vehicle population operate with just liability insurance coverage due to the age of the vehicle. There is also another smaller percentage of vehicles on the road that operate under expired registration or no registration and also lack any insurance coverage. In addition, vehicles in new and used car dealer sales inventory, rental car fleets and other commercial fleets are not typically insured by the property/casualty insurance market.

In spite of these challenges to estimating the scope of the catalytic converter theft problem it is possible to estimate the size of the problem by understanding the processes involved. There are some hard sources of information that do allow for a good estimation of the scope of the problem.

One insurer, State Farm Insurance has started keeping good statistics on comprehensive insurance claims for stolen catalytic converters. State Farm Insurance presently holds 15.98 percent of the automobile insurance marketplace. According to State Farm, in the prior recorded 12-month period of July 1, 2020 – June 30, 2021 State farm paid out 18,000 claims for catalytic converter theft<sup>1</sup>. Since State Farm holds roughly 16% of the auto insurance market place, that extrapolates over the total insurance claims marketplace to roughly 112,500 paid out claims cross the industry.

***According to State Farm's newly released figures for the first half of 2022, catalytic converter theft rates for State Farm have jumped an additional 33% as compared to their prior 6-month period. During the most recent 6-month period State Farm has paid out \$50 million dollars on 23,570 catalytic converter thefts claims filed by their own customers<sup>2</sup>. If you factor an average \$500 customer paid deductible cost on top of the \$50-Million dollars paid out on the 23,570 claims by State Farm in repairs, the average repair cost for these claims works out to \$2,621 per theft. Furthermore, that \$50 million-dollar figure does not include any customer***

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<sup>1</sup> <https://newsroom.statefarm.com/auto-claims-analysis-reveals-explosion-in-catalytic-converter-theft/>

<sup>2</sup> <https://www.foxbusiness.com/markets/state-farm-slammed-rising-theft-catalytic-converters>

The National Salvage Vehicle Reporting Program (NSVRP) is a not-for-profit 501 (C) (3). The organization was founded to support law enforcement and to promote and support efforts to advance the National Motor Vehicle Title Information System (NMVTIS). NSVRP's mission is to support initiatives to control auto-theft and title abuse. NSVRP's Board of Directors consists of representatives of major law enforcement groups. The US Department of Justice has applauded NSVRP for developing reporting standards for NMVTIS reporting and has strongly encouraged the operator to adopt these standards as suggested voluntary compliance standards. NSVRP has been recognized both by the Department of Justice and the FBI for 'Exceptional Service in the Public Interest' for its public policy efforts.



***deductible charges, nor does it cover any ancillary expenses beyond the repair costs. On an annualized basis, the current projected year-end catalytic converter theft rate for State Farm customers is now tracking towards 47,140 thefts. Since State Farm only represents 16% of the private automotive property casualty market place, these State Farm figures reliably indicate a current annualized property/casualty rate of 294,625 insured vehicle catalytic converter thefts***

It is important to note that many vehicles are not included in these property/casualty figures. The average age of a vehicle on the road is now more than 11 years old, and a majority of vehicles only carry liability coverage and are not included in these insurance covered theft statistics. Additionally, vehicles that are in new cars dealer and used car dealer sales inventory are also not covered by this type of insurance, nor are most car rental fleets, private fleets or end-of life vehicles. All of these vehicles are catalytic converter theft targets. Recognizing that less than 45% of the potential theft target vehicles are covered by the property casualty insurance market figures, the total estimated number of insurance market-paid catalytic converter thefts consistent with the State Farm reported numbers would be roughly insurance industry paid 295,000 catalytic converter thefts for the current year 2022, with an overall annualized theft rate estimated to be between 600k – 700k total catalytic converter thefts. **At an average repair cost of \$2,621 a repair, 600k theft losses would have a total estimated repair cost to the public of more than \$1.5 Billion Dollars.**

Given that the total operating vehicle population in the United States is now roughly 250-280 million vehicles, that theft rate represents roughly 2% - 2.5% of the active vehicle population.

#### **Law Enforcement Anti-Theft Operations Also Support These Higher Estimates**

There are other ways to estimate the volume of catalytic converter theft rates based upon recent police actions that are also consistent with these numbers. In a recent indictment by the US Attorney's Office in the Western District of Missouri<sup>3</sup>, an individual over a four-year period has been accused of receiving over \$11 million dollars from the sale of stolen catalytic converters. Based upon a survey of the average going rate for the purchase of detached converters, the average purchase price is roughly \$300 per converter – depending upon the time period in question and the specific converters. Using that \$300 per converter estimate, the \$11 million dollars reportedly paid out for the detached converters represents roughly 36,000 detached converters for just this one criminal enterprise. According to the indictment, the vast bulk of these converters were acquired from a single region of Missouri and would represent roughly 10,000 converters a year from that one region.

A second very recent investigation in Houston Texas<sup>4</sup> investigators recovered \$1 million dollars of stolen converters in a collection operation. Using that same \$300 estimate for the scrap value on the scrap converter market, that represents roughly 3300 converters seized. The report identified from just one location alone 477 converters and 2800 oxygen sensors recovered, and a total 7 locations raided with material found at multiple locations. It should be noted, that the theft problem in Houston has been especially great, and this recovery only identifies the converters on hand at the time of the enforcement operation. Once stolen, the converters

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<sup>3</sup> <https://www.justice.gov/usao-wdmo/pr/independence-man-indicted-multi-million-dollar-conspiracy-sell-stolen-catalytic-0>

<sup>4</sup> <https://autos.yahoo.com/thieves-caught-hoarding-12-million-145600353.html>

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would be resold regularly and converted into cash so this would only represent a very small portion of the annual activity of any criminal enterprise.

A major organized crime action was reported to have been taken down on July 29, 2022 in Beaverton, Oregon<sup>5</sup>. According to the complaint, it is estimated that the participants handled more than 44,000 stolen detached catalytic converters just in a period starting from January 1, 2022 through July 29, 2022. On an annualized basis that would represent more than 85,000 stolen converters from just this one operation.

Most recently the US Department of Justice unsealed a takedown of the largest nationwide criminal enterprise to date. The indictments were filed in Oklahoma and California and 21 individuals in five states have been arrested and/or charged for their roles in this conspiracy. In total, USDOJ is seeking forfeiture of more than \$545 million dollars in connection with this case<sup>6</sup>. This case highlights scope of the problem, how it involves multi-state criminal organizations, and illustrates how the problem extends to multiple tiers in the catalytic converter processing and recovery supply chain.

Based on the State Farm claims information, and the supporting theft information from these three indictments covering different parts of the country, all the information points consistently to a current estimated overall theft rate of roughly 600,000 stolen detached converters for the current year.

NSVRP is a national law enforcement support organization established at the request of the US Department of Justice to support the National Motor Vehicle Title Information System. NSVRP works with many agencies and has developed best practice standards that are widely used in reporting with multiple agencies. Please look at our website NSVRP.org and in particular our special webpage on catalytic converter theft.

<https://www.fremontpolice.gov/Home/Components/News/News/1302/312>

<https://fox17.com/news/local/case-highlights-multi-million-catalytic-converter-theft-scheme-these-are-cars-targeted-usa-news-crime-alertnest>

<https://www.nbcnews.com/news/crime-courts/nationwide-catalytic-converter-theft-ring-made-hundreds-millions-dolla-rcna55320>

For more information please refer to the NSVRP website NSVRP.org

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<sup>5</sup> <https://www.oregonlive.com/crime/2022/08/catalytic-converter-crime-ring-indicted-in-washington-county-connected-to-thousands-of-west-coast-thefts.html>

<sup>6</sup> <https://www.justice.gov/opa/pr/justice-department-announces-takedown-nationwide-catalytic-converter-theft-ring>